

# Equities slip as markets maintain focus on monetary policy

## Weekly Snapshot



**Oil**



**Gold**



**Sovereign Bonds**

**Corporate Bonds**

**World Equities**

The **global index finished the week in negative territory** to finish at -1.8% at close on Friday, however it remains up 2.4% year-to-date.

**Oil was up over 3%**, following a report on Thursday that inventory levels had fallen, but price volatility remains a feature of the market. Gold was relatively flat on the week,

## Week in Review

- **The ECB left interest rates and the asset purchase programme unchanged** following their meeting last week. However, subsequent comments from President Draghi were interpreted as being 'less dovish' and this weighed on risk assets. Markets maintained their focus on monetary policy throughout last week's trading sessions, with the upcoming September Fed meeting also to the forefront of investor's minds.
- **Bond yields also jumped**, as investors adjusted to more 'hawkish' views found on both sides of the Atlantic, with the benchmark German ten year bond yield finishing the week in positive territory; for the first time in several months.

	Index	1 Week Return 02.09.16 to 09.09.16		Year to Date Return 31.12.15 to 09.09.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-1.8%	-1.8%	2.4%	2.4%
US	S&P 500	-2.4%	-3.1%	4.1%	0.9%
Europe	FT/S&P Europe Ex. U.K.	-0.9%	-0.9%	-5.1%	-5.1%
Ireland	ISEQ	-1.8%	-1.8%	-9.0%	-9.0%
UK	FTSE 100	-1.7%	-2.6%	8.6%	-5.3%
Japan	Topix	0.2%	0.8%	-13.1%	-0.8%
Hong Kong	Hang Seng	3.6%	2.9%	10.0%	6.5%
Bonds	Merrill Lynch Euro over 5	-0.5%	-0.5%	8.6%	8.6%

returning 0.2% in dollar terms. Silver's performance decoupled from gold and it fell by over 2% during the five day trading period.

The influential **10 year US treasury yield** finished the week at 1.67%, as a more 'hawkish' tone was evident in the market. As previously mentioned, **the equivalent German yield**

finished the week just in positive territory at 0.01%.

The euro was unchanged on a weekly basis against the dollar, finishing at \$1.12 per euro. However, price fluctuations throughout the week negatively affected euro investors in the US.

## The Week Ahead

Thursday 15 – Friday 16 September	Thursday 15 September	Friday 16 September
A number of US economic numbers are released which may influence the market's expectation regarding the pace of rate rises by the US Fed. CPI and Retail Sales will be amongst the most closely watched metrics.	No change is expected as the Bank of England's Monetary Policy Committee meets, whilst the subsequently released minutes are not expected to offer much further insight to the Committee's stance.	The EU27 'Exceptional Summit' is held in Bratislava with Brexit likely to be dominant. The consequences for the union, and the terms of the breakaway will be key talking points.

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**Warning: The value of your investment may go down as well as up.**  
**Warning: Benefits may be affected by changes in currency exchange rates.**  
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