

Equities rise as US tax reform gathers pace

Weekly Snapshot



World Equities
Sovereign Bonds



Gold
Corporate Bonds
Oil
Copper

Week in Review

- **Global markets rose last week** fuelled by political developments on both sides of the Atlantic. Most significantly, optimism grew in relation to the **US tax reform bill** whilst **coalition talks in Germany**, alongside the ongoing **Brexit negotiations** were seen as positives by the market.
- However, stocks did pull back on Friday on the news that former National Security Adviser **Mike Flynn had pleaded guilty to lying to the FBI** and was prepared to cooperate in the ongoing investigation into Russia's alleged interference in the 2016 presidential election.
- **Data releases were also positive**, with Q3 GDP growth in the US being revised upwards to 3.3%. In the eurozone, **manufacturing and services PMIs** had their best showing since April 2011 and the **European Commission's economic sentiment** gauge hit a 17 year high.

	Index	1 Week Return 24.11.17 to 01.12.17		Year to Date Return 31.12.16 to 01.12.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.9%	0.9%	8.1%	8.1%
US	S&P 500	1.5%	1.9%	18.0%	4.6%
Europe	FTSE Europe Ex. U.K.	-1.0%	-1.0%	9.1%	9.1%
Ireland	ISEQ	-0.2%	-0.2%	5.3%	5.3%
UK	FTSE 100	-1.5%	-0.2%	2.2%	-0.9%
Japan	Topix	0.9%	0.6%	18.3%	9.1%
Hong Kong	Hang Seng	-2.7%	-2.5%	32.2%	16.2%
Bonds	Merrill Lynch Euro over 5	0.9%	0.9%	2.1%	2.1%

The **global index** in euro terms returned 0.9% last week, led by US stocks. Hong Kong was the worst performer in local terms, down 2.7%, although it remains up over 30% year-to-date.

Oil fell 1.0% over the course of the week, closing at \$58.40/barrel.

The **ten year US bond yield** closed the week at 2.36%, not much changed from 2.34% a week ago.

The **10 year German equivalent** closed at 0.30%.

The **EUR/USD** rate finished the period at 1.19, whilst **EUR/GBP** was at 0.88.

The Week Ahead

Tuesday 5 December	Thursday 7 December	Friday 8 December
US non-manufacturing PMI data is released where the consensus forecast a slight fall to 59.0, from the last reading of 60.1.	The third estimate of eurozone GDP growth for Q3 is expected to be confirmed at 0.6% (quarter-on-quarter).	US non-farm payroll data goes to print where the consensus is for a figure of approximately 210,000 jobs created in the US economy.

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