

Equities fall, as market focuses on trade woes

Snapshot



Gold
Corporate Bonds
Copper



World Equities
Sovereign Bonds
Oil

Week Ahead

13 Aug

U.S. CPI figures for July go to print, with a small increase from last month expected.

14 Aug

Eurozone GDP for Quarter 2 goes to market, and is expected to be 0.2% (QoQ).

15 Aug

U.K. & U.S. Retail Sales figures for July are both released.

There was not much economic news last week, which left markets time to fixate on the escalating trade tensions between the U.S. and China. Equity markets were sharply lower, following a fall of more than 3% on Monday. Treasury yields also fell, with the US 10 year yield hitting its lowest level for three years, as China allowed its currency to move to its weakest level since 2008, with the U.S. branding it a 'currency manipulator'. A number of smaller economies also made interest rate moves last week, with the likes of New Zealand and India moving rates lower. Data out of the U.K. disappointed with the economy unexpectedly shrinking in Quarter 2, with a notable decline in exports. Political tensions in Italy also rose as fresh elections are back on the table after disagreements between the two coalition partners came to the fore.

	1 Week Return 02.08.19 to 09.08.19		Year to Date Return 31.12.18 to 09.08.19	
	Local Currency	Euro	Local Currency	Euro
World	-0.7%	-1.6%	13.3%	15.7%
U.S.	-0.4%	-1.3%	16.8%	19.5%
Europe	-1.2%	-1.2%	11.8%	11.8%
Ireland	-1.3%	-1.3%	12.1%	12.1%
U.K.	-2.2%	-4.0%	7.0%	3.3%
Japan	-2.0%	-2.0%	1.6%	8.0%
Hong Kong	-3.9%	-4.9%	3.3%	5.6%
Corporate Bonds	0.4%	0.4%	6.7%	6.7%
Sovereign Bonds	0%	0%	12.4%	12.4%

Equities

- Equities fell last week, as Monday saw the worst day for markets this year.
- The influential U.S. market did recover later on in the week, but still finished -1.3% for the week in euro terms.

Fixed Income & FX

- The U.S. 10-year yield moved lower last week, breaking below the 2% mark to finish at 1.74%, having started the year at 2.68%. The German equivalent moved lower once again, and is now at -0.58%, as Italian political worries weighed on sentiment.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP was at 0.93.

Commodities

- Oil finished the week lower at \$55 per barrel.
- Gold finished the week at \$1,492 per troy ounce.
- Copper was lower at \$5,732 per tonne.

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GR: 3399 Print Ref: ZL ISA 3399 1218

