

Markets move higher, as positive jobs report shifts rate expectations

Snapshot



World Equities
Sovereign Bonds
Corporate Bonds



Copper
Gold
Oil

Week Ahead

10
July

The latest FOMC meeting minutes are released, and Chinese inflation data also goes to market.

11
July

US inflation data is released, with prices expected to rise 1.7% (YoY).

12
July

The Chinese trade balance along with US purchasing price data goes to print.

Markets began the week strongly, as US markets hit a record high on the back of optimism regarding the US & China trade deal. However, a better than expected jobs report hit hopes of a rate cut in the US, which subsequently pared gains for equity markets for the week. 224,000 jobs were created in the US during June, with the unemployment rate rising slightly to a still low 3.7%. The outlook for the Federal Reserve still remains 'dovish' but the employment numbers have added some ambiguity to the amount of rate cuts we might see stateside throughout 2019. Other economic data was mixed around the globe with factory orders in Germany coming in below expectations, whilst manufacturing data in the US held up better than forecast. Finally, last Monday the current US economic expansion entered its 121st month, marking the longest (although not the strongest) expansion in modern American history.

	1 Week Return 28.06.19 to 05.07.19		Year to Date Return 31.12.18 to 05.07.19	
	Local Currency	Euro	Local Currency	Euro
World	0.6%	1.5%	17.1%	19.3%
U.S.	0.9%	1.4%	19.6%	22.1%
Europe	0.6%	0.6%	16.4%	16.4%
Ireland	1.3%	1.3%	18.9%	18.9%
U.K.	0.7%	0.4%	11.7%	12.1%
Japan	0.3%	0.8%	7.1%	10.8%
Hong Kong	2.2%	2.9%	17.0%	20.0%
Corporate Bonds	0.2%	0.2%	6.0%	6.0%
Sovereign Bonds	1.2%	1.2%	10.4%	10.4%

Equities

- Another positive week for equities, which were helped by a weakening euro currency which saw global markets in euro terms up 1.5%.
- Hong Kong led markets higher, up 2.9% for the week in euro terms.

Fixed Income & FX

- The U.S. 10-year yield was up slightly over the week, closing at 2.03% from 2.01%, as the positive jobs report sent yields slightly higher. The German equivalent was down once again at -0.37.
- The Euro/US Dollar exchange rate finished at 1.123, whilst Euro/GBP remained at 0.896.

Commodities

- Oil slipped last week, and finished the week at \$57.5 per barrel.
- Gold also finished the week slightly down at \$1,405 per troy ounce. Copper finished the week up at \$5,890 per tonne.

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Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.
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GR: 3399 Print Ref: ZL ISA 3399 1218

