

# Trade tensions remain elevated, as G7 meets in Biarritz

## Snapshot



Sovereign Bonds  
Gold



World Equities  
Corporate Bonds  
Oil  
Copper

## Week Ahead

26 Aug

US Durable Goods data goes to print, where the consensus expects an increase of 1% from the last reading.

27 Aug

The final German GDP figure for Q2 is released and is expected to confirm growth at -0.1% for the quarter.

30 Aug

Eurozone inflation and unemployment data will be closely watched as it goes to market.

Geopolitical and trade tariff concerns remained to the fore as the leaders' of the world's biggest democracies met in Biarritz over the weekend, at the G7 summit. Progress on Brexit continues to be painstakingly slow, as Prime Minister Johnson canvassed European leaders. Chinese and US tensions ratcheted up further as China announced the imposition of \$75 billion of tariffs on US goods, with oil, autos and agricultural imports the main focus areas. Fed Chair Powell attempted to ease market concerns last week, emphasising that the Federal Reserve would 'act as appropriate' in the face of the escalating trade tensions and slowing economic growth. On the economic data front, eurozone PMIs improved slightly for July, but markets still expect to see some policy action from the ECB at their September meeting. Finally, manufacturing and services data in Japan saw good numbers last week, signalling the continued improvement in the economy.

	1 Week Return 16.08.19 to 23.08.19		Year to Date Return 31.12.18 to 23.08.19	
	Local Currency	Euro	Local Currency	Euro
World	-1.7%	-1.9%	11.2%	14.4%
U.S.	-2.6%	-3.0%	13.9%	17.3%
Europe	-0.8%	-0.8%	11.6%	11.6%
Ireland	0.1%	0.1%	12.5%	12.5%
U.K.	-1.3%	-0.6%	4.7%	3.8%
Japan	0.5%	0.9%	1.5%	8.5%
Hong Kong	-1.7%	-2.1%	4.0%	6.9%
Corporate Bonds	-0.1%	-0.1%	7.4%	7.4%

### Equities

- Equities fell last week, falling -1.9% in euro terms, and -1.7% in local terms.
- Hong Kong was down -2.1% on the back of continued political protests, whilst the US fell 3% as China announced another round of trade tariffs.

### Fixed Income & FX

- The U.S. 10-year yield moved lower last week to finish at 1.45%, having started August at 2.01% The German equivalent also moved lower once again, and is now at -0.67%. The Irish 10 year bond yield is at -0.04%.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP was at 0.91.

### Commodities

- Oil finished the week lower at \$54 per barrel.
- Gold finished the week at \$1,532 per troy ounce.
- Copper was lower at \$5,613 per tonne.

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