Choppy trading week as expected Fed hike materialises

Weekly Snapshot

Sovereign Bonds

Corporate Bonds

World Equities

Industrial Metals (Copper)

Oil

Gold

Week in Review

- It was a **choppy trading week** for equities, as the market struggled to gain momentum in either direction. At the June **Federal Reserve meeting interest rates were increased** by 25 basis points, boosting the target range to 1%-1.25%. This move had been well flagged by Fed Chair Yellen and her colleagues, and thus invoked very **little market reaction**.
- Data emanating from the US somewhat disappointed last week, as **softer than expected inflation data** led to a fall in Treasury yields (yields move inversely to price). Housing and retails sales figures also came in slightly weaker than forecast.
- In Europe, **French President Macron** led his En Marche party to a decisive parliamentary victory. En Marche and its centrist ally Modem **secured 350 of 577 seats** which reinforces Macron's position post the Presidential election. However, opponents will point to the **record low turnout** as a sign that issues remain for the French electorate.

	Index	1 Week Return 09.06.17 to 16.06.17		Year to Date Return 31.12.16 to16.06.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-0.1%	-0.1%	5.3%	5.3%
US	S&P 500	0.1%	0.0%	8.7%	2.4%
Europe	FTSE Europe Ex. U.K.	-0.4%	-0.4%	9.7%	9.7%
Ireland	ISEQ	0.2%	0.2%	7.7%	7.7%
UK	FTSE 100	-0.9%	-0.6%	4.5%	2.0%
Japan	Topix	0.3%	-0.2%	5.1%	4.3%
Hong Kong	Hang Seng	-1.6%	-1.6%	16.5%	9.1%
Bonds	Merrill Lynch Euro over 5	0.4%	0.4%	0.1%	0.1%

The **global index** lost some ground last week, down by 0.1%. **Gold** and **silver** both slipped further this week, down by 1% and 3% respectively. **Oil** continued to lose ground on the back of higher US stockpiles and increased Libyan production.

The price of the US ten year bond rose as yields fell to 2.15% from 2.20% a week ago. The equivalent German yield rose slightly to 0.28% from 0.26%.

The **EUR/USD** rate was broadly steady at $1.12, whilst **EUR/GBP** closed at 0.88.

The Week Ahead

Thursday 22 June	Friday 23 June
Eurozone consumer confidence data goes to print where a further rise is expected. This will be a positive follow on from the May figure, which was the best in ten years.	Eurozone manufacturing and services PMI data for June is released. Manufacturing figure is forecast to edge down slightly, whilst services are expected to continue to improve.

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