

Markets higher as central bankers take centre stage

Stocks enjoyed another solid week of gains as investors took both a Fed announcement and US jobs report in their stride. In Friday's unemployment report, headline payrolls rose by a better than expected 531,000. This was the fastest rate in three months, with August and September also both seeing upward revisions. Total employment is still roughly 4.5 million below pre pandemic levels, but the direction of travel is clear, and the unemployment rate now stands at 4.6%. Nine of the eleven sectors in the S&P 500 moved higher, as optimism in the US market was clearly evident.

On Wednesday, a move very much forecast by the market, the US Federal Reserve announced it would begin to 'taper' its bond purchase programme by \$15 billion per month. If this pace is maintained the programme will be fully wound down by next June. However, the accompanying commentary was relatively dovish, and Chair Powell did nothing to upset the market as US treasury yields moved lower. Other US data releases pointed to continuing supply chain issues with the manufacturing PMI moving lower to 60.1 (albeit still well in expansionary territory) as the purchase price paid component jumped materially.

The Bank of England surprised markets last Thursday by not raising interest rates when the market had fully priced in a 15bps movement. The Monetary Policy Committee voted 7-2 in favour of leaving rates unchanged in a move which led to Sterling weakening against the majority of major currencies. The asset purchase programme was also left unchanged, as the somewhat unkind moniker of the 'unreliable boyfriend' spread throughout markets.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Oil
- Gold
- Copper

The week ahead

9 Nov	German economic sentiment figures are published.
10 Nov	Chinese and US inflation data goes to print.
12 Nov	Preliminary US consumer confidence figures for November are released.



	1 Week Return 01.11.21 to 08.11.21		Year to Date Return 01.01.21 to 08.11.21	
	Local Currency	Euro	Local Currency	Euro
World	1.3%	1.6%	21.6%	28.8%
U.S.	1.7%	2.0%	25.3%	32.7%
Europe	1.4%	1.4%	23.8%	23.8%
Ireland	-2.3%	-2.3%	13.7%	13.7%
U.K.	0.3%	-0.7%	17.6%	22.9%
Japan	0.0%	0.9%	15.5%	11.3%
Hong Kong	-0.6%	-0.3%	0.4%	5.9%
Corporate Bonds	0.9%	0.9%	-0.8%	-0.8%
Sovereign Bonds	2.1%	2.1%	-2.8%	-2.8%

Equities

- Global stocks were up last week by 1.6% in euro terms and 1.3% in local terms.
- Year-to-date global markets are up 28.8% in euro terms and 21.6% in local terms.
- The U.S market, the largest in the world, was up 2.0% in euro terms and 1.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.48% last week. The German equivalent finished at -0.27%. The Irish 10-year bond yield finished at 0.14% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$82 per barrel and is up 78.5% year-to-date in euro terms.
- Gold finished the week at \$1,815 per troy ounce and is up 0.9% year-to-date in euro terms.
- Copper finished the week at \$9,753 per tonne.

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