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Stronger euro hits equity returns for Eurozone investors

Weekly Snapshot

Sovereign Bonds

Gold

Copper

World Equities

Corporate Bonds

Oil

Week in Review

- The **Euro strengthened** to a two year high, and has now held **above the $1.15 mark.** This was despite assurances from ECB **President Mario Draghi** that the central bank is in no rush to rein in quantitative easing just yet. **The Dollar index** (which measures the US Dollar against a basket of currencies) declined to a **10 month low** last week, as the political furore in the US over the **Healthcare Bill** and the **Russian investigation** continued unabated.
- With roughly **20% of the S&P 500** reporting by the end of last week over **three quarters of firms had exceeded bottom-line expectations,** with the Tech and Financials sectors helping to lead the way.
- On the **economic data front,** the US **Conference Board's index of leading economic indicators** increased in June for the **sixth consecutive month**, whilst US Housing starts also saw encouraging numbers.

	Index	1 Week Return 14.07.17 to 21.07.17		Year to Date Return 31.12.16 to 21.07.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-1.2%	-1.2%	3.5%	3.5%
US	S&P 500	0.5%	-1.1%	10.4%	-0.2%
Europe	FTSE Europe Ex. U.K.	-1.9%	-1.9%	7.5%	7.5%
Ireland	ISEQ	-2.7%	-2.7%	2.9%	2.9%
UK	FTSE 100	1.0%	-1.5%	4.3%	-0.8%
Japan	Topix	0.3%	-0.1%	7.3%	1.9%
Hong Kong	Hang Seng	1.2%	-0.5%	21.4%	9.0%
Bonds	Merrill Lynch Euro over 5	1.3%	1.3%	-0.9%	-0.9%

The **global index** returned -1.2% for the week, as the stronger euro negated positive local currency returns. Commodities in general enjoyed a positive week, as **Gold** (+2.1%) and **Copper** (+1.2%) closed higher.

Oil fell just over 1.5% but held above the $45 mark.

US 10 year Treasuries prices moved higher, with the yield (which moves inversely to price) moving to 2.24%, from 2.33% a week previously, based on the aforementioned political risk.

The **EUR/USD** rate closed at $1.17, whilst **EUR/GBP** was at £0.90.

The Week Ahead

Monday 24 July- Friday 28 July	Wednesday 26 July	Friday 28 July
Earnings continue to come in thick and fast with Facebook, Coca Cola, Nestle and Amazon all reporting.	No change is expected at the July Federal Reserve FOMC meeting, with the target funds rate to be kept at 1.0-1.25%.	Japanese inflation and unemployment data goes to print, where CPI is expected to slip to 0.3% (year-on-year) and unemployment is forecast to come in at 3.0%.

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Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.
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