

Markets mixed as macro factors weigh

Major indexes finished the week lower, as a pullback towards the end of the week dragged them off record highs. There was a plethora of earnings and economic data for traders to digest. Q2 GDP in the U.S. came in at 6.5% - well below the consensus estimate of 8.5%. However, this still represents the fastest rate of growth since 2003, with the U.S. economy now bigger than its pre-pandemic peak. Supply chain concerns continue to be a cause for concern for those analysing the world's biggest economy. In other U.S. data, manufacturing PMIs slipped last week, but still remain at an impressive reading of 60.1. Consumer confidence also slipped to a five month low, with persisting inflation concerns causing some worries. However, optimism continues to persist in the U.S., as consensus is growing on Capitol Hill in relation to an infrastructure package whilst the Federal Reserve continues to portray a dovish stance.

Eurozone data was more positive as Q2 GDP rose 2%, which was better than expected. Survey data suggests there has also been a strong start to Q3 with July economic confidence jumping to a record high since the survey began in 1985. In relation to earnings, two thirds of eurozone companies which have reported so far have beaten earnings expectations – slightly below the stellar Q1 results. With nearly a third of European companies having reported Q2 earnings, 63% have beaten EPS expectations, a historically elevated level, but slightly below the record high of 67% reached in Q1.

Finally, even as Delta variant case numbers continue to rise, there is growing evidence of the 'de-coupling' between case numbers and hospitalisations, with over 4 billion vaccines having now been administered globally so far in 2021.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Sovereign Bonds
Gold
Copper



World Equities
Oil

The week ahead

4 Aug	Chinese and U.S. services PMIs for July are published.
5 Aug	The Bank of England meets for its latest interest rate decision.
6 Aug	U.S. Non-farm payrolls for July go to print



	1 Week Return 26.07.21 to 02.08.21		Year to Date Return 01.01.21 to 02.08.21	
	Local Currency	Euro	Local Currency	Euro
World	-0.1%	-0.7%	15.4%	18.8%
U.S.	-0.8%	-1.4%	17.1%	20.6%
Europe	0.7%	0.7%	18.3%	18.3%
Ireland	0.9%	0.9%	13.6%	13.6%
U.K.	0.9%	0.8%	12.4%	17.7%
Japan	0.7%	1.0%	8.4%	5.5%
Hong Kong	0.4%	-0.2%	8.1%	11.1%
Corporate Bonds	0.2%	0.2%	0.3%	0.3%
Sovereign Bonds	0.2%	0.2%	-1.7%	-1.7%

Equities

- Global stocks were down last week by -0.7% in euro terms and -0.1% in local terms.
- Year-to-date global markets are up 18.8% in euro terms and 15.4% in local terms.
- The U.S market, the largest in the world, was down -1.4% in euro terms and -0.8% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.18% last week, down from 1.24% a week earlier. The German equivalent finished at -0.49%. The Irish 10-year bond yield finished in negative territory at -0.09%.
- The Euro/U.S. Dollar exchange rate finished at 1.19, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$71 per barrel and is up 52.6% year-to-date in euro terms.
- Gold finished the week at \$1,813 per troy ounce and is down -1.7% year-to-date in euro terms.
- Copper finished the week at \$9,675 per tonne.

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