60 SECOND SNAPSHOT
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LAST WEEK IN 30 SECONDS...

Markets continued to trend higher last week, buoyed by further indications of positive momentum on trade talks. Global equities in euro terms were c2% higher and have now delivered +13.0% for the year-to-date.

Brexit negotiations continued last week with parliament yet to agree an ultimate decision on how to leave the EU albeit ruling out a no deal Brexit. Throughout the discussions Theresa May's demeanour was that of a boxer on the 9th round wishing for the bell, yet knowing there's still more punishment to come. Despite this uncertainty, sterling appreciated +1.2% versus the euro with the UK FTSE 100 up 1.8% over the week.

THIS WEEK IN 30 SECONDS...

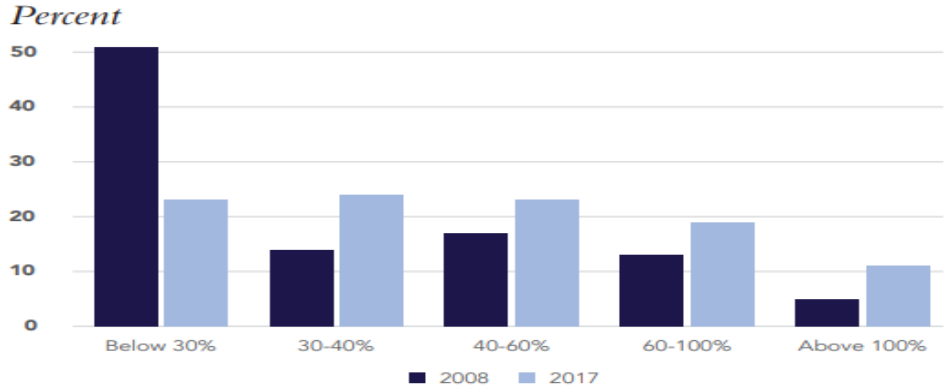
The US Federal Reserve meet this week to vote on rate changes, with no changes anticipated. The strong recovery in equity markets coupled with favourable employment metrics will see an interesting positioning for the Fed, with close attention paid to any commentary on the potential for further rate hikes.

From a data release perspective, Eurozone consumer confidence figures are due for release on Thursday with Eurozone, US and Japanese PMI figures due for release on Friday.

EMERGING MARKET DEBT SUSTAINABILITY

Emerging market countries have increasingly leaned on external lines of credit over recent years. Whilst returns to lenders have been modest, the underlying impact suggests that on average those countries' economies have not developed as a result. Between 2008 and 2017 the levels of external debt to Gross National Income (GNI) have elevated, with 11 countries having a level of external debt to GNI in excess of 100%.

Figure O.5 External Debt-to-GNI Ratio: Low- and Middle-Income Countries Distribution, 2008 and 2017



Sources: World Bank Debtor Reporting System and International Monetary Fund.

Equities	Region	1 Week Change	Year-to-date
NASDAQ	US	3.81%	16.16%
S&P 500	US	2.95%	13.11%
Eurofirst 300	Eurozone	2.85%	13.27%
SHANGHAI Comp	China	1.75%	21.17%
NIKKEI 225	Japan	2.02%	7.26%

Forex	Value	1 Week Change	Year-to-date
EUR/USD	$1.133	0.81%	-0.92%
EUR/GBP	£0.853	-1.15%	-4.95%
EUR/Yen	¥126.370	1.21%	0.76%
USD/YEN	¥111.575	0.40%	1.70%

Commodities	Value	1 Week Change	Year-to-date
WTI Crude Oil	$58.51	4.91%	29.59%
Brent Crude Oil	$66.90	1.69%	25.92%
Gold 100 Oz	$1,302.04	0.29%	1.62%
DJ UBS Index	$81.58	1.39%	6.35%

Bonds 10 Year	Yield	1 Week Change	Year-to-date
Germany	0.09%	0.02	-0.16
Ireland	0.68%	0.00	-0.22
U.K.	1.21%	0.02	-0.06
Italy	2.50%	-0.01	-0.27
USA	2.59%	-0.04	-0.10

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