

# Stocks drift lower on thin trading volumes

## Weekly Snapshot



Copper

Gold

Oil



World Equities

Sovereign Bonds

Corporate Bonds

## Week in Review

- Markets **closed the last week of 2017 on a negative note**, albeit in **light trading** (volumes -28% vs the monthly average) in the holiday shortened trading period. For example the bulk of the week's losses came in the last trading hours on Friday, as **fund managers appeared to be booking profits** for the calendar year.
- On a monthly basis the tech heavy **Nasdaq** was up 0.4% to post gains in 11 of the 12 months in 2017. The **Dow** was up 1.8% to record nine consecutive months of gains for the first time since 1959, whilst the **S&P 500** was up 1.0% for its first nine month winning streak since 1983.
- There was a **trickle of positive US economic data** during last week, **November home sales** were better than expected and **retail spending** data was positive in the period leading up to Christmas. The **Conference Board's Consumer Confidence Index** however was lower after reaching a 17-year high in November.

|               | 1 Week Return<br>22.12.17 to 29.12.17 |        | Year to Date Return<br>31.12.16 to 29.12.17 |        |
|---------------|---------------------------------------|--------|---------------------------------------------|--------|
|               | Local Currency %                      | Euro % | Local Currency %                            | Euro % |
| Global (euro) | -1.0%                                 | -1.0%  | 9.0%                                        | 9.0%   |
| US            | -0.4%                                 | -1.6%  | 19.4%                                       | 4.8%   |
| Europe        | -0.7%                                 | -0.7%  | 9.8%                                        | 9.8%   |
| Ireland       | 0.3%                                  | 0.3%   | 8.0%                                        | 8.0%   |
| UK            | 1.3%                                  | 1.2%   | 7.6%                                        | 3.4%   |
| Japan         | -0.6%                                 | -1.3%  | 19.7%                                       | 8.8%   |
| Hong Kong     | 1.2%                                  | 0.0%   | 36.0%                                       | 18.4%  |
| Bonds         | -0.6%                                 | -0.6%  | 0.3%                                        | 0.3%   |

The **global index** in euro terms was down 1.0% last week, although Hong Kong bucked the trend and was up 1.2% in local terms. **Oil** finished the year on a positive note, up 3.3% for

the week, and 12.5% for the calendar year. Copper maintained its momentum also, and finished up 31.1% for 2017.

The **ten year US bond yield** finished the week at 2.41% and the **10 year German equivalent** was at 0.42%. The **EUR/USD** rate closed the period at 1.20, whilst **EUR/GBP** was at 0.89.

## The Week Ahead

| Wednesday 3 January                                                                                          | Thursday 4 January                                                                                                                                                                    | Friday 5 January                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| German unemployment numbers are projected to drop slightly, but the rate is expected to hold steady at 5.5%. | The US Federal Reserve releases the minutes of its December FOMC meeting, which saw the last rate hike of 2017. The minutes may shed further light on the committee's plans for 2018. | December's non-farm payrolls data from the US goes to print, where the consensus expects an increase of 188,000 on the jobs front, whilst the unemployment rate may see a tick down to 4.0%. |

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