

Markets move lower for a second consecutive week

Snapshot



Corporate Bonds
Sovereign Bonds
Gold



World Equities
Oil
Copper

The week ahead

16
Sept

The U.S. FOMC meets for its latest interest rate decision.

17
Sept

No change in policy is expected as the Bank of England meets.

18
Sept

U.S. consumer confidence and U.K. retail sales data goes to print.

Stocks declined for a second consecutive week, led lower once again by the Tech sector. With the influential U.S. market closed last Monday for Labor Day, there was no one single catalyst for weakness in the sector. Technical indicators, rising case numbers, a lack of a fiscal deal and valuation concerns have all been cited by various market commentators. Vaccine sentiment took a hit early in the week as AstraZeneca was compelled to pause its trials following the news that a participant had developed a neurological disorder. However, it was announced over the weekend that trials are to recommence.

There has been little development on a U.S. fiscal stimulus package, as the latest 'skinny' Republican deal, as expected, failed to get through the House. U.S. inflation data for August was the big economic release last week, and saw prices tick up from the previous reading. However, the consensus is that it will still be some time before meaningful inflation figures compel the U.S. Federal Reserve to act.

ECB President Christine Lagarde gave little away in her latest statement following the ECB meeting last Thursday. The text was very similar to the July issue, with the ECB seemingly adopting a 'wait-and-see' approach. Economic data from Europe last week disappointed with retail sales and services PMI for August missing expectations. Virus cases within the single currency bloc also continue to rise.

Finally, Brexit tensions flared last week as the U.K. government conceded that some aspects of a draft bill would breach international law. Negotiations are continuing but time to construct a comprehensive exit deal is running out.

Our regular market information continues on the next page.

	1 Week Return 07.09.20 to 14.09.20		Year to Date Return 01.01.20 to 14.09.20	
	Local Currency	Euro	Local Currency	Euro
World	-1.7%	-1.7%	0.4%	-4.7%
U.S.	-2.6%	-3.0%	4.7%	-1.1%
Europe	0.5%	0.5%	-7.3%	-7.3%
Ireland	1.7%	1.7%	-5.4%	-5.4%
U.K.	1.6%	-1.2%	-21.3%	-27.9%
Japan	1.4%	1.4%	-4.4%	-7.3%
Hong Kong	-0.6%	-1.0%	-7.8%	-12.4%
Corporate Bonds	0.1%	0.1%	0.9%	0.9%
Sovereign Bonds	0.2%	0.2%	4.5%	4.5%

Equities

- Global markets were down last week by -1.7% in euro terms and in local terms.
- Year to date the U.K. market is down -21.3% in local terms and -27.9% in euro terms.
- The influential U.S. Market led global markets down this week by -2.6% in local terms and -3.0% in Euro terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.66% last week. The German equivalent finished at -0.49%. The Irish 10 year bond yield finished at -0.11%.
- The Euro/U.S. Dollar exchange rate finished at 1.19, whilst Euro/GBP finished at 0.92.

Commodities

- Oil finished the week at \$37 per barrel.
- Gold finished the week at \$1,946 per troy ounce up 28.3% year to date in local terms and 21.2% year to date in Euro terms.
- Copper finished the week at \$6,770 per tonne.

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