

Stocks rally on prospect of US tax reform

Weekly Snapshot



World Equities

Gold

Oil

Industrial Metals

European Corporate Bonds

European Sovereign Bonds



Week in Review

- **Stocks rallied** as tax policy reform proposals from the new US administration came into focus, as President Trump stated on Thursday that he would announce a plan in the coming weeks to address the need for **'fundamental comprehensive tax reform'** in the US.
- US administration policy was a key focus throughout the week, as hopes rose that Trump's 'border adjustment tax' would run into opposition in the Senate. **Markets continue to grapple with the confluence of US policy** and the S&P 500 hasn't closed up or down by more than 1% in a single session since December 7.
- **Fixed income markets displayed caution** in Europe, as bond investors focussed on the upcoming elections in the Netherlands, with Marine Le Pen also garnering further attention in France.

	Index	1 Week Return 03.02.17 to 10.02.17		Year to Date Return 31.12.16 to 10.02.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	2.1%	2.1%	3.3%	3.3%
US	S&P 500	0.8%	2.1%	3.5%	2.6%
Europe	FTSE Europe Ex. U.K.	0.3%	0.3%	1.5%	1.5%
Ireland	ISEQ	-0.5%	-0.5%	-0.6%	-0.6%
UK	FTSE 100	1.0%	2.5%	1.6%	2.0%
Japan	Topix	2.1%	2.9%	1.8%	3.9%
Hong Kong	Hang Seng	0.2%	0.2%	-3.1%	-3.1%

The **global index** rose strongly in euro terms during the course of the week, returning 2.1%.

Commodities were also broadly positive, as **gold, silver and copper** all moved higher. **Oil** grinded slightly higher and closed the week just short of \$54/barrel.

The **US 10 year bond** rose during the week, with yields (which move inversely to price) moving from 2.46% to 2.41%.

The yield on the **equivalent German Bund** closed was lower, on the aforementioned political risk concerns, and moved from 0.41% to 0.32%.

The **euro** weakened versus the US Dollar, moving from 1.08 to 1.06 over the period, enhancing returns for Irish investors with holdings in the US. The **euro/GBP** rate closed the week at 0.85.

The Week Ahead

Tuesday 14 February	Tuesday 14 February	Wednesday 15 February
In Europe, the consensus estimate is for Q4 GDP growth to be confirmed 0.5% (quarter-on-quarter) and 1.8% (year-on-year).	In the UK inflation data for January will be published where the consensus forecasts a year-on-year rise of 1.9%.	US CPI data is also released this week, where the month-on-month figure is expected to come in at 0.3%, similar to the last reading, with the year-on-year figure expected at 1.8%, from 2.1% previously.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.