

Markets oscillate in stand off between economy and pandemic

Snapshot



Corporate Bonds
Sovereign Bonds
Oil



World Equities
Gold
Copper

The week ahead

21
Oct

The latest U.K. inflation data is released

22
Oct

Eurozone consumer confidence figures for October are published

23
Oct

U.S., eurozone, and U.K. PMIs all go to print

Stocks fluctuated between positive and negative territory last week, as investors continue to weigh rising pandemic concerns with encouraging economic data. In the U.S., September retail sales rose as consumer prices also rose for the fourth month in a row following the sharp falls seen in the first half of the year. The optimism was tempered by an unexpected rise in unemployment claims and 'High frequency' data continues to be somewhat erratic as the effects of the economic response to the pandemic continue to be distilled.

Stimulus talks in the U.S. are also ongoing as comments over the weekend raised hopes that there could be a deal agreed prior to the election. However, the highly politicised nature of the negotiations means an agreement may yet prove elusive, as localised outbreaks begin to return across the U.S.

Eurozone stocks fell as the lockdown debates, we are seeing here in Ireland, were echoed across the continent with Italy the latest country to announce measures yesterday. The fears over a winter spike in cases pushed German Bund yields (which move inversely to price) to their lowest levels since March. ECB Chief Economist, Philip Lane, commented that 'the next phase is going to be tougher' in terms of the evolution of the eurozone economy.

For the week ahead, Brexit negotiations are set to continue, over 30 S&P 500 companies are reporting earnings and the final U.S. presidential debate takes place on Thursday.

Our regular market information continues on the next page.

	1 Week Return 12.10.20 to 19.10.20		Year to Date Return 01.01.20 to 19.10.20	
	Local Currency	Euro	Local Currency	Euro
World	-1.5%	-0.7%	3.5%	-0.9%
U.S.	-1.3%	-0.6%	9.8%	5.1%
Europe	-1.3%	-1.3%	-7.5%	-7.5%
Ireland	-1.1%	-1.1%	0.3%	0.3%
U.K.	-1.5%	-1.5%	-23.2%	-28.1%
Japan	-1.4%	-0.7%	-5.6%	-6.9%
Hong Kong	-2.4%	-1.6%	-10.5%	-14.0%
Corporate Bonds	0.1%	0.1%	1.7%	1.7%
Sovereign Bonds	0.8%	0.8%	7.1%	7.1%

Equities

- Global markets fell last week up by -0.7% in euro terms and -1.5% in local terms.
- Year to date the U.K. market is down -28.1% in euro terms and -23.2% in local terms.
- The influential U.S. Market was down -0.6% in euro terms and -1.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield remained at 0.77% last week. The German equivalent finished at -0.62%. The Irish 10 year bond yield finished at -0.27%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.90.

Commodities

- Oil finished the week at \$41 per barrel.
- Gold finished the week at \$1,909 per troy ounce up 25.8% year to date in local terms and 20.4% year to date in Euro terms.
- Copper finished the week at \$6,724 per tonne.

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