

Risk assets move higher on global growth optimism

Weekly Snapshot



World Equities
Sovereign Bonds
Oil



Corporate Bonds

The **global index** rose by nearly 1.5% in euro terms for the week, with Asia leading the way with **Japan** one of the best performing of the major markets, up 1.3% in local terms.

Oil moved higher last week, and closed back above \$63/barrel, helped by optimism on global growth.

Week in Review

- Equity markets moved forward over the course of the week, with strong economic fundamentals taking centre stage. Data in Europe continued to expand and economically sensitive stock sectors did better than those with a more defensive orientation, as oil also moved forward on the back of global growth optimism.
- The Minutes from the January Fed meeting were released and conveyed confidence in the US economy, with a rate rise in March looking increasingly likely on the back of firm global growth and a better than expected boost from US tax cuts.
- Earnings season is drawing to a close, and with 87% of companies on the S&P 500 having now reported over three quarters have beaten profit expectations.

	1 Week Return 16.02.18 to 23.02.18		Year to Date Return 31.12.17 to 23.02.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	1.5%	1.5%	-0.2%	-0.2%
US	0.6%	1.5%	2.8%	0.4%
Europe	0.2%	0.2%	-1.1%	-1.1%
Ireland	-1.6%	-1.6%	-4.5%	-4.5%
UK	-0.7%	-0.3%	-5.8%	-4.8%
Japan	1.3%	1.7%	-3.1%	0.0%
Hong Kong	0.5%	1.2%	4.5%	2.0%
Bonds	0.0%	0.0%	-0.5%	-0.5%

Copper fell 1%, on the back of a 7% upward movement the week before and **gold** lost 1.4% but remains up 2% in 2018 in dollar terms.

The **ten year US bond yield** finished the week at 2.87%, roughly were it finished the week before, the **German**

equivalent was at 0.65%, from 0.70%.

The **EUR/USD** rate closed the period at 1.24, from 1.07 a year ago. The **EUR/GBP** was at 0.88.

The Week Ahead

Wednesday 28 February

Flash eurozone inflation figures for February are released, with the headline number expected to rise to 1.3% from 1.2% (year-on-year), with the core figure forecast to hold steady at 1.0%.

Wednesday 28 February

Fed Chair Jerome Powell testifies in front of the US Congress, which will be his first public appearance since taking office.

Sunday 4 March

Italy goes to the polls this weekend, in a hotly contested general election which currently has no clear winner according to polls.

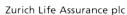
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