

Equities move higher as earnings season takes hold

Weekly Snapshot



World Equities
Sovereign Bonds
Oil
Copper



Corporate Bonds
Gold

Week in Review

- **Equity markets continued to test all-time highs** last week as the US Senate approved a \$4 trillion budget measure and should help pave the way for tax reform, which is now a key focus for the administration. **Earnings season also picked up pace** last week, where over 14% of the S&P 500 has now reported – with 70% beating earnings-per-share expectations.
- The **yield on the bellwether US 10-year treasury rose over the course of the week**; helped by the Senate budget agreement. Markets were also focused on speculation as to who will **replace Janet Yellen as Fed Chair**, with a decision expected in the first week of November.
- In Europe **tensions in Spain** deepened as the central government took steps to **impose direct rule on Catalonia**, as the president of the region refused to back down on his succession demands.

	Index	1 Week Return 13.10.17 to 20.10.17		Year to Date Return 31.12.16 to 20.10.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.7%	0.7%	6.9%	6.9%
US	S&P 500	0.9%	1.2%	15.0%	3.0%
Europe	FTSE Europe Ex. U.K.	-0.1%	-0.1%	11.0%	11.0%
Ireland	ISEQ	-0.7%	-0.7%	4.2%	4.2%
UK	FTSE 100	-0.2%	-0.5%	5.3%	0.7%
Japan	Topix	1.3%	0.1%	14.0%	4.9%
Hong Kong	Hang Seng	0.0%	0.4%	29.5%	15.2%
Bonds	Merrill Lynch Euro over 5	-0.3%	-0.3%	-0.4%	-0.4%

The **global index** in euro terms was up 0.7% last week, led by the US and Japan, which was buoyed by the re-election of President Abe.

Gold fell nearly 2%, as a more 'risk-on' sentiment permeated markets.

Oil was relatively flat over the course of the week, and finished at \$51.50.

The influential **US ten year bond yield** moved to 2.38% from 2.27%. The **German equivalent** stood at 0.45% from 0.40% a week ago, and

has been trading in a tighter trading range recently.

The EUR/USD rate closed at 1.18 whilst EUR/GBP was at 0.89.

The Week Ahead

Tuesday 24 October	Thursday 26 October	Friday 27 October
Flash eurozone manufacturing PMI data is released for October, which will give an early insight into how the key economies in the currency bloc performed last month.	No change in policy is expected when the ECB meets for its latest interest rate decision. However, the commentary will be closely watched for details on any potential QE tapering.	Preliminary GDP data for the US goes to print, with the Q3 figure forecast to come in at 2.5% (quarter-on-quarter).

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