

# Markets shrug off Brexit as Central Banks hint at looser policy

## Weekly Snapshot



Gold  
Sovereign Bonds  
Oil  
Silver  
World Equities  
Corporate Bonds

## Week in Review

- **Global markets stabilised** last week after the sell-off that was evident in the immediate aftermath of the Brexit referendum. Nearly all risk assets finished the week in positive territory as Central Banks indicated they would be ready to support markets; with the Bank of England now expected to ease rates over the summer.
- However, **uncertainty is still prevalent** throughout the markets, Gold saw another strong weekly gain, and Silver hit a two year high. UK 10 year gilt yields are also 0.5% lower than the day before the referendum.
- **UK politics has been sent into turmoil** by the vote, with leaderships battles imminent in both the major parties. The impact of this on the Brexit process and negotiations remains to be seen.

	Index	1 Week Return 24.06.16 to 01.07.16		Year to Date Return 31.12.15 to 01.07.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	3.2%	3.2%	-0.4%	-0.4%
US	S&P 500	3.2%	3.0%	2.9%	0.4%
Europe	FT/S&P Europe Ex. U.K.	3.0%	3.0%	-8.9%	-8.9%
Ireland	ISEQ	-2.2%	-2.2%	-15.3%	-15.3%
UK	FTSE 100	7.1%	3.8%	5.4%	-7.3%
Japan	Topix	4.1%	3.7%	-18.9%	-6.5%
Hong Kong	Hang Seng	2.6%	2.5%	-5.1%	-7.0%
Bonds	Merrill Lynch Euro over 5	2.3%	2.3%	9.2%	9.2%

The **global index** (in euro terms) was up 3.4 % last week as a rocky start on Monday gave way to a stronger risk appetite later in the week.

The **majority of markets** closed up on the week, with the FTSE 100, returning 7.1% in local terms,

although severe sterling weakness reduced the euro return.

**Oil gained** 2.8% in dollar terms, as risk appetite grew throughout the week. Gold remained resilient returning 2.8%, whilst Silver advanced over 11% in dollar terms.

**10 year US treasury yields** were down further to 1.44%, whilst the German equivalent closed at -0.13% for the week.

## The Week Ahead

Monday 4 July	Wednesday 6 July	Friday 8 July
US markets are closed to mark the Independence Day holiday. UK construction PMI data for June is released, which may be closely watched to analyse how the sector performed in the run up to the Brexit vote.	The FOMC releases the minutes from the latest rate meeting. Much of the commentary may have since been superseded by recent events but they should still provide an insight into the current Fed thinking.	US non-farm payrolls are released for June and are expected to bounce back to 170,000, following the poor reading for May. Unemployment is expected to rise slightly from 4.7% to 4.8%

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**Warning: Benefits may be affected by changes in currency exchange rates.**  
**Warning: If you invest in this product you may lose some or all of the money you invest.**