

U.S. jobs data rounds off a positive week for markets

U.S. non-farm payrolls surprised to the upside on Friday, after two months of disappointing readings, sending U.S. investors off on the Bank Holiday weekend in a positive fashion. The U.S. economy added 850,000 jobs in June, which was the most in ten months with numbers for the previous two months were also revised higher. Service sectors of the economy led the gains, which provided further evidence that the parts of the economy hit hardest during the pandemic are gaining momentum. The unemployment rate ticked up slightly to 5.9% as the participation rate (a key metric of those actually seeking work) remained unchanged. Despite the positive reading, it is worth noting that there has still been a net loss of 6.7m jobs since the start of the pandemic, with the lacklustre return to the workforce from workers in some sectors a slight cause for concern.

U.S. housing data was also positive last week with pending home sales rising 8%, versus a consensus expectation of a fall of 1%. Manufacturing data wavered slightly in the U.S., as supply chain issues continue to bite. However, the general consensus is that these issues will ease as lockdowns retreat further globally.

The eurozone also saw a number of positive economic releases with economic confidence rising to its highest level in more than 20 years with sentiment in the services sector rising strongest. German retail sales for May rose over 4% for the month as French household consumption also surpassed expectations. These positive readings from the two largest economies in the currency bloc helped equities rise across the week. The rise of the 'delta variant' of the COVID-19 virus continues to cause concern globally. However, with the accelerating rollout of vaccine, the impact on investment markets in the developed world has been muted so far.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Oil
Gold



Copper

The week ahead

6 July

German economic sentiment and U.S. services PMIs are both published.

7 July

The minutes from the latest Federal Reserve meeting are released.

9 July

Chinese inflation data for June goes to print.



	1 Week Return 28.06.21 to 05.07.21		Year to Date Return 01.01.21 to 05.07.21	
	Local Currency	Euro	Local Currency	Euro
World	0.7%	1.4%	14.1%	17.9%
U.S.	1.3%	2.0%	16.0%	19.9%
Europe	0.3%	0.3%	16.0%	16.0%
Ireland	1.2%	1.2%	13.2%	13.2%
U.K.	0.7%	0.7%	12.7%	17.4%
Japan	-0.3%	-0.2%	9.6%	5.0%
Hong Kong	-1.3%	-0.7%	9.1%	12.6%
Corporate Bonds	0.3%	0.3%	-0.8%	-0.8%
Sovereign Bonds	1.2%	1.2%	-3.9%	-3.9%

Equities

- Global stocks were up last week by 1.4% in euro terms and 0.7% in local terms.
- Year-to-date global markets are up 17.9% in euro terms and 14.1% in local terms.
- The U.S. market, the largest in the world, was up 2.0% in euro terms and 1.3% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.42% last week, down from 1.52% a week earlier. The German equivalent finished at -0.22%. The Irish 10-year bond yield finished at 0.15%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.19, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$75 per barrel and is up 60.0% year-to-date in euro terms.
- Gold finished the week at \$1,791 per troy ounce and is down -3.0% year-to-date in euro terms.
- Copper finished the week at \$9,351 per tonne.

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