

Positive corporate earnings supportive of growth

Snapshot



World Equities
Sovereign Bonds
Oil
Gold
Copper



Corporate Bonds

Week Ahead

17
Feb

Presidents' Day –
U.S. markets closed

19
Feb

U.K. Consumer Price
Index data for
January released

21
Feb

U.S. and Eurozone
flash manufacturing
PMI data released

With 80% of S&P 500 companies having reported, fourth quarter earnings are tracking 3% above analysts' earnings estimates. Mega-cap tech stocks have been leading the way, contributing 60% of the earnings upside.

A revision to the method of counting infections led to a surge in new reported cases of coronavirus in China last week. Asian equity markets were mixed on the reports as investors struggled to analyse the data. The Eurozone manufacturing sector was already struggling long before the virus outbreak, confirmed by data released this week. Industrial output in the Eurozone declined 2.1% during the month of December, the sharpest decline since 2016.

Investors seemed reassured by Federal Reserve Chair Jerome Powell's congressional testimony on Tuesday and Wednesday. His comments continue to emphasize that the economy is in a good place and that the stance of policy is unlikely to change so long as the incoming information is broadly aligned with the Fed's outlook.

	1 Week Return 10.02.20 to 17.02.20		Year to Date Return 31.12.19 to 17.02.20	
	Local Currency	Euro	Local Currency	Euro
World	0.8%	1.5%	3.1%	6.7%
U.S.	0.9%	1.6%	5.0%	8.5%
Europe	1.4%	1.4%	4.5%	4.5%
Ireland	1.3%	1.3%	0.2%	0.2%
U.K.	-0.6%	1.0%	-2.0%	-0.3%
Japan	-0.9%	-0.3%	-0.4%	1.9%
Hong Kong	2.1%	2.7%	-0.6%	3.1%
Corporate Bonds	0.0%	0.0%	1.0%	1.0%
Sovereign Bonds	0.4%	0.4%	3.4%	3.4%

Equities

- Global markets edged higher last week, up by 0.8% in local terms and 1.5% in euro terms.
- Both Ireland and Europe were up 1.3% and 1.4% respectively in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.58% last week. The German equivalent finished at -0.40%. The Irish 10 year bond yield finished at -0.12%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.83.

Commodities

- Oil increased slightly at \$52 per barrel.
- Gold increased to \$1,580 per troy ounce.
- Copper increased to \$5,750 per tonne.

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