

Equity markets rebound to post weekly gain

Weekly Snapshot



World Equities

Gold

Corporate Bonds



Copper

Sovereign Bonds

Oil

Week in Review

- Global markets rebounded last week, posting a first weekly gain this month. **Economic data from the US was strong**, with retail sales and industrial production posting increases, although housing data was mixed.
- The **Chinese Renminbi currency came under pressure**, as real GDP growth slowed to 6.5% (YoY). Also, although the US refrained from labelling China a currency manipulator, it ratcheted up its criticism of recent Chinese actions, potentially opening up a new front in the trade dispute.
- The **EU and Italy remain at odds** over Rome's budget plans for 2019, with ECB President Mario Draghi issuing a warning regarding the 'risks from countries challenging EU rules'. **Moody's** also **downgraded Italian debt** to just one notch above 'junk' status. Brexit negotiations also continue to rumble on, with no resolution in sight.

	1 Week Return 12.10.18 to 19.10.18		Year to Date Return 31.12.17 to 19.10.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.1%	0.5%	0.8%	3.5%
US	0.0%	0.4%	3.5%	8.0%
Europe	0.8%	0.8%	-7.3%	-7.3%
Ireland	-1.7%	-1.7%	-14.8%	-14.8%
UK	0.8%	0.5%	-8.3%	-7.5%
Japan	-0.6%	-0.5%	-6.9%	-2.8%
Hong Kong	-0.9%	-0.6%	-14.6%	-11.2%
Bonds	0.1%	0.1%	-1.4%	-1.4%

The **global index** was up 0.5% (in euro terms) last week, led by Europe and the UK.

Oil moved lower, and closed at \$69/barrel, despite increased tensions

between Saudi Arabia and Western powers. **Gold** closed higher at \$1226 per troy ounce, whilst **copper** finished the week at \$6,228 per metric tonne.

The **ten year US bond yield** finished at 3.19%, up from 3.16% a week earlier. The **German equivalent** closed lower at 0.46, as Italian worries continued.

The Week Ahead

Wednesday 24 October	Thursday 25 October	Friday 26 October
Eurozone PMI data for the end of September goes to print, where the consensus expect a composite reading of 54.3.	No change to monetary policy is forecast when the ECB governing council meets, however there may be some guidance for policy into next year at the accompanying press conference.	Preliminary US Q3 GDP growth figures are released where the consensus expects the annualised quarterly number to come in at 3.3%.

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