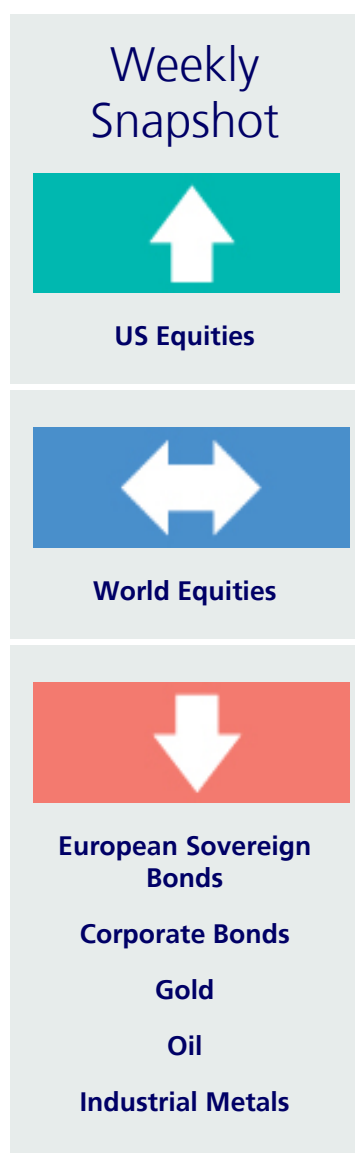


Markets little changed in advance of French election

Week in Review

- Towards the end of last week, all eyes were on the first round of the **French elections**, which took place yesterday. Major exchanges traded in tight ranges, with investors **unwilling to put on large positions** before the vote.
- The initial reaction to the vote this morning has been **positive for risk assets**. The second round run off looks set to be between Marine **Le Pen**, and the more market friendly and poll-topping Emmanuel **Macron**, with Mr. Macron the current favourite.
- **UK equities were hit** as Prime Minister **Teresa May announced a snap election** to be held on 8 June, which caught investors by surprise. However, **Sterling strengthened** in the wake of the announcement; paring the losses to eurozone investors.
- In economic news, **US inflation data was weaker than forecast**, which may pare back market expectations for the reflation trade. **Q1 earnings continue to be released**, with nearly four out of five companies that have reported coming in **above market estimates**.



	Index	1 Week Return 14.04.17 to 21.04.17		Year to Date Return 31.12.16 to 21.04.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.0%	0.0%	5.0%	5.0%
US	S&P 500	0.9%	-0.2%	4.9%	3.5%
Europe	FTSE Europe Ex. U.K.	-0.4%	-0.4%	5.4%	5.4%
Ireland	ISEQ	0.7%	0.7%	3.4%	3.4%
UK	FTSE 100	-2.9%	-1.8%	-0.4%	1.8%
Japan	Topix	2.0%	0.6%	-2.0%	3.5%
Hong Kong	Hang Seng	-0.9%	-2.1%	3.3%	6.5%
Bonds	Merrill Lynch Euro over 5	-0.1%	-0.1%	-1.6%	-1.6%

The **global index** finished the week flat, whilst **gold, silver, copper, and oil** all saw losses. The **US ten year**

treasury yield was little changed on the week, finishing at 2.25% from 2.24%. The **equivalent German**

yield moved from 0.19% to 0.25% during the course of the week. The euro/USD rate closed at 1.07.

The Week Ahead

Thursday 27 April	Friday 28 April	Friday 28 April
No changes in monetary policy are expected when the ECB Governing Council meets, although they will continue their discussions surrounding a potential end to quantitative easing.	Preliminary US GDP data for Q1 is released where the consensus expects a quarter-on-quarter increase of 1.0%, down from 2.1% in the last quarter of 2016.	Similar data for the UK also goes to print and a rise of 0.4% (quarter-on-quarter) is forecast, down from the last reading of 0.7%.

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