Equities higher as investors cheer stimulus deals

Snapshot

↑

World Equities
Corporate Bonds
Gold
Copper

↓

Sovereign Bonds
Oil

Equity markets made decent gains last week, to help further pare the losses seen so far in 2020. Indications of an oil supply agreement and further policy measures (most notably from the Federal Reserve) helped to maintain optimism. The Fed announced a series of programmes, which they estimate will provide an additional $2.3 trillion worth of financial supports. Details on the 'Main Street Lending Program', which had been previously flagged, were revealed and were broadly well received by the market. Policy moves appear to have more weight than economic data currently, as a series of releases were broadly brushed off by markets. These included falling consumer confidence, increased missed mortgage payments, and another huge initial jobless claims figure from the U.S., which reported that 6.6 million Americans had filed for unemployment benefits the week before last.

The 'OPEC ++' group reached an agreement over the weekend after marathon talks aimed at reducing oil supply, in order to help push prices higher. The resulting price movements have been somewhat lacklustre, perhaps given moves from last week in anticipation of a deal, or the fact that the agreement does appear fragile.

In Europe, a €540 billion stimulus deal was approved, but there was no agreement on 'Coronabonds' which was an attempt to pool sovereign debt across the eurozone. Boris Johnson was released from hospital, as the most affected of European countries (Italy, Spain, and France) were beginning to see a deceleration in fatalities. A number of other countries, including Czech and Denmark, began to ease restrictions but these moves remain firmly in their infancy. Progress in containing the spread of the virus, along with further policy moves, are likely to be the dominant market forces in the short term as economic data continues to play catch up in what are fast moving, volatile market conditions.

Our regular market information continues on the next page.

	1 Week Return 06.03.20 to 13.04.20		Year to Date Return 31.12.19 to 13.04.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	4.0%	2.9%	-17.0%	-14.6%
U.S.	3.9%	2.7%	-14.5%	-12.2%
Europe	2.7%	2.7%	-18.6%	-18.6%
Ireland	5.5%	5.5%	-23.1%	-23.1%
U.K.	4.5%	5.7%	-22.9%	-25.2%
Japan	1.9%	2.2%	-17.9%	-14.9%
Hong Kong	3.1%	1.9%	-13.2%	-10.4%
Corporate Bonds	2.2%	2.2%	-3.9%	-3.9%
Sovereign Bonds	-0.8%	-0.8%	-0.2%	-0.2%

Week Ahead

14 Apr Earning seasons kicks off with JPM & J&J both reporting.

15 Apr U.S. retail sales for March goes to print, where a large fall is forecast.

17 Apr The much anticipated Chinese GDP data for Q1 is released.

Equities

- Global equities were up last week by 4% in local terms and 2.9% in euro terms.
- The influential U.S. market was up by 3.9% in local terms and 2.7% in euro terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.77% last week. The German equivalent finished at -0.35%. The Irish 10 year bond yield finished at 0.21%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.87.

Commodities

- Oil prices fell finishing at $22 per barrel.
- Gold increased to $1,715 per troy ounce.
- Copper increased to $4,993 per tonne

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