ZURICH

Investors cautiously optimistic amid geopolitical concerns

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Copper
Gold
Oil

Week Ahead

7 Jan Second Spanish electoral vote to be held

8 Jan Eurozone Business Confidence data published

10 Jan U.S. non-farm payrolls data released

Normal service resumes across markets this week as tensions between the U.S. and Iran remain high. The main focus for markets following the airstrike has been oil and it could be that crude is in for a very bumpy ride in coming weeks.

Spain's Pedro Sanchez didn't quite get enough to votes to win the first parliamentary vote on forming a government but remains on track to get over the line in the second vote due on Tuesday, ending a long period of political stagnation for the country. In the U.K., two more prominent candidates throw their hats in the ring for the Labour Party leadership. Also worth keeping an eye on is the growing budget battle in Portugal and the ousting of Croatia's president.

European bond sales will get back to business in this first full week of the new year against a backdrop of the U.S.-Iran tensions which may help to keep the asset class popular as a haven play.

	1 Week Return 30.12.19 to 06.01.20		Year to Date Return 01.01.20 to 06.01.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	0.4%	0.8%	0.2%	0.7%
U.S.	0.5%	0.5%	0.2%	0.3%
Europe	0.6%	0.6%	0.8%	0.8%
Ireland	0.7%	0.7%	0.9%	0.9%
U.K.	0.5%	0.9%	1.1%	0.5%
Japan	0.0%	0.9%	0.0%	0.8%
Hong Kong	1.2%	1.5%	1.7%	2.1%
Corporate Bonds	0.3%	0.3%	0.3%	0.3%
Sovereign Bonds	0.3%	0.3%	0.9%	0.9%

Equities

- All major equity markets moved up slightly last week with the global index up 0.8% in Euro terms.
- Hong Kong was the strongest market delivering returns of 1.2% in local terms and 1.5% in euro terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.78% last week. The German equivalent finished at -0.29%. The Irish 10 year bond yield finished at 0.05%.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP was at 0.85.

Commodities

- Oil finished the week at $64 per barrel.
- Gold finished the week at $1,577 per troy ounce.
- Copper increased to $6,104 per tonne.

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