

Markets roiled by new COVID variant

Stocks moved sharply lower in the holiday shortened trading week, as concerns in relation to a new COVID variant came to the fore. Stocks in Europe finished down over 4% on Friday, with the US faring better although still down 2.5%. Oil fell over 10% which was the biggest fall since WTI fell into negative price territory in May 2020. Investors flocked to safer assets with the US ten-year treasury yield (which moves inversely to price) down 16 basis points in its biggest move since November of last year.

The week had started in a positive fashion, as on Monday morning President Biden announced that he planned to renominate Jerome Powell as Federal Reserve Chair. Biden also plans to nominate Lael Brainard as the Vice-Chair with markets reacting optimistically to the bipartisan continuity appointment of Powell. The US also saw the lowest level of weekly jobless claims since 1969 as European data also surprised to the upside.

The Eurozone PMIs saw Services rise to 56.6 with manufacturing at 58.6, both well in expansionary territory and driven by strong data in both Germany and France. The UK also saw the fastest rate of new business orders since July which may well set the stage again for serious interest rate rise discussion at the next Bank of England meeting. There is plenty of economic data to look forward to this week, including Chinese PMIs and further inflation data before the US jobs report on Friday. However, it is possible that market sentiment will continue to swing based on the latest COVID updates.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Oil
Gold
Copper

The week ahead

30 Nov	Eurozone Inflation and Chinese PMI data goes to print.
2 Dec	OPEC meets to decide their latest oil production targets.
3 Dec	US non-farm for November is published.



	1 Week Return 22.11.21 to 29.11.21		Year to Date Return 01.01.21 to 29.11.21	
	Local Currency	Euro	Local Currency	Euro
World	-2.2%	-2.8%	17.9%	27.5%
U.S.	-1.8%	-2.4%	22.5%	32.5%
Europe	-4.5%	-4.5%	18.5%	18.5%
Ireland	-4.2%	-4.2%	8.0%	8.0%
U.K.	-2.8%	-3.9%	13.7%	20.0%
Japan	-2.8%	-2.0%	12.9%	11.4%
Hong Kong	-2.0%	-2.7%	-0.9%	6.5%
Corporate Bonds	-0.4%	-0.4%	-1.5%	-1.5%
Sovereign Bonds	-0.4%	-0.4%	-3.0%	-3.0%

Equities

- Global stocks were down last week by -2.8% in euro terms and down -2.2% in local terms.
- Year-to-date global markets are up 27.5% in euro terms and 17.9% in local terms.
- The U.S. market, the largest in the world, was down -2.4% in euro terms and -1.8% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.53% last week. The German equivalent finished at -0.33%. The Irish 10-year bond yield finished at 0.17% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.13, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$72 per barrel and is up 60% year-to-date in euro terms.
- Gold finished the week at \$1,794 per troy ounce and is up 2.5% year-to-date in euro terms.
- Copper finished the week at \$9,572 per tonne.

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