

US raises interest rates, as weaker euro boosts equity returns





World Equities

Oil



Sovereigh bonus

Corporate Bonds

Gold

Copper

Week in Review

- Stocks took a bit of a breather this week, as the US closed out one of its strongest quarterly performances in a number of years.
 Concerns about a widening Italian budget deficit impacted on European markets, but the weaker euro currency enhanced returns from US dollar denominated assets.
- The Federal Reserve raised US interest rates on Wednesday, in a move that was widely expected by market participants. It also removed the reference to 'accommodative' in relation to monetary policy, which signals they are moving to a more neutral level of interest rates.
- US consumer confidence remains near an all-time high in September, whilst WTI oil remained comfortably above the \$70 level as OPEC showed little sign of increasing short term supply.

	1 Week Return 14.09.18 to 21.09.18		Year to Date Return 31.12.17 to 21.09.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	-0.3%	0.7%	6.4%	8.4%
US	-0.5%	0.7%	9.0%	12.8%
Europe	-0.7%	-0.7%	-3.0%	-3.0%
Ireland	-2.3%	-2.3%	-7.3%	-7.3%
UK	0.3%	1.1%	-2.3%	-2.5%
Japan	0.7%	1.0%	0.0%	2.5%
Hong Kong	-0.6%	0.4%	-7.1%	-4.1%
Bonds	-0.6%	-0.6%	-0.3%	-0.3%

lost further ground as interest rates moved higher and closed at \$1,192 per troy ounce. The **EUR/USD** rate finished the week at 1.16 with the **EUR/GBP** rate at 0.89.

The **global index** was up 0.7% in euro terms, as a weaker euro helped Irish investors. The US, UK, and Japanese exchanges were the best of the major markets.

Oil was up over the course of the week, and closed at \$73/barrel. Gold

The **ten year US bond yield** finished at 3.06%, having started the year at 2.41%. The **German equivalent** also closed higher at 0.47%.

The Week Ahead

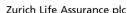
Monday 1 October Wednesday 3 October Friday 5 October US non-farm payroll data for The UK Conservative Party Conference PMI data for the US is released, continues, which will be closely watched where the consensus expects a September goes to print where the for any progress in relation to the UK's continued expansion in both consensus expects a reading of stance in Brexit negotiations. manufacturing and services. 188,000, with the unemployment rate to tick down to 3.8%.

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