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Deals are in the air, but how meaningful will they really be

Markets are ending the week on a high, at least relatively. The pound is moving on positive Brexit news, while stock market indices around the world are stronger on speculation that President Trump might be about to make some progress in his ongoing negotiations with the Chinese.

Mr Trump himself is making all sorts of positive noises about this, not least in a speech to his Minnesota fanbase delivered on Thursday night.

But Mr Trump can be erratic in his pronouncements, and markets have learned to take them with a pinch of salt, even as participants book their trades.

More significant though is the mood music coming out of the Chinese side. Here, there is continuing caution, but some optimism that by focusing on certain issues and excluding the sticking points from the discussion, some significant progress on tariff reduction can be made.

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The thinking, broadly, is that if a small amount of progress might be possible, then that's better than no progress at all.

And for markets which have been buffeted by a continual diet of speculation about a global slowdown, that's something to grab hold of at least.

Whether it will turn out to be anything more than flash in the pan is another matter.

After all, the data is still out there, and the data shows that US growth is slowing, and US manufacturing is not enjoying the kind of recovery Mr Trump has promised to the very same base he addresses at rallies like the one in Minnesota.

The dollar remains a key battleground, and there are mixed signals coming out of the Fed at the moment as to whether another rate cut is coming.

This week Fed chair Jerome Powell hinted that another cut is a distinct possibility, and seemed to duck away from an earlier Fed narrative that further cuts would be purely a "mid-cycle adjustment."

This time round he cited "uncertainties around trade, Brexit and other issues."

Be that as it may, it won't be enough for President Trump, who continues to use the Fed as a scapegoat for the slowdown that has in part been engendered by his own policy on tariffs.

Whether or not such tariffs were and remain justified in the context of US economic and domestic security remains an open question, but there's little doubt, at least in the minds of market participants, that they are having a drag on the global economy, and thus, inexorably on the US economy too.

So, news of progress on tariffs is a welcome fillip, however small the progress is likely to be. One thing it does at least show is that the door remains open between the world's two great economic powers, and that discussions, however difficult, are able to continue.

That bodes well in the longer-term, but more immediately it may not be enough to head off the coming crash. Key economies in the Eurozone are teetering on recession, and the latest WTO ruling in the aviation spat between Europe and the US hasn't exactly helped sentiment.

Chinese demand is gradually slowing, and anyway Mr Trump's tariffs are encouraging the Chinese to develop domestic supply for goods that were formerly sourced from overseas. That may well be to the long-term benefit of the Chinese economy, while simultaneously cutting US business out of a once-lucrative market.

In that context, the recent dip in the gold price occasioned by the deal-making optimism that's going around may represent a good buying opportunity for those with a medium-to-long term bullish outlook for gold.

This week's headlines are good, and markets famously take a short-term. But for investors able to contemplate more distant horizons, the attractions of safe haven assets remain as strong as ever.