

Equities continue to move higher as dollar extends winning streak

Weekly Snapshot



World Equities

Oil



Sovereign Bonds



Corporate Bonds

Gold

The **global index** rose 2.7% last week, as the strong returns seen since the US election continued.

Gold slipped further last week and returned -1.6% as it was hit by dollar strength and rate expectations. Copper fell back 1.7% last week, but this must be viewed in the context of

Week in Review

- In the **US markets stayed close to all-time highs** as they continued to digest the potential policies that the new Trump administration may employ. The other big theme of the week was the **strength of the US dollar**, which climbed to a 13 year high on continued expectations of increased US government spending and an interest rate hike next month.
- The **Japanese equity market rose strongly** during the week as the weaker Yen was seen as a positive for export sensitive stocks. The Nikkei 225 is now 20% above its recent low, which some analysts would consider the start of a **technical 'bull market'**.
- US Treasuries continued their sell off** this week, with the difference (or spread) between US and German 10-year benchmark yields hitting its widest in 27 years, further highlighting the divergent monetary policy between the world's two biggest trading blocs.

	Index	1 Week Return 11.11.16 to 18.11.16		Year to Date Return 31.12.15 to 18.11.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	2.7%	2.7%	7.9%	7.9%
US	S&P 500	0.8%	3.4%	6.8%	9.6%
Europe	FTSE Europe Ex. U.K.	0.3%	0.3%	-6.7%	-6.7%
Ireland	ISEQ	1.3%	1.3%	-7.3%	-7.3%
UK	FTSE 100	0.7%	1.2%	8.6%	-6.7%
Japan	Topix	3.6%	2.2%	-7.7%	3.6%
Hong Kong	Hang Seng	-0.8%	1.7%	2.0%	4.6%
Bonds	Merrill Lynch Euro over 5	0.0%	0.0%	3.7%	3.7%

the near 11% rise the week before. **Oil was up** over 5% and closed at just short of \$46/barrel.

The 10 year US treasury yield closed at **2.35%**, up another 20 basis points over the course of the week, whilst the **10 year German equivalent** fell back last week to 0.27% from 0.31%,

contributing to the record spread between the two.

The euro weakened against the dollar with the EUR/USD rate moving from 1.09 to 1.06, as the dollar extended its record winning streak versus the eurozone currency.

The Week Ahead

Wednesday 23 November	Wednesday 23 November	Friday 25 November
UK Chancellor Philip Hammond will deliver his first Autumn Statement where he is expected to give an indication of financial policy for the next few months.	The minutes of the Federal Reserve's November interest rate meeting are released. They will be closely examined as per usual, but the market now fully expects a rate rise at the December meeting.	The second estimate of UK GDP for Q3 is released where the consensus is for an increase of 0.5% for the quarter, with the year-on-year figure coming in at 2.3%.

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.