

Markets close out the year on a positive note

Most major markets saw gains in the holiday shortened week, with the rally bringing the major US markets into touching distance of an all-time high. Despite rising global COVID cases as the Omicron variant took hold, concerns about the potency of the variant began to dissipate and renewed optimism was evident across markets. Whilst it was a light week for economic updates, weekly US jobless claims fell again and are now close to a 50 year low. Payment processing companies such as Mastercard reported robust December spending, with consumer purchasing much higher than a year ago. There are a number of key economic releases this week, including the final US jobs numbers of 2021 and US PMI data.

In Europe, stocks were higher although there was similar negative headlines in relation to COVID. A plethora of countries, including France and Italy introduced further restrictions, with France’s banning of British road passengers on the Eurostar, drawing the ire of lawmakers in Westminster. The UK has stated that it will wait until this week to consider new restrictions. New Japanese Prime Minister Fumio Kishida received an economic boost as Industrial Production grew by a record 7.2% (MoM) in November and whilst the unemployment rate ticked up to 2.8%, it was due to more people entering the workforce.

Last week Chinese lawmakers advanced plans to restrict overseas IPOs from Chinese companies, as regulators tightened their grip on the countries growing number of publicly listed companies. After a volatile year for economic data, the final Chinese releases of the year PMI data rose more than expected bringing the year to a close on a positive note.

Our regular market information continues on the next page.

Snapshot



World Equities
Oil
Gold
Copper



Corporate Bonds
Sovereign Bonds

The week ahead

5 Jan	The minutes of the latest Fed meeting are released.
6 Jan	German inflation along with US and Chinese services PMI data are published.
7 Jan	US non-farm payrolls for December go to print.



	1 Week Return 27.12.21 to 03.01.22		Year to Date Return 01.01.22 to 03.01.2022	
	Local Currency	Euro	Local Currency	Euro
World	0.1%	0.4%	0.3%	1.0%
U.S.	0.0%	0.2%	0.6%	1.3%
Europe	1.0%	1.0%	0.6%	0.6%
Ireland	1.7%	1.7%	0.0%	0.0%
U.K.	0.1%	0.6%	0.0%	0.0%
Japan	0.6%	0.5%	0.0%	0.6%
Hong Kong	0.9%	1.2%	0.5%	1.2%
Corporate Bonds	-0.6%	-0.6%	-0.3%	-0.3%
Sovereign Bonds	-0.7%	-0.7%	-4.7%	-4.7%

Equities

- Global stocks were up last week by 0.4% in euro terms and 0.1% in local terms.
- Year-to-date global markets are up 1.0% in euro terms and 0.3% in local terms.
- The U.S market, the largest in the world, was up 0.2% in euro terms and finished flat at 0.0% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.63% last week. The German equivalent finished at -0.12%. The Irish 10-year bond yield finished at 0.25% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.13, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at \$76 per barrel and is up 1.8% year-to-date in euro terms.
- Gold finished the week at \$1,801 per troy ounce and is down -0.9% year-to-date in euro terms.
- Copper finished the week at \$9,740 per tonne.

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