Mixed week for equities with policymakers to the fore

Equities had a poor start to last week, with the S&P 500 seeing its worst day in a number of months last Monday. However, much of the losses were recouped throughout the rest of the week as major markets finished on more solid ground. The possible default of Chinese property developer, 'Evergrande' was the source of much consternation as investors feared any collapse could lead to a global sell off. However, Chinese authorities had stepped in by mid-week which saw a capital injection into the banking system and a restructuring plan announced for Evergrande.

The U.S. Federal Reserve met on Wednesday with no change in the headline interest rate, as expected. However, Fed Chair Powell did give further hints in his press conference in relation to plans for tapering of bond purchases and a more 'hawkish' tone is beginning to emanate from the individuals on the committee. Bond yields (which move inversely to prices) moved higher on both sides of the Atlantic. There was little in the way of U.S. economic data last week, but housing starts rose 3.9% whilst building permits climbed 6.0% as new home sales were up 1.5% in August. The property market appears to be still navigating a number of supply side concerns.

The Bank of England also kept its headline rate unchanged at 0.10%, although two board members made the case for higher rates as Governor Andrew Bailey stated he sees inflation at elevated levels over the next year. The German election took place over the weekend, with the initial results too close to call. A coalition between the SPD and the CDU/CSU bloc looks likely as a strong showing from the Greens has also brought them into the equation. Market reaction has been muted with the final makeup of the new government unlikely to deviate massively from previous policy.

Our regular market information continues on the next page.

Snapshot

World Equities
Oil
Copper

Corporate Bonds
Sovereign Bonds
Gold

The week ahead

28 Sept	U.S. & German consumer confidence readings are released.
30 Sept	Chinese PMI data goes to print.
1 Oct	Eurozone inflation and US PMI information is published.

	1 Week Return 20.09.21 to 27.09.21		Year to Date Return 01.01.21 to 27.09.21	
	Local Currency	Euro	Local Currency	Euro
World	1.9%	2.0%	16.6%	21.8%
U.S.	2.2%	2.3%	19.1%	24.4%
Europe	2.1%	2.1%	18.1%	18.1%
Ireland	1.9%	1.9%	19.9%	19.9%
U.K.	2.1%	2.2%	12.8%	17.9%
Japan	-0.4%	-1.4%	17.0%	14.0%
Hong Kong	1.0%	1.1%	-1.7%	2.3%
Corporate Bonds	-0.3%	-0.3%	-0.9%	-0.9%
Sovereign Bonds	-0.6%	-0.6%	-3.7%	-3.7%

Equities

- Global stocks were up last week by 2.0% in euro terms and 1.9% in local terms.
- Year-to-date global markets are up 21.8% in euro terms and 16.6% in local terms.
- The U.S market, the largest in the world, was up 2.3% in euro terms and 2.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.49% last week, up from 1.35% a week earlier. The German equivalent finished at -0.21%. The Irish 10-year bond yield finished at 0.17% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at $75 per barrel and is up 61.2% year-to-date in euro terms.
- Gold finished the week at $1,748 per troy ounce and is down -3.8% year-to-date in euro terms.
- Copper finished the week at $9,344 per tonne.

Figures are calculated using Total Returns Indices.

Warning: Past performance is not a reliable guide to future performance.
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Warning: Benefits may be affected by changes in currency exchange rates.
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