

LAST WEEK IN 30 SECONDS...

Stock markets remained broadly in the black last week driven by ongoing optimism on US China trade talks. The Shanghai Composite rose +6.8%, whilst the S&P 500 index breached 2,800 points, a position not seen since early November 2018 and well above the festive lows of 2,350.

Within the Eurozone, headline inflation rose marginally to 1.5% in February albeit core inflation remained at 1.2%, a position significantly short of the ECB's 2% target. The outlook for Eurozone inflation expectations rose marginally helping to lift German bond yields by 0.09% over the week. Elsewhere, the never-ending story that is Brexit continues to play out with Theresa May looking for more time. With European elections due on May 3rd the scope for any extension may be limited however.

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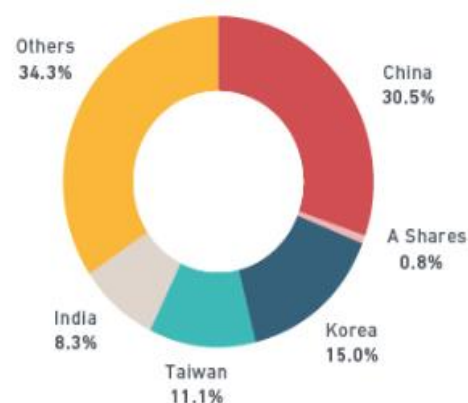
The European Central Bank holds a policy meeting on Thursday where further support measures may be signalled. These include increasing bank lending to ensure the cessation of the ECB's Quantitative Easing program does not impact the flow of credit and investments within the Eurozone.

China is set to announce its budget and economic growth targets this week – markets will look for clues as to the impact the recent trade stand-off with the US is having on the longer-term prospects for the country. Elsewhere, Eurozone PMI figures are due for release this week along with US non-farm payrolls.

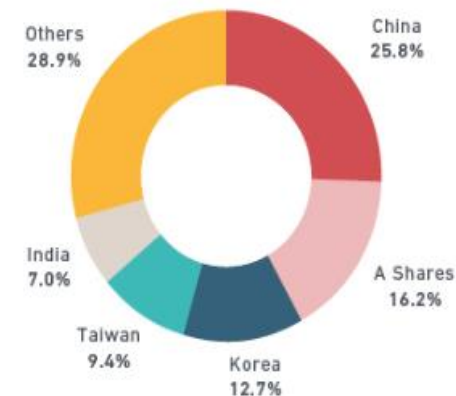
CHINA'S INCREASING EMERGING INFLUENCE

The index provider, MSCI, has announced this week it will raise the allocation to mainland China listed A-shares from its current 5% allocation to 20% by the end of November 2019. This will see the allocation within the MSCI Emerging Market equity index increasing from c0.8% to c3.3%. Were Chinese A-shares to be fully integrated into the index this would result in China accounting for over 40% of the overall index.

MSCI EM INDEX WITH 5% CHINA A SHARES



MSCI EM INDEX WITH 100% CHINA A SHARES



Source: MSCI

Equities	Region	1 Week Change	Year-to-date
NASDAQ	US	0.93%	14.69%
S&P 500	US	0.46%	12.26%
Eurofirst 300	Eurozone	0.73%	10.80%
SHANGHAI Comp	China	6.77%	20.05%
NIKKEI 225	Japan	0.90%	8.02%

Forex	Value	1 Week Change	Year-to-date
EUR/USD	\$1.139	0.42%	-0.38%
EUR/GBP	£0.860	-0.99%	-4.20%
EUR/Yen	¥127.43	1.46%	1.60%
USD/YEN	¥111.90	1.03%	1.99%

Commodities	Value	1 Week Change	Year-to-date
WTI Crude Oil	\$55.76	-2.19%	23.50%
Brent Crude Oil	\$65.22	-3.03%	22.76%
Gold 100 Oz	\$1,303.67	-1.99%	1.74%
DJ UBS Index	\$80.97	-1.41%	5.54%

Bonds 10 Year	Yield	1 Week Change	Year-to-date
Germany	0.19%	0.09	-0.06
Ireland	0.84%	0.00	-0.07
U.K.	1.30%	0.14	0.03
Italy	2.73%	-0.12	-0.04
USA	2.75%	0.10	0.06