ZURICH

Markets move higher, as trade tariff tensions thaw

Snapshot



World Equities

Corporate Bonds

Oil

Copper

Gold



Sovereign Bonds

Week Ahead

30 Oct — A U.S. interest rate cut is expected to be announced.

31 Oct — The first reading of Eurozone Quarter 3 GDP is released.

1 Nov — The latest payroll and unemployment data from the U.S. goes to print.

The S&P 500 came within a hair's breadth of reaching a new all-time high last Friday, fuelled by signals of progress in U.S.-China trade talks and the latest batch of corporate earnings. The fact that the market is close to a record high despite negative earnings growth shows that the weakness was well expected. With over 60% of firms still to report, earning season will remain a focus of the markets in the coming weeks. The thawing in trade relations between the U.S. and China and diminished hard Brexit probability are also both relevant to the Eurozone. The currency bloc saw some tentative stabilisation in PMI data last week, but a full turnaround in growth prospects has yet to fully materialise. In the U.K. Prime Minister Boris Johnson failed in his bid to get lawmakers to back an election on December 12 and, as always, Brexit developments are likely to come thick and fast this week.

	1 Week Return 21.10.19 to 28.10.19		Year to Date Return 01.01.19 to 28.10.19	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	1.0%	1.5%	18.4%	22.1%
U.S.	1.1%	1.6%	21.4%	25.4%
Europe	1.1%	1.1%	19.6%	19.6%
Ireland	1.5%	1.5%	25.5%	25.5%
U.K.	2.2%	1.9%	7.9%	12.4%
Japan	1.1%	1.3%	11.3%	15.9%
Hong Kong	1.9%	2.4%	4.0%	7.3%
Corporate Bonds	0.1%	0.1%	-0.4%	-0.4%
Sovereign Bonds	-0.1%	-0.1%	13.0%	13.0%

Equities

- Global equities were up across all major global markets last week.
- Closer to home, Ireland was up 1.5% this week and up 25.5% year to date.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.84% last week. The German equivalent finished at -0.33%. The Irish 10 year bond yield finished at 0.08%.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP was at 0.86.

Commodities

- Oil finished the week at $56 per barrel.
- Gold finished the week at $1,492 per troy ounce.
- Copper increased to $5,887 per tonne.

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