

Markets shrug off Delta cases to move higher

Stocks fell sharply on Monday last week as concerns over the COVID-19 Delta variant rose to the surface. U.S. bond yields moved sharply lower as a clear 'risk-off' attitude permeated through markets. There did not appear to be an explicit trigger for the moves lower, although trading volumes were light, and stocks subsequently rallied strongly to finish to week well in positive territory. Growth stocks led the recovery as the FAANG+ stocks outperformed.

U.S. housing data turned positive once again, after 'pausing for breath' over the last number of months. Existing home sales ended a four-month run of declines and rose 1.4% during the month of June, as housing starts also rose a solid 6.3%. In the eurozone, the week ended on a positive note with strong PMI figures being released. The manufacturing sector reading came in at 62.6 and has now come in above 60 for the 5th straight month. The services sector, which has been slower to recover, came in at 60.4 and has indicated an expansion reading (above 50) every month so far in 2021.

In the U.S., markets will look to the latest Federal Reserve FOMC meeting this week as the debate continues to rage over when the Fed will move to taper asset purchases. At the most recent ECB meeting it appeared clear that the single currency bloc would be in no rush to tighten monetary policy. New COVID cases in the U.K. climbed by 40% last week, but there does appear to be signs of a decoupling between case numbers and hospitalisations. Aside from the health and societal implications, a slowing or reversing reopening plans could represent a short-term headwind for economic activity.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold
Oil
Copper

The week ahead

28 July

The Federal Reserve meets for its latest interest rate decision.

29 July

An initial reading of Q2 US GDP goes to print.

30 July

German GDP and eurozone inflation readings are released.



	1 Week Return 19.07.21 to 26.07.21		Year to Date Return 01.01.21 to 26.07.21	
	Local Currency	Euro	Local Currency	Euro
World	3.3%	3.7%	15.2%	19.8%
U.S.	3.7%	4.1%	17.8%	22.6%
Europe	3.8%	3.8%	17.6%	17.6%
Ireland	5.8%	5.8%	13.2%	13.2%
U.K.	2.6%	3.6%	11.4%	16.6%
Japan	-0.2%	-0.9%	6.5%	3.5%
Hong Kong	0.5%	0.9%	9.6%	13.8%
Corporate Bonds	0.4%	0.4%	-0.3%	-0.3%
Sovereign Bonds	0.8%	0.8%	-1.9%	-1.9%

Equities

- Global stocks were up last week by 3.7% in euro terms and 3.3% in local terms.
- Year-to-date global markets are up 19.8% in euro terms and 15.2% in local terms.
- The U.S. market, the largest in the world, was up 4.1% in euro terms and 3.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.24% last week, down from 1.27% a week earlier. The German equivalent finished at -0.42%. The Irish 10-year bond yield finished in negative territory at -0.04%.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$72 per barrel and is up 52.6% year-to-date in euro terms.
- Gold finished the week at \$1,808 per troy ounce and is down -1.4% year-to-date in euro terms.
- Copper finished the week at \$9,495 per tonne.

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