

Global markets pare year-to-date gains as growth concerns persist

Snapshot



Corporate Bonds

Sovereign Bonds

Oil, Gold



World Equities

Copper

Week Ahead

12
MAR

U.K. GDP &
Industrial Production
U.S. Consumer Price
Index (CPI)

13
MAR

Eurozone Industrial
Production
Chinese Industrial
Production

14
MAR

German & French
CPI
U.S. Jobless Claims
& Retail Sales

Global markets are up 10.8% this year in euro terms and while economic growth remains positive, the data continues to point to a slowdown. In conjunction with reducing their 2019 growth forecasts from 1.7% to 1.1%, the European Central Bank (ECB) injected further liquidity into the eurozones banking system to spur growth and economic activity. ECB President, Mario Draghi acknowledged the outlook for the next 22 months had deteriorated and as a result, confirmed that interest rates would remain steady throughout the year. Elsewhere, the U.S. market suffered its first weekly loss of the year and the yield on the 10-year Treasury note touched its lowest level since early January. Meanwhile, volatility, as measured by the VIX, rose to its highest level in over a month. Finally, the Chinese bull market stuttered with a sharp sell-off on Friday as exports slumped in February and Beijing lowered its growth forecasts to 6% from 6.5% for 2019.

	1 Week Return 01.03.19 to 08.03.19		Year to Date Return 31.12.18 to 08.03.19	
	Local Currency	Euro	Local Currency	Euro
World	-2.2%	-0.8%	8.9%	10.8%
U.S.	-2.2%	-1.1%	9.7%	12.0%
Europe	-1.2%	-1.2%	9.5%	9.5%
Ireland	-2.0%	-2.0%	11.0%	11.0%
U.K.	-0.1%	-0.4%	5.3%	9.7%
Japan	-2.6%	-0.8%	5.3%	6.2%
Hong Kong	-2.7%	-1.6%	11.6%	13.6%
Corporate Bonds	0.1%	0.1%	2.1%	2.1%
Sovereign Bonds	1.5%	1.5%	2.5%	2.5%

Equities

- The MSCI World Index lost 0.8% in euro terms, with the U.S. market falling 2.2% in U.S. dollar terms.
- Larger cap defensive and interest sensitive sectors outperformed with utilities leading the way.

Fixed Income & FX

- The U.S. 10-year yield is at 2.63% while the equivalent German yield ended the week at just 0.07%.
- The dovish comments from the ECB saw the Euro weaken to 1.124 against the U.S. dollar.

Commodities

- It was a mixed week for commodities with Gold rising to \$1,298 and Oil rising to \$56.07 per barrel.
- Slowing global growth concerns weighed on Copper prices, finishing the week lower at \$6,423.

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