

Equities benefit as weak data pushes out rate rise expectations

Weekly Snapshot



World Equities



Gold

Corporate Bonds



Oil

Sovereign Bonds

Week in Review

- **US non-farm payrolls rose by 151,000 on Friday**, less than the consensus forecast of 180,000. This has persuaded investors that there is smaller chance that US interest rates will rise in September and equities on both sides of the Atlantic rose as a result.
- Chinese data released last week is likely to provide comfort to investors in the region. Additionally, **market sentiment towards the People's Bank of China has improved** following increasing clarity in relation to China's monetary policy framework.
- **Oil fell sharply for the first three days of the week**, before comments from Vladimir Putin, calling for producers to limit production, alleviated pressure in the sector. Crude finished the week positively after the aforementioned payroll data.

	Index	1 Week Return 26.08.16 to 02.09.16		Year to Date Return 31.12.15 to 02.09.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	1.5%	1.5%	4.2%	4.2%
US	S&P 500	0.5%	0.9%	6.7%	3.8%
Europe	FT/S&P Europe Ex. U.K.	1.6%	1.6%	-4.2%	-4.2%
Ireland	ISEQ	2.1%	2.1%	-7.2%	-7.2%
UK	FTSE 100	0.8%	2.4%	10.4%	-2.9%
Japan	Topix	4.1%	2.3%	-13.3%	-1.7%
Hong Kong	Hang Seng	1.6%	2.0%	6.2%	3.3%
Bonds	Merrill Lynch Euro over 5	-0.9%	-0.9%	9.1%	9.1%

The **global index finished the week strongly** to end up 1.5% in euro terms. Returns for euro investors in the US were 0.9% as the S&P 500 hovers near record highs.

Oil fell nearly 7%, with a rally on Friday curtailing losses over the five day period. Copper was relatively flat

over the period, returning -0.3% (in dollar terms). Silver was up 4% as gold ticked up 0.3% for the week.

The influential **10 year US treasury yield** finished the week at 1.6%, with Friday's economic data wiping out price gains seen earlier in the week.

The equivalent German yield closed at -0.05%, to remain in negative territory. The 10 year Irish yield rose to 0.46% from 0.41%.

The euro was little changed versus the dollar, and strengthened against the Japanese yen.

The Week Ahead

Tuesday 6 September	Tuesday 6 September	Thursday 8 September
The 3 rd estimate of Q2 GDP for the Eurozone is released where the quarter-on-quarter rate is expected to be revised from 0.6% to 0.3%, while the year-on-year figure is expected to slip from 1.7% to 1.6%.	US non-manufacturing PMI is released and is expected to rise slightly from 55.5 to 55.7. The new orders and employment sub-sections will also be closely watched.	The ECB announce their latest interest rate decision where no change is expected. However President Draghi's comments will be closely watched for indications of future stimulus action.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
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.