

Solid data and 'dovish' ECB help drive markets higher

Weekly Snapshot



World Equities
Sovereign Bonds
Oil



Corporate Bonds
Copper
Gold

Week in Review

- US **GDP data for Q3 came in at 3.0%** on Friday, with the figure ahead of most forecasts. The US economy has now registered 3% growth in back-to-back quarters for the first time since 2014. Last week also saw the **House of Representatives** following the Senate in **passing a budget resolution**, which could help with tax reform proposals.
- The **ECB announced an extension of its QE programme** through to the end of 2018. Although the announcement was not out of line with expectations, the **market perceived the language used to be 'dovish'** which pushed the euro lower versus the dollar.
- It was also a week of **'Big Tech' earnings** announcements, with Microsoft, Intel, Google, and Amazon **all beating expectations**. However, **other sectors saw mixed results** which led to choppy trading on the S&P 500.

	Index	1 Week Return 20.10.17 to 27.10.17		Year to Date Return 31.12.16 to 27.10.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	1.7%	1.7%	8.7%	8.7%
US	S&P 500	0.3%	1.8%	15.3%	4.9%
Europe	FTSE Europe Ex. U.K.	0.8%	0.8%	11.9%	11.9%
Ireland	ISEQ	1.6%	1.6%	5.9%	5.9%
UK	FTSE 100	-0.2%	0.8%	5.1%	1.6%
Japan	Topix	2.3%	3.7%	16.6%	8.6%
Hong Kong	Hang Seng	-0.2%	1.3%	29.3%	16.9%
Bonds	Merrill Lynch Euro over 5	0.6%	0.6%	0.3%	0.3%

The **global index** in euro terms was up 1.7% last week, helped by a weaker euro which enhanced returns for Irish investors. **Gold** fell by 0.5% as a more 'risk-on' sentiment permeated markets, although it remains up over 10.5% this year. **Copper** fell 2%, but

also remains well up in 2017 (+23.3%).

Oil was helped by comments from Saudi Arabia in relation to production cuts, closing up 4.7% at \$53.9/barrel. The influential **US ten year bond**

yield moved to 2.41% from 2.38% whilst the **German equivalent** stood at 0.38% from 0.45% a week ago.

The **EUR/USD** rate closed at 1.16 whilst **EUR/GBP** was at 0.88.

The Week Ahead

Tuesday 24 October – Friday 3 November	Wednesday 1 November	Thursday 2 November
Earnings season continues, with big names such as Facebook, Tesla, Kraft Heinz, Apple and Shell all reporting this week.	No change in policy is expected when the Fed FOMC meets to discuss interest rates, with the focus on whether we will see a rate rise in December.	The Bank of England meets, where the market has put a 90% probability on the first rate rise since 2007.

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