

Strong market rally tempered by difficult oil negotiations

Weekly Snapshot



World Equities
Oil



Sovereign Bonds



Euro
Gold

All the major indexes were in positive territory for the week; with a weaker euro further enhancing returns for Irish Investors. Japan was the best performer on the week, up 5.7% in local terms. The **global index** (in euro terms) was up strongly (3.5%) last week, paring 2016 returns back to minus 2.0%.

Week in Review

- **Global markets rallied strongly last week**, posting gains across the board. The US dollar appreciated modestly and prices in the benchmark 10 year and 30 year treasury instruments fell. Economic data out of China was also better than expected during the week.
- However, events over the weekend may temper risk appetite as the meeting of 16 **oil producing nations failed to reach agreement on the proposed production freeze**. Ultimately it was the absence of Iran's inclusion in any agreement that brought the talks to a dissatisfactory conclusion.
- **European manufacturing data rebounded** from February's 12 month low and Q1 GDP growth should remain solid. **Key risks remain**, as deflationary pressures and political uncertainty weigh on investors.

	Index	1 Week Return 08.04.16 to 15.04.16		Year to Date Return 31.12.15 to 15.04.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	3.5%	3.5%	-2.0%	-2.0%
US	S&P 500	1.6%	2.6%	1.8%	-2.1%
Europe	FT/S&P Europe Ex. U.K.	3.2%	3.2%	-5.7%	-5.7%
Ireland	ISEQ	0.4%	0.4%	-8.5%	-8.5%
UK	FTSE 100	2.2%	3.8%	1.6%	-5.6%
Japan	Topix	5.7%	6.1%	-12.0%	-5.7%
Hong Kong	Hang Seng	4.6%	5.7%	-2.6%	-0.8%
Bonds	Merrill Lynch Euro over 5	-0.3%	-0.3%	5.1%	5.1%

Irish equities finished up 0.4% for the week, underperforming relative to Europe index which gained 3.2%.

Commodities had a positive week, with oil, copper and silver all posting gains. Gold slipped -0.4% in local terms, but returns were positive in euro terms.

The **euro** weakened against the dollar and sterling, with EUR/USD closing the week at 1.13, still significantly higher since the turn of the year. Sterling recovered some of the ground lost in recent weeks but weakness is expected to persist.

The Week Ahead

Wednesday 20 April	Thursday 21 April	Monday 18 – Friday 22 April
UK unemployment data for February is to be released with the consensus pointing toward no change in the headline rate of 5.1%.	The ECB meet on interest rates where the consensus is for no change in policy. Markets may look closer at the subsequent press conference for further guidance.	Q1 earning season kicks off in earnest in the US, with GE, GM, Microsoft, Goldman Sachs, Intel, Johnson & Johnson and Morgan Stanley all reporting this week.

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