

Equities slip as politics weigh on investors

Weekly Snapshot



Corporate Bonds

Gold

Oil

Industrial Metals



World Equities

Week in Review

- President Trump dominated the headlines once again last week, as the political fallout from **Russian leak allegations** and the sacking of **FBI Director Comey** continued. US stocks had their worst day in eight months, but remain close to record highs.
- **Stocks rebounded** over the course of the rest of the week as a **number of positive economic reports** went to print. The Conference Board's index of **leading economic indicators** rose for a fourth consecutive month, and **US industrial output** rose to its fastest pace in more than three years. Data in Europe was also constructive with **business confidence and inflation expectations** both on the rise.
- Politics in both the US and Brazil saw safe haven sovereign debt such as **US Treasuries rise in value**, whilst **Oil had a second positive week in succession** on the expectation of a continuation of the current OPEC production cut agreement.

	Index	1 Week Return 12.05.17 to 19.05.17		Year to Date Return 31.12.16 to 19.05.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-2.3%	-2.3%	3.6%	3.6%
US	S&P 500	-0.4%	-2.8%	6.4%	0.3%
Europe	FTSE Europe Ex. U.K.	-1.1%	-1.1%	9.9%	9.9%
Ireland	ISEQ	-1.5%	-1.5%	6.4%	6.4%
UK	FTSE 100	0.5%	-0.9%	4.6%	4.0%
Japan	Topix	-1.3%	-2.0%	2.7%	1.3%
Hong Kong	Hang Seng	0.0%	-2.2%	14.4%	7.5%

The **global index** closed the week down 2.3%, as a stronger euro reduced returns. **Gold** rose by 2.3% (in local terms) with **Copper** also up by the same amount. **Oil** rose strongly to finish above \$50/barrel.

US ten year yields fell (yields and price move inversely) to 2.23% from 2.33% a week ago. The equivalent German yield also closed slightly lower, at 0.37% from 0.39%.

The euro strengthened further against the dollar with the **EUR/USD** rate closed at 1.12, up from rate of 1.05 at the end of 2016.

The Week Ahead

Tuesday 23 May	Tuesday 23 May	Thursday 25 May
Eurozone Services and Manufacturing PMI data is released were the recent positive trend is expected to continue, with the consensus forecasting a figure of 56.6 (anything above 50 signals an economic expansion).	Similar data for the US also goes to print, where the Manufacturing index is expected to rise to 53 from 52.8, with Services expected to edge down from 53.1 to 53.0.	OPEC members meet in Vienna to discuss extending their six month old agreement to cut production. Oil has been moving higher on the expectation of an agreement.

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