

Best start since 1987 for U.S. equities, as China hits bull market

Snapshot



World Equities
Corporate Bonds
Copper



Sovereign Bonds
Oil, Gold

Week Ahead

5
MAR

Eurozone Retail Sales
U.S. New Home Sales

7
MAR

ECB Announcement
U.S. Jobless Claims

8
MAR

German Manufacturing Orders
U.S. Housing Starts

Global equities grinded higher while the end of February marked the best two-month start to the year for the S&P500 since 1987. Meanwhile, mainland Chinese stocks entered a bull market after MSCI announced that it would raise the weighting of China shares in its benchmarks. The move higher in global equities came despite softer economic data, as for the first time since 2013, eurozone PMI fell below the 50 level that denotes expansion. A drop in Chinese exports led factory orders to fall to 49.2, the weakest level in three years. However this weakness, combined with benign inflation, should ensure that central banks in developed economies maintain their accommodative policies and in turn support asset prices. Finally, with a quarter of the US economy and over half of global growth tied to trade, negotiations between the U.S. and China will remain a key topic in the coming weeks.

	1 Week Return 15.02.19 to 22.02.19		Year to Date Return 31.12.18 to 22.02.19	
	Local Currency	Euro	Local Currency	Euro
World	0.4%	0.0%	11.3%	11.7%
U.S.	0.4%	0.2%	12.2%	13.2%
Europe	1.0%	1.0%	10.8%	10.8%
Ireland	2.6%	2.6%	13.2%	13.2%
U.K.	-1.1%	-0.2%	5.5%	10.1%
Japan	0.2%	-1.1%	8.1%	7.0%
Hong Kong	0.0%	-0.3%	14.6%	15.4%
Corporate Bonds	0.1%	0.1%	2.1%	2.1%
Sovereign Bonds	-0.4%	-0.4%	1.0%	1.0%

Equities

- The MSCI World Index advanced 0.4% in local currency terms, and is now up over 11% year-to-date.
- Ireland was up a strong 2.6%, with the UK once more disappointing.

Fixed Income & FX

- The U.S. 10-year yield is at 2.75%, having started the year at 2.68%, while the equivalent German yield was moved to 0.18% from 0.10% a week earlier.
- The Euro was steady against the U.S. dollar and closed at 1.13.

Commodities

- Oil fell over the week to close at \$55.80 per barrel.
- Gold and Copper prices finished the week at \$1,293 per troy ounce and \$6,525 respectively.

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