

Global markets underperform while bonds rally

Snapshot



Sovereign Bonds
Corporate Bonds



World Equities
Oil
Copper
Gold

Week Ahead

3
Feb

U.S. Manufacturing services data for January released

5
Feb

U.S. & U.K. services PMI data goes to print

7
Feb

U.S. non-farm payrolls jobs report.

As the coronavirus outbreak continued to escalate, the World Health Organization declared a public-health emergency. Bonds rallied while international markets and cyclical sectors underperformed. Brent crude futures sank overnight after a report saying Chinese oil demand has dropped by about three million barrels a day, or 20% of total consumption, in probably the largest demand shock the oil market has suffered since the global financial crisis.

The pound edged lower this morning, as The U.K. and the European Union begin their battle over a future trade deal on Monday.

Coming up, heavyweights from every sector release earnings this week. There's purchasing managers index data due and the closely watched Institute for Supply Management's manufacturing numbers coming from the U.S. The Federal Reserve, as expected, left interest rates unchanged – as did the Bank of England. Despite the negative market sentiment last week, economic data was broadly positive with personal spending, durable goods, and new home sales all posting positive growth.

| | 1 Week Return 27.01.20 to 03.02.20 | | Year to Date Return 31.12.19 to 03.02.20 | |
|-----------------|---------------------------------------|-------|---|-------|
| | Local Currency | Euro | Local Currency | Euro |
| World | -0.6% | -1.2% | -0.7 % | 0.6% |
| U.S. | -0.5% | -1.0% | 0.1% | 1.3% |
| Europe | -0.8% | -0.8% | -0.9% | -0.9% |
| Ireland | -1.3% | -1.3% | -3.2% | -3.2% |
| U.K. | -1.7% | -1.6% | -3.4% | -3.0% |
| Japan | -1.0% | -1.1% | -1.6% | -0.2% |
| Hong Kong | -5.3% | -5.7% | -4.8% | -3.3% |
| Corporate Bonds | 0.2% | 0.2% | 5.1% | 1.5% |
| Sovereign Bonds | 1.8% | 1.8% | 3.6% | 3.6% |

Equities

- Global markets fell last week by -0.6% in local terms and -1.2% in euro terms.
- Hong Kong fell by -5.3% in local terms, leading losses among major markets.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.52% last week. The German equivalent finished at -0.44%. The Irish 10 year bond yield finished at -0.15%.
- The Euro/U.S. Dollar exchange rate finished at 1.10, whilst Euro/GBP remained at 0.84.

Commodities

- Oil fell back finishing the week at \$51 per barrel.
- Gold decreased to \$1,578 per troy ounce.
- Copper decreased to \$5,551 per tonne.

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