

Equities lower on Trump trade proposals

Weekly Snapshot



Sovereign Bonds



World Equities

Gold

Copper

Corporate Bonds

Oil

The **global index** fell by 2.4% last week, with eurozone equities returning -3.6%.

Oil moved lower last week, and closed back at roughly \$61/barrel, as protectionist trade policy concerns

Week in Review

- The Federal Reserve and **trade policy** were the main focus for markets last week as **President Trump** confirmed reports that he will impose a 25 percent **tariff** on imported steel and a 10 percent tariff on aluminium. The announcement was at odds with some of his own economic advisors and led to **sharp rebukes** from some of the US's main trading partners, including Canada and the EU.
- Fed Chair Powell** also gave his first public speech last week where he **reiterated the view** that the **economy is strengthening** and that inflation will begin to move towards its 2% target. Fed minutes from the January meeting also contained an upward revision to growth expectations.
- The 'hawkish' Fed combined with geopolitical concerns in the US and Italy led stocks lower for the week, closing out the **worst month for equities in two years**.

	1 Week Return 23.02.18 to 02.03.18		Year to Date Return 31.12.17 to 02.03.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	-2.4%	-2.4%	-2.6%	-2.6%
US	-2.0%	-2.2%	0.7%	-1.7%
Europe	-3.6%	-3.6%	-4.6%	-4.6%
Ireland	-0.8%	-0.8%	-5.3%	-5.3%
UK	-2.4%	-3.7%	-8.0%	-8.6%
Japan	-3.0%	-2.1%	-6.0%	-2.1%
Hong Kong	-2.2%	-2.5%	2.2%	-0.4%
Bonds	0.5%	0.5%	-0.1%	-0.1%

weighed on commodities. **Copper** fell over 3%, whilst **gold** lost 0.5% but remains up 1.5% in 2018 in dollar terms.

The **ten year US bond yield** finished the week at 2.86%, down slightly

from 2.87% (yields move inversely to price) from a week ago. The **German equivalent** was unchanged at 0.65%.

The **EUR/USD** rate closed the period at 1.23 and **EUR/GBP** was at 0.89.

The Week Ahead

Thursday 8 March	Friday 9 March	Friday 9 March
No change is expected when the ECB meets, although the subsequent press conference will shed further light on the council's deliberations.	The Bank of Japan will conduct its March meeting. No change in policy is expected although there have been hints at upcoming changes.	Non-Farm Payroll data in the US goes to print where the consensus expects 195,000 jobs to be created. Wage growth is also expected to tick up slightly, following last month's upside surprise.

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