

Markets remain in fickle mood on Ukraine tensions

Equities fell for the second week in a row as the rapidly evolving situation in Ukraine led to higher volatility and uncertainty. The geopolitical tensions ultimately overshadowed what was a positive week on the economic front and also the fact that the Federal Reserve's FOMC minutes didn't contain any unexpected comments. It is worth noting that much of the talk about a potential 50bps hike came post the last Fed meeting, and therefore would not be reflected in the minutes released last week. Also, please note that US markets are closed today in observance of Presidents' Day.

In the US, Retail Sales rose 3.8%, higher than forecast, as the economy proved to be resilient in the face of the Omicron case surge in early January. Industrial production also came in ahead of expectations, with the index rising 1.4% during the month of January. Existing home sales saw a strong recovery from a poor December, to rise at an annualised rate of 6.7% last month. With US mortgage rates set to rise in tandem with interest rates, it will be interesting to see the effect on sales over the course of 2022. Supply chain concerns were also evident in new housing starts and the NAHB Housing Market Index.

Elsewhere Japan's GDP came in strongly for the last quarter of 2021, growing at an annualised rate of 5.4%. Whilst this came in under the forecast of 6.0%, the negative figure for Q3 was revised higher. In the UK, inflation rose to a three decade high, of 5.5% which has led to the market increasing expectations of another interest rate hike from the Bank of England at its March meeting.

Our regular market information continues on the next page.

Snapshot



Sovereign Bonds
Corporate Bonds
Copper
Oil
Gold



World Equities

The week ahead

21 Feb	Eurozone and UK PMIs go to print.
24 Feb	US New Home Sales data is released.
25 Feb	US Personal Consumption and Personal Income are both published.



	1 Week Return 14.02.22 to 21.02.22		Year to Date Return 01.01.22 to 21.02.2022	
	Local Currency	Euro	Local Currency	Euro
World	-0.9%	-1.2%	-7.6%	-7.3%
U.S.	-1.3%	-1.6%	-9.2%	-8.9%
Europe	0.0%	0.0%	-6.9%	-6.9%
Ireland	-0.5%	-0.5%	-7.3%	-7.3%
U.K.	0.0%	0.3%	2.8%	3.4%
Japan	-0.4%	-0.3%	-4.1%	-3.8%
Hong Kong	0.5%	0.2%	5.8%	6.0%
Corporate Bonds	0.1%	0.1%	-3.9%	-3.9%
Sovereign Bonds	0.6%	0.6%	-4.8%	-4.8%

Equities

- Global stocks were down last week by -1.2% in euro terms and -0.9% in local terms.
- Year-to-date global markets are down -7.3% in euro terms and -7.6% in local terms.
- The U.S market, the largest in the world, was down -1.6% in euro terms and down -1.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.93% last week. The German equivalent finished at 0.22%. The Irish 10-year bond yield finished at 0.83% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.14, whilst Euro/GBP finished at 0.83.

Commodities

- Oil finished the week at \$91 per barrel and is up 21.4% year-to-date in euro terms.
- Gold finished the week at \$1,898 per troy ounce and is up 3.8% year-to-date in euro terms.
- Copper finished the week at \$10,010 per tonne.

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