

Equities notch second straight week of gains

Equities finished the week in positive territory as strong earnings and the prospects for U.S. fiscal stimulus buoyed markets. In terms of sectors, communication services outperformed, led by positive earnings releases from Twitter. It is now expected that aggregate earnings on the S&P will grow year-on-year, which would signal a very quick recovery when compared with previous economic cycles. 80% of earnings so far this quarter have exceeded expectations.

There was much market commentary following the latest U.S. inflation report, which showed prices rose 0.3% in January. However, that was largely due to rising energy prices whilst the 'core' metric (which strips out food and energy prices) was more subdued. Despite this, expectations for future inflation are trending higher as both U.S. business and consumers expect to see price rises in the future. Speaking on Wednesday, Fed Chair Powell assuaged any concerns that the Fed may act early to keep inflation in check, stating policymakers remain committed to low interest rates and continuing the asset purchase programmes.

European economic data was mixed as U.K. Q4 GDP surprised to the upside, rising 1% quarter-on-quarter. Optimism was tempered by the fact that the annual figure saw a fall of 7.8% - the sharpest contraction in modern times. Eurozone industrial production also provided a lacklustre reading. In Italy, former ECB President Mario Draghi looks set to unite parties across the political spectrum and form a national unity government.

Vaccine rollout programmes continued worldwide with President Biden announcing on Thursday that the U.S. has procured 200 million additional vaccine doses. Within Europe, Germany has extended lockdowns until March and a number of countries are considering border controls as virus case numbers remain high amidst the vaccine rollout.

Our regular market information continues on the next page.

Snapshot



World Equities

Oil

Gold

Copper



Sovereign Bonds

Corporate Bonds

The week ahead

15 Feb

U.S. markets closed for President's Day

17 Feb

U.S. Retail Sales and the latest Fed FOMC minutes are published

19 Feb

Flash PMI for the U.S., EMU & U.K. are released



	1 Week Return 8.02.21 to 15.02.21		Year to Date Return 01.01.21 to 15.02.21	
	Local Currency	Euro	Local Currency	Euro
World	0.8%	0.3%	4.9%	5.9%
U.S.	0.7%	0.1%	5.3%	6.4%
Europe	0.7%	0.7%	3.7%	3.7%
Ireland	-0.7%	-0.7%	-0.3%	-0.3%
U.K.	1.0%	1.2%	1.9%	4.3%
Japan	0.7%	0.3%	7.4%	6.7%
Hong Kong	2.1%	1.5%	7.8%	8.9%
Corporate Bonds	-0.1%	-0.1%	-0.4%	-0.4%
Sovereign Bonds	-0.4%	-0.4%	-1.2%	-1.2%

Equities

- Global markets were up for the second week in a row last week by 0.3% in euro terms and 0.8% in local terms.
- Year to date global markets are up 5.9% in euro terms and 4.9% in local terms.
- The influential U.S. market was up by 0.1% in euro terms and 0.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.21% last week. The German equivalent finished at -0.39%. The Irish 10-year bond yield finished at -0.06%.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$61 per barrel.
- Gold finished the week at \$1,818 per troy ounce.
- Copper finished the week at \$8,352 per tonne.

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