

Tax cut talk spurs US dollar and equities higher

Weekly Snapshot



World Equities

Oil

Copper

Corporate Bonds



Sovereign Bonds

Gold

Week in Review

- **Tax reform took centre stage** in the US as the administration announced proposals for a new corporate tax rate of 20%. There are also plans for a simplification of personal tax brackets, down to three from the current seven. Whilst it remains to be seen whether the plans come to fruition, the **markets were positive on the announcements**.
- Fed Chair Janet Yellen also spoke in Cleveland last week, where she **warned of moving too gradually on interest rates**. This led the dollar higher as **expectations** of one more **interest rate** rise in the US continue to **move higher**.
- The **euro moved lower** over the course of the week in the wake of the Germany's election results. Whilst Angela Merkel secured her fourth term as Chancellor, she did so with a smaller majority than expected in an election which also saw the **far-right AfD party exceed expectations** with over 12% of the vote.

	Index	1 Week Return 22.09.17 to 29.09.17		Year to Date Return 31.12.16 to 29.09.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	1.5%	1.5%	4.6%	4.6%
US	S&P 500	0.7%	1.9%	12.5%	0.6%
Europe	FTSE Europe Ex. U.K.	1.2%	1.2%	10.4%	10.4%
Ireland	ISEQ	2.7%	2.7%	5.6%	5.6%
UK	FTSE 100	0.9%	1.2%	3.2%	0.1%
Japan	Topix	0.6%	1.3%	10.3%	2.1%
Hong Kong	Hang Seng	-1.2%	0.0%	25.2%	11.1%
Bonds	Merrill Lynch Euro over5	-0.1%	-0.1%	-0.6%	-0.6%

The **global index** moved higher again last week, returning a positive 1.5%.

Oil continued its recent upward trend, returning 2% and **Copper** was also positive returning 0.4%.

Gold faltered last week returning -1.3%.

The Week Ahead

Monday 2 October	Wednesday 4 October	Friday 6 October
Manufacturing PMI data from US is expected to fall sharply to 57.5 from 58.8 last month, mainly driven by the impact of Hurricanes Harvey and Irma.	US non-manufacturing PMI data for September is released, and is forecast to broadly unchanged from last month (last: 55.3), with a continued positive expansion in line with economic growth.	US non-farm payroll data goes to print, where the consensus expect 88,000 jobs to be added, down from 156,000 a month previously.

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