

US market hits all-time high, as Yellen eases interest rate concerns

Weekly Snapshot



World Equities
Sovereign Bonds
Corporate Bonds
Gold
Copper
Oil



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Week in Review

- **Risk assets closed the week higher** as dovish comments from Fed Chair Yellen eased market concerns surrounding tighter monetary policy. Yellen signalled the Fed will maintain a patient approach to interest rate hikes. Stocks reacted positively with the **S&P 500 climbing 1.4%** in dollar terms, to finish the week at an **all-time high**.
- In addition to Janet Yellen's comments **economic data in the US was also softer**, as inflation figures were flat and Retail Sales declined -0.2%; against an expectation of a 0.1% rise. US and eurozone **sovereign debt saw yields fall** on the back of the data releases.
- **Earnings season** also moved into full swing last week as **financial heavyweights JP Morgan, Citibank, and Wells Fargo** all reported. Expectations are high for this year's Q2 earnings, and will be a key focus in the coming weeks.

	Index	1 Week Return 07.10.17 to 14.07.17		Year to Date Return 31.12.16 to 14.07.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	1.6%	1.6%	4.7%	4.7%
US	S&P 500	1.4%	0.8%	9.9%	1.1%
Europe	FTSE Europe Ex. U.K.	1.9%	1.9%	9.6%	9.6%
Ireland	ISEQ	0.3%	0.3%	5.8%	5.8%
UK	FTSE 100	0.4%	1.4%	3.3%	0.7%
Japan	Topix	1.2%	1.8%	7.0%	2.1%
Hong Kong	Hang Seng	4.1%	3.6%	20.0%	9.6%
Bonds	Merrill Lynch Euro over 5	0.6%	0.6%	-2.1%	-2.1%

The **global index** returned 1.6% for the week, led by a stellar performance from Hong Kong (+4.1%). Commodities also enjoyed a positive week, as **Gold** (+1.3%) and **Copper** (+1.7%) closed higher.

Oil relieved some of its recent price pressure, returning 5.2% to close at \$46.54 at the end of the week, led higher by increased demand and the lowest US inventories since last autumn.

US 10 year Treasuries prices moved higher, with the yield (which moves inversely to price) moving to 2.33%, from 2.39% a week previously. The equivalent **German yield** was little changed over the course of the week, finishing at 0.59%.

The Week Ahead

Tuesday 18 July	Thursday 20 July	Thursday 20 July
UK inflation data goes to print, where the year-on-year figure is expected to come in at 2.7%. The data will be closely watched given the ongoing discussions within the Bank of England regarding an interest rate rise.	No change in policy is forecast at the latest ECB interest rate meeting. However, President Mario Draghi may be pushed further at the press conference regarding his recent hawkish comments at the Sintra Conference.	Similarly, in Japan no change is expected when the Bank of Japan meets, although economic growth forecasts may be amended.

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