

Markets rebound as jobs report raises more questions than answers

The US non-farm payrolls report on Friday was somewhat of a mixed bag, as a weak headline figure masked more impressive data in the underlying detail. Payrolls rose just 194,000 during September, versus a consensus expectation of over 500,000. However, there were strong upward revisions to the prior two months and the unemployment rate dropped to 4.8% - although this was tempered by a stubbornly sticky participation rate, which suggests that workers are still not rushing back to work. There is an intense focus from investors on the labour market currently and the various data points have left scope for varying interpretations in recent months. Stocks ended the week on a positive note, whilst the key US 10 year treasury yield finished above the key level of 1.6%.

Last week started on a negative note, with Facebook and a raft of underlying services suffering from a severe outage. Worries regarding the US debt ceiling also weighed on markets, but the positive tones emanating from both sides in Congress alleviated concerns as the week progressed. Eurozone shares were also higher on the week, whilst bond yields moved higher once again on inflation concerns centred on rising energy prices. The surge in natural gas prices looks set to be a key geopolitical issue between the EU and Russia as winter approaches.

Asian markets were mixed as the Shanghai exchange was closed for much of the week due to the 'Golden Week' holiday. New Japanese Prime Minister, Fumio Kishida, failed to capture the imagination in his first week in office, whilst Chinese Taiwanese tensions look set to flare once more. Finally, inflation data, earnings, and Fed commentary looks set to be the main focus for the week ahead.

Our regular market information continues on the next page.

Snapshot



World Equities
Oil
Copper



Corporate Bonds
Sovereign Bonds
Gold

The week ahead

13 Oct	The latest US inflation data and FOMC minutes both go to print.
14 Oct	Chinese consumer and producer inflation figures are published.
15 Oct	US Retail Sales for September are released.



	1 Week Return 04.10.21 to 11.10.21		Year to Date Return 01.01.21 to 11.10.21	
	Local Currency	Euro	Local Currency	Euro
World	1.7%	2.2%	14.5%	21.0%
U.S.	2.2%	2.7%	17.2%	23.9%
Europe	1.4%	1.4%	16.1%	16.1%
Ireland	0.7%	0.7%	13.7%	13.7%
U.K.	1.3%	2.0%	14.0%	20.2%
Japan	-0.6%	-1.2%	10.4%	7.6%
Hong Kong	1.4%	1.8%	0.2%	5.5%
Corporate Bonds	-0.5%	-0.5%	-1.4%	-1.4%
Sovereign Bonds	-0.7%	-0.2%	-4.5%	-4.5%

Equities

- Global stocks were up last week by 2.2% in euro terms and 1.7% in local terms.
- Year-to-date global markets are up 21.0% in euro terms and 14.5% in local terms.
- The U.S market, the largest in the world, was up 2.7% in euro terms and 2.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.61% last week. The German equivalent finished at -0.13%. The Irish 10-year bond yield finished at 0.24% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$81 per barrel and is up 77% year-to-date in euro terms.
- Gold finished the week at \$1,754 per troy ounce and is down -2.4% year-to-date in euro terms.
- Copper finished the week at \$9,388 per tonne.

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