

# Markets mixed following Fed meeting, as earnings seasons continues

## Snapshot



World Equities  
Sovereign Bonds



Corporate Bonds  
Oil  
Copper  
Gold

## Week Ahead

9  
May

Chinese CPI inflation data goes to print and is forecast to tick up slightly.

10  
May

US CPI data is released with the annualised figure expected at 2.1%.

10  
May

UK trade balance and GDP data is due to be published.

Markets were mixed last week as Fed Chair Jerome Powell dispelled thoughts of lower interest rates by keeping them on hold at the latest Fed meeting, whilst also stating that inflation weakness may be 'transitory'. Non-farm payrolls increased in Friday's reading, coming in well above expectations at 263,000. The unemployment rate also trended lower to 3.6%, but that was attributed to a fall in the labour force participation rate. Eurozone GDP rebounded in Q1 and produced a better-than-expected reading of 0.4% (1.5% annualised) with Italy also emerging from its technical recession. On the earnings front, Apple announced lower iPhone sales but investors were optimistic regarding growth in their Services division. Alphabet saw revenue come in below expectations, with more big names reporting again this week.

|                 | 1 Week Return<br>26.04.19 to 03.05.19 |       | Year to Date Return<br>31.12.18 to 03.05.19 |       |
|-----------------|---------------------------------------|-------|---------------------------------------------|-------|
|                 | Local Currency                        | Euro  | Local Currency                              | Euro  |
| World           | 0.2%                                  | 0.0%  | 15.6%                                       | 18.1% |
| U.S.            | 0.2%                                  | -0.2% | 17.8%                                       | 20.6% |
| Europe          | -0.3%                                 | -0.3% | 15.6%                                       | 15.6% |
| Ireland         | 2.1%                                  | 2.1%  | 20.5%                                       | 20.5% |
| U.K.            | -0.7%                                 | 0.8%  | 9.1%                                        | 15.3% |
| Japan           | 0.0%                                  | 0.0%  | 8.7%                                        | 10.0% |
| Hong Kong       | 2.1%                                  | 1.7%  | 19.0%                                       | 21.6% |
| Corporate Bonds | 0.0%                                  | 0.0%  | 3.8%                                        | 3.8%  |
| Sovereign Bonds | 0.1%                                  | 0.1%  | 3.8%                                        | 3.8%  |

### Equities

- The MSCI World Index was up slightly at 0.2% in local terms, and was flat in euro terms.
- Europe and the UK were both in negative territory whilst Ireland and Hong Kong were both up over 2%.

### Fixed Income & FX

- The U.S. 10-year yield ticked higher during the week following the Fed meeting to finish at 2.53%. The German equivalent was back in to positive territory at 0.03%.
- The Euro US Dollar exchange rate closed the week at 1.12, whilst Euro/GBP was at 0.85.

### Commodities

- Oil finished the week lower at just below \$62 per barrel.
- Gold and Copper prices finished the week at \$1,279 per troy ounce and \$6,229 per tonne respectively.

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