

Equities rebound strongly as trade tariff tensions take a midweek break

Snapshot



World Equities
Oil
Copper



Sovereign Bonds
Corporate Bonds
Gold

Week Ahead

4
Sept

U.K. Services PMI goes to print

5
Sept

U.S. ISM Manufacturing data for August is published

6
Sept

U.S. Nonfarm payrolls and the unemployment rate for August are released

Markets endured a tough start to the week following the escalation of the trade tariff dispute between U.S. and China, but softer tones emanated from both sides by mid-week. Optimism rebounded as the week progressed and stocks had enjoyed their best week in nearly three months by the close on Friday evening. Trading volumes are also expected to pick up with the closing out of the summer holidays. Eurozone data was mixed, with German data disappointing as inflation data hovered stubbornly around 1% - well below the 2% target. Finally, the Brexit saga continues to rumble on as Prime Minister Johnson 'prorogued' parliament; ending the current session. In practical terms, it means parliament won't meet until the middle of October, with opponents claiming the move is an attempt to stifle the Brexit debate in parliament. Westminster is likely to see some further developments this week, but global markets have so far been largely unaffected.

| | 1 Week Return 26.08.19 to 02.09.19 | | Year to Date Return 01.01.19 to 02.09.19 | |
|-----------------|---------------------------------------|-------|---|-------|
| | Local Currency | Euro | Local Currency | Euro |
| World | 1.6% | 2.5% | 13.5% | 17.8% |
| U.S. | 1.6% | 2.7% | 17.0% | 22.1% |
| Europe | 2.3% | 2.3% | 14.3% | 14.3% |
| Ireland | 2.4% | 2.4% | 15.0% | 15.0% |
| U.K. | 1.6% | 2.0% | 6.3% | 5.7% |
| Japan | 2.2% | 3.2% | 2.1% | 10.2% |
| Hong Kong | -0.3% | 0.8% | 1.3% | 5.6% |
| Corporate Bonds | -0.1% | -0.1% | 7.5% | 7.5% |
| Sovereign Bonds | 1.2% | 1.2% | 15.7% | 15.7% |

Equities

- Equities climbed higher last week, increasing by 2.5% in euro terms, and 1.6% in local terms.
- Hong Kong was down -0.3% as the trade tariff dispute between the U.S. and China continued.

Fixed Income & FX

- The U.S. 10-year yield moved lower last week to finish at 1.50%. The German equivalent also moved lower once again, and is now at -0.69%. The Irish 10 year bond yield is at -0.07%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP was at 0.90.

Commodities

- Oil finished the week lower at \$55 per barrel.
- Gold finished the week at \$1,522 per troy ounce.
- Copper increased to \$5,655 per tonne.

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