

# Stocks move higher as economic data continues to be positive

## Weekly Snapshot



**World Equities**

**Gold**

**European Corporate Bonds**

**European Sovereign Bonds**



**Oil**

**Industrial Metals**

## Week in Review

- Stocks continued their strong start to 2017 as the FTSE All-World index hit a record high, surpassing the level seen in May 2015. This was led by fresh highs stateside, as stocks were buoyed by the US administration once again **promising tax reform** and also the release of **stronger economic data**, notably inflation and retail sales. From an earnings perspective, 77% of the S&P 500 has reported since 3 January, with 70% beating expectations.
- Fed Chair Janet **Yellen was also more 'hawkish'** in her comments, stating that it may be 'unwise' for the Fed to wait too long to raise rates further. This initially helped the dollar rise and US treasuries fall although this trend reversed towards the end of the week.
- Sentiment in Europe appeared to deteriorate** as nervousness over the **French election** is rising, as the election permutations complicate further. **Greece** is also inching back onto the agenda as negotiations continue over Bailout reimbursements.

|               | Index                     | 1 Week Return<br>10.02.17 to 17.02.17 |        | Year to Date Return<br>31.12.16 to 17.02.17 |        |
|---------------|---------------------------|---------------------------------------|--------|---------------------------------------------|--------|
|               |                           | Local Currency %                      | Euro % | Local Currency %                            | Euro % |
| Global (euro) | FTSE World (total return) | 1.2%                                  | 1.2%   | 4.6%                                        | 4.6%   |
| US            | S&P 500                   | 1.5%                                  | 1.8%   | 5.0%                                        | 4.4%   |
| Europe        | FTSE Europe Ex. U.K.      | 1.0%                                  | 1.0%   | 2.6%                                        | 2.6%   |
| Ireland       | ISEQ                      | 1.0%                                  | 1.0%   | 0.4%                                        | 0.4%   |
| UK            | FTSE 100                  | 0.6%                                  | 0.0%   | 2.2%                                        | 2.4%   |
| Japan         | Topix                     | -0.1%                                 | 0.4%   | 1.7%                                        | 4.5%   |
| Hong Kong     | Hang Seng                 | 2.0%                                  | 2.2%   | 9.2%                                        | 8.5%   |
| Bonds         | Merrill Lynch Euro over 5 | 0.4%                                  | 0.4%   | -2.7%                                       | -2.7%  |

The **global index** moved higher again in euro terms, extending the year-to-date return to 4.6%. Commodities produced a mixed bag of returns, as slight gains in gold (0.1%) and silver

(0.3%) were matched by falls in oil (-0.9) and copper (-2.2%). **The US 10 year bond** was flat as, despite some fluctuations throughout the week, the yield (which move inversely to price)

closed where it opened – at 2.41%. The yield on the **equivalent German Bund** ticked down slightly, moving from 0.32% to 0.30%.

## The Week Ahead

| Tuesday 21 February                                                                                                                                                                                                | Wednesday 22 February                                                                                                   | Wednesday 22 February                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eurozone Services and Manufacturing PMI (Purchasing Managers' Index) data for February goes to print, where the consensus is for a figure of 55.0, representing a continuing improvement in the economic backdrop. | The latest estimate for headline eurozone inflation for January is expected to remain unchanged at 1.8% (year-on-year). | The second estimate of UK Q4 GDP is also released on Wednesday, with no change expected since the first, with figures of 0.6% (quarter-on-quarter) and 2.2% (year-on-year). |

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**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.**