

# Stocks off record highs, as Tech leads markets lower

## Snapshot



Sovereign Bonds  
Corporate Bonds  
Copper



World Equities  
Gold  
Oil

## The week ahead

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Sept

Chinese inflation data for August goes to market

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Sept

The ECB meets for its latest interest rate decision

11  
Sept

The latest US inflation data goes to print

Global markets moved lower last week, as Tech stocks fell for two consecutive days following a massive run up in recent weeks. Rumours abounded regarding the impact of derivative positions as larger daily swings become a more permanent feature of stock market movements. The key US market will pause for breath today, as it will be closed for Labor Day. US non-farm payrolls provided a positive finish to the week as the economy added jobs for the fourth consecutive month, with over half the jobs lost since the start of the pandemic now recovered. The unemployment rate also ticked down significantly and now stands at 8.4%. Whilst the recovery in the labour market should continue, the pace of job growth is likely to moderate from this point.

Within the eurozone, inflation data surprised to the downside, as prices in the currency bloc in August coming in lower than they were a year ago. Given the amount of stimulus already in place, it will provide plenty of food for thought for the ECB ahead of its policy meeting this Thursday. Brexit negotiations also continue in London this week, with both sides publicly commentating on the lack of progress in recent weeks. The Financial Times reported over the weekend that Boris Johnson is set to 'override' the withdrawal agreement, raising the stakes once more.

In terms of the virus, US cases remained somewhat steady last week, although the news was less positive in Europe. UK cases rose the most in three months with Germany and France also seeing a spike in numbers. With schools and universities returning this week, authorities are entering a crucial period.

***Our regular market information continues on the next page.***

|                 | 1 Week Return<br>31.08.20 to 07.09.20 |       | Year to Date Return<br>01.01.20 to 07.09.20 |        |
|-----------------|---------------------------------------|-------|---|--------|
|                 | Local Currency                        | Euro  | Local Currency                              | Euro   |
| World           | -2.3%                                 | -0.9% | -1.7%                                       | -3.2%  |
| U.S.            | -2.4%                                 | -1.5% | 7.4%  | 1.8%   |
| Europe          | -0.8%                                 | -0.8% | -9.1%                                       | -9.1%  |
| Ireland         | -3.6%                                 | -3.6% | -7.9%                                       | -7.9%  |
| U.K.            | -2.6%                                 | -2.9% | -24.3%                                      | -28.5% |
| Japan           | -0.1%                                 | 0.5%  | -5.2%                                       | -8.1%  |
| Hong Kong       | -2.0%                                 | -1.2% | -8.0%                                       | -12.3% |
| Corporate Bonds | 0.2%                                  | 0.2%  | 0.6%  | 0.6%   |
| Sovereign Bonds | 0.7%                                  | 0.7%  | 4.3%  | 4.3%   |

#### Equities

- Global markets fell 2.3% last week in local terms, whilst euro returns were -0.9%
- Year to date the Irish Market has returned -7.9%
- The NASDAQ is the best performing of the major indexes, up 19.5% in euro terms so far in 2020.

#### Fixed Income & FX

- The U.S. 10-year yield was flat last week and finished at 0.72%. The German equivalent finished at -0.45%. The Irish 10 year bond yield finished at -0.10% as eurozone sovereign yields fell.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.90.

#### Commodities

- Oil finished the week at \$39 per barrel.
- Gold finished the week at \$1,932 per troy ounce up 27.3% year to date in local terms and 20.6% year to date in Euro terms.
- Copper finished the week at \$6,729 per tonne.

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