

Equities lower as trade standoff takes centre stage

Weekly Snapshot



Gold
Copper



World Equities
Sovereign Bonds
Corporate Bonds
Oil

Week in Review

- Following a positive start to the period, **equities tailed off** on Thursday and Friday to finish in **negative territory for the week**. The market was firmly focussed on the continuing **trade standoff** between the US and China. Equities swung on every new announcement from either side, whilst oil was also hard hit by some of the proposals.
- The **monthly jobs data from the US failed to lift markets** as the number of jobs created came in at 103,000 – versus a median estimate of 185,000. However, the unemployment rate stayed at 4.1%, which is its lowest level since 2000 whilst wage growth picked up further to 2.7% (year-on-year).
- Inflation data in Europe also saw an uptick**, with the March figure up to 1.4% from a previous reading of 1.1%. The upward move has led to **rising expectations** that the **ECB QE** programme **will not be extended** past September of this year.

| | 1 Week Return 30.03.18 to 06.04.18 | | Year to Date Return 31.12.17 to 06.04.2018 | |
|---------------|---------------------------------------|--------|---|--------|
| | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | -0.3% | -0.3% | -3.6% | -3.6% |
| US | -1.4% | -1.0% | -2.6% | -4.6% |
| Europe | 0.6% | 0.6% | -3.4% | -3.4% |
| Ireland | 0.6% | 0.6% | -5.8% | -5.8% |
| UK | 1.8% | 2.7% | -6.6% | -4.7% |
| Japan | 0.2% | -0.1% | -5.4% | -2.6% |
| Hong Kong | -0.8% | -0.3% | -0.3% | -2.8% |
| Bonds | -0.1% | -0.1% | 2.0% | 2.0% |

The **global index** was down 0.3% for the week, and was led lower by the dominant US market.

Oil also moved lower last week, and closed just short of \$62/barrel, on the

back of the aforementioned trade concerns.

Gold benefited from the 'risk-off' sentiment to close at \$1334 per troy ounce.

The **ten year US bond yield** finished the week higher at 2.77%, whilst the German equivalent was at 0.50%.

The **EUR/USD** rate finished at 1.23, whilst **EUR/GBP** was at 0.87.

The Week Ahead

| Wednesday 11 April | Wednesday 11 April | Friday 13 April |
|---|--|--|
| US Consumer Price Inflation data goes to print, where the consensus forecast rises in both the headline and core figures. | The Federal Reserve releases the minutes of the latest interest rate meeting, which marked the first rate rise under Fed Chair Powell. | Three of the big financials (JP Morgan, Citigroup, and Wells Fargo) all release results as the Q1 earnings seasons gets into full swing. |

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