

Strong US jobs report supports equities towards the end of the week

Weekly Snapshot



Gold
Sovereign Bonds
World Equities
Corporate Bonds



Oil
Industrial Metals

Week in Review

- **The influential US market** finished the week in positive territory on the back of Friday's better than expected non-farm payroll data from June. The employment report easily beat consensus estimates of 180,000, printing at 287,000.
- A more accommodative outlook from the Fed is the current market viewpoint, on the back of perceived more dovish tone from the recent minutes. This resulted in **treasury yields finishing lower** for the week, despite the positive jobs report.
- **Uncertainty over plans** for Italian banks weighed on the wider European sector, which in turn helped push eurozone equities into negative territory for the week.

	Index	1 Week Return 01.07.16 to 08.07.16		Year to Date Return 31.12.15 to 08.07.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.9%	0.9%	0.4%	0.4%
US	S&P 500	1.3%	2.1%	4.2%	2.4%
Europe	FT/S&P Europe Ex. U.K.	-1.4%	-1.4%	-10.2%	-10.2%
Ireland	ISEQ	-2.9%	-2.9%	-17.8%	-17.8%
UK	FTSE 100	0.2%	-1.4%	5.6%	-8.7%
Japan	Topix	-3.5%	-0.9%	-21.8%	-7.4%
Hong Kong	Hang Seng	-1.1%	-0.4%	-6.2%	-7.9%
Bonds	Merrill Lynch Euro over 5	0.6%	0.6%	9.8%	9.8%

The **global index** (in euro terms) crept up 0.9% last week, largely as a result of the continued resilience of the US market.

The majority of markets were mixed on the week; with currency fluctuations again a strong influence on equity returns.

Oil returned -7.3% on the back of reports that OPEC had increased

output. Gold and silver maintained their recent good run, up 2.6% and 3.4%, respectively in euro terms for the week.

Ten year US treasury yields hit a record low on Wednesday before rising towards the back end of the week to finish at 1.36%, down eight basis points from a week ago. The German equivalent yield also closed lower again at -0.19%.

The EUR/USD finished the week at 1.11, whilst EUR/GBP ended at 0.85 on Friday.

The Week Ahead

Wednesday 13 July	Thursday 14 July	Friday 15 July
Australian consumer confidence, commentary from the Bank of Canada and the Federal Reserve's Beige Book are released and should all help provide further context to the global outlook post the Brexit vote.	The Bank of England's Monetary Policy Committee meets for the first time since the Brexit referendum. This will be closely watched as both an interest rate cut and further quantitative easing are possible options.	Chinese GDP figures for Q2 are released where the forecast is for a fall to 6.6% year-on-year, with industrial production expected to fall from 6% to 5.9%.

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