

# S&P 500 reaches new highs despite rapidly rising prices

Despite it being a relatively light week for new economic data, the S&P 500 made a significant move on Thursday. A daily gain of 0.5% pushed that index to a new record high, eclipsing a previous high set five weeks earlier.

An index of U.S. consumer prices rose at a 5.0% annual rate in May, the steepest increase since 2008. The latest monthly report highlights that supply continues to have difficulty meeting the robust pace of demand with businesses struggling to source the physical materials and the human resources required to facilitate operations and this is giving way to price pressure across a number of sectors.

It is expected that the Federal Open Market Committee (FOMC) will keep its benchmark interest rate unchanged as policymakers hold a two-day meeting scheduled to end on 16 June. The recent increase in inflation could ensure concerns of future rate hikes remain top of mind for many U.S. Federal Reserve officials. However, the outsized gains in a few select sectors support the Fed's view that the current level of price pressures are temporary.

In the U.K. more evidence of a strong rebound as reports showed April GDP rose 2.3% month-over-month, on top of a large March gain, led by activity in the services sector. The Eurozone economy is also in recovery; the European Central Bank (ECB) held monetary policy steady at last week's meeting, signaling that it is continuing with its accelerated pace of bond purchases for the time being. The ECB kept its Deposit Rate at -0.50% and maintained the size of its Pandemic Emergency Purchase Program (PEPP) at €1.85 trillion, saying that it expects that purchase program to run until at least March 2022.

**Our regular market information continues on the next page.**

## Snapshot



World Equities  
Corporate Bonds  
Sovereign Bonds  
Oil  
Copper



Gold

## The week ahead

15 June	U.K. employment data is released.
16 June	FOMC policy rate decision announcement.
18 June	U.K. Retail sales figures for May are released.



	1 Week Return 07.06.21 to 14.06.21		Year to Date Return 01.01.21 to 14.06.21	
	Local Currency	Euro	Local Currency	Euro
World	0.4%	1.0%	12.8%	14.0%
U.S.	0.6%	1.3%	12.9%	14.1%
Europe	0.9%	0.9%	16.0%	16.0%
Ireland	1.3%	1.3%	11.8%	11.8%
U.K.	0.7%	1.0%	12.7%	17.6%
Japan	-0.4%	-0.2%	9.2%	3.8%
Hong Kong	-0.1%	0.5%	10.7%	11.8%
Corporate Bonds	0.4%	0.4%	-0.8%	-0.8%
Sovereign Bonds	0.8%	0.8%	-3.9%	-3.9%

### Equities

- Global stocks were up last week, at 1.0% in euro terms and 0.4% in local terms.
- Year-to-date global markets are up 14.0% in euro terms and 12.8% in local terms.
- The U.S. market, the largest in the world, was up 1.3% in euro terms and 0.6% local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 1.46% last week, down from 1.55% a week earlier. The German equivalent finished at -0.27%. The Irish 10-year bond yield finished at 0.14%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.86.

### Commodities

- Oil finished the week at \$71 per barrel and is up 48.5% year-to-date in euro terms.
- Gold finished the week at \$1,861 per troy ounce and is up 0.2% year-to-date in euro terms.
- Copper finished the week at \$9,975 per tonne.

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