

Market finish flat in choppy trading week

The choppy trading conditions evident so far in 2022 were also on display last week, as volatility remained elevated with the VIX reaching its highest level since the early part of the pandemic. The Federal Reserve has all but confirmed an interest rate hike at its mid-March meeting. On the geopolitical front, the UK warned over the weekend that it is now 'highly likely' that Russia will invade Ukraine, as the topic looks set to dominate today's meeting of the UN Security Council. Energy stocks rallied as the tensions put upward pressure on the price oil. In the US bond market, the wrangling between the bulls and the bears continues with the disconnect between what the Fed is forecasting and what the market is pricing in growing.

US GDP data surprised to the upside in the last quarter of 2021, delivering an annualised return of 6.9%, well above a consensus forecast of 5.5%. Overall, the calendar year GDP rate was 5.7%, the best growth rate since 1984. Leading indicators showed some signs of slowing with the composite PMI falling to 50.8 – its lowest level in 18 months.

Eurozone data was mixed as a number of surveys from early January pointing toward softening economic growth in 2022. However, it is worth noting the shift in attitude to the Omicron variant since the Christmas period. The eurozone services PMI fell more than expected to 51.2, but remains in expansion territory, whilst the manufacturing metric increased to 59.0. Eurozone economic and industrial confidence both slipped as German Q4 GDP came in at -0.7% over the quarter. In the UK, PMI data also suggests a slow start to 2022, with both the manufacturing and services metrics declining to 56.9 and 53.3, respectively.

Our regular market information continues on the next page.

Snapshot



World Equities
Copper



Corporate Bonds
Sovereign Bonds
Gold
Oil

The week ahead

| | |
|-------|---|
| 2 Feb | The most recent Eurozone inflation reading goes to print. |
| 3 Feb | The ECB and the BoE meets for their latest respective interest rate decision. |
| 4 Feb | The hotly anticipated US non-farm payrolls report is published. |



| | 1 Week Return 24.01.22 to 31.01.22 | | Year to Date Return 01.01.22 to 31.01.2022 | |
|-----------------|---------------------------------------|-------|---|-------|
| | Local Currency | Euro | Local Currency | Euro |
| World | 0.0% | 1.3% | -6.9% | -5.2% |
| U.S. | 0.3% | 1.6% | -7.6% | -5.9% |
| Europe | 1.7% | 1.7% | -5.8% | -5.8% |
| Ireland | 3.3% | 3.3% | -6.5% | -6.5% |
| U.K. | 2.4% | 3.3% | 2.0% | 2.9% |
| Japan | -2.7% | -2.5% | -5.9% | -4.2% |
| Hong Kong | -4.5% | -3.3% | 1.0% | 2.9% |
| Corporate Bonds | -0.6% | -0.6% | -1.6% | -1.6% |
| Sovereign Bonds | -0.4% | -0.4% | -1.1% | -1.1% |

Equities

- Global stocks were up last week by 1.3% in euro terms and 0.0% in local terms.
- Year-to-date global markets are down -5.2% in euro terms and -6.9% in local terms.
- The U.S market, the largest in the world, was up 1.6% in euro terms and up 0.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.79% last week. The German equivalent finished at -0.01%. The Irish 10-year bond yield finished at 0.51% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP finished at 0.83.

Commodities

- Oil finished the week at \$87 per barrel and is up 18.3% year-to-date in euro terms.
- Gold finished the week at \$1,790 per troy ounce and is up -0.4% year-to-date in euro terms.
- Copper finished the week at \$9,557 per tonne.

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Intended for distribution within the Republic of Ireland.

GR: 5685 Print Ref: ZL ISA 5685 0121

