

# Global equities rise as currency strength reduces euro returns

## Weekly Snapshot



**World Equities**

**Oil**

**Gold**

**Copper**



**Sovereign Bonds**

**Corporate Bonds**

## Week in Review

- US equities continued to hit record highs**, with incremental moves higher over the course of the week. **Retail Sales data saw a monthly increase** of 1.6% in September, which represents the biggest one month increase in over two years. The University of Michigan **consumer sentiment survey** also saw a solid gain, with the September reading **rising to a 13 year high**.
- Macro factors remained supportive** this week with higher oil prices and no surprises from the latest Fed minutes contributing to a 'risk-on' attitude. The **euro currency also strengthened** following more reconciliatory tones emanating from Catalonia.
- Eurozone growth saw a bullish upgrade** from the **IMF's latest World Economic Outlook**, with growth now expected to come in at over 2% for 2017. This was however, somewhat tempered by a **downgrade to UK prospects**, which it noted were 'a notable exception' to an improving global economic outlook.

	Index	1 Week Return 15.09.17 to 22.09.17		Year to Date Return 31.12.16 to 22.09.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.0%	0.0%	6.2%	6.2%
US	S&P 500	0.2%	-0.6%	14.0%	1.7%
Europe	FTSE Europe Ex. U.K.	0.3%	0.3%	11.2%	11.2%
Ireland	ISEQ	-0.3%	-0.3%	4.9%	4.9%
UK	FTSE 100	0.2%	1.1%	5.5%	1.3%
Japan	Topix	1.3%	1.2%	12.5%	4.6%
Hong Kong	Hang Seng	0.1%	-0.8%	29.4%	14.6%
Bonds	Merrill Lynch Euro over 5	0.8%	0.8%	-0.3%	-0.3%

The **global index** in euro terms was flat last week, as a stronger euro weighed on Irish investors. **Gold** gained 2.2% over the period whilst copper was up an impressive 3.5%.

**Oil** continued its recent upward trend, returning 4.4% whilst closing above \$51 per barrel.

The influential **US ten year bond yield** moved to 2.27% from 2.25%,

as a 'risk on' environment prevailed. The **German equivalent** stood at 0.40% from 0.45% a week ago and the EUR/USD rate closed at 1.18.

## The Week Ahead

Tuesday 17 October	Wednesday 18 October	Friday 20 October
Inflation figures for September for both the UK and Eurozone go to print, with the year-on-year readings expected at 3.0% and 1.5% respectively.	The big overnight focus on Wednesday will be the opening speech from President Xi at the opening of the 19 <sup>th</sup> Chinese Communist Party Conference.	Brexit talks will be firmly in focus as The European Council meets in Brussels.

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