Stocks move higher, helped by currency movements

Global stocks moved higher last week as a strengthening dollar enhanced returns from US based assets. US economic data was somewhat disappointing, as both home sales and durable goods orders both fell more than expected. However, commentators pointed towards the poor February weather as a key reason for the blip. Some perspective is also needed, particularly in US housing data, given how strong the back end of 2020 was. Weekly jobless claims saw a more positive result as they fell below 700,000 for the first time since the start of the pandemic, albeit they are still historically high at 684,000.

Eurozone data was encouraging, with the manufacturing sector displaying strong growth with the March PMI figure rising 4.5 points to come in at an impressive 62.4. The services sector, which is more impacted by lockdowns, rose 3.1 to 48.8 and therefore remains in contraction territory (below 50). However, the manufacturing reading pulled the composite result up to 52.5, the first reading above 50 since last October.

Both Fed Chair Powell and Treasury Secretary Yellen testified in front of Congress last week, with both speakers noting that they see little danger of an overheating economy. Inflation data, which has been a key part of the market narrative in recent weeks, increased 1.4% in the year to February, down from 1.5% on the previous reading and well below the Fed's long term target of 2%. This core 'PCE' reading (which excludes food and energy price fluctuations) is the Federal Reserves' preferred inflation calculation. The expectation of future growth, and potentially inflation, can be seen in the strong performance of the likes of Oil and Copper this year, versus a more defensive asset such as Gold.

On the vaccine rollout front, President Biden announced on Thursday that the US now aims to vaccinate 200m people in his first 100 days in office, double the original target. And finally, after a number of spats regarding vaccine exports, the UK and the EU issued a joint statement pledging to develop a 'reciprocally beneficial relationship'.

Our regular market information continues on the next page.

Snapshot

World Equities
Sovereign Bonds
Oil

Corporate Bonds
Gold
Copper

The week ahead

30 Mar	The latest US Consumer Confidence reading is published
31 Mar	Chinese PMI data and eurozone inflation figures go to print
2 Apr	US non-farm payrolls data for March is released

	1 Week Return 22.03.21 to 29.03.21		Year to Date Return 01.01.21 to 29.03.21	
	Local Currency	Euro	Local Currency	Euro
World	0.2%	1.4%	5.0%	8.9%
U.S.	0.6%	1.8%	5.3%	9.2%
Europe	0.6%	0.6%	6.9%	6.9%
Ireland	1.6%	1.6%	10.2%	10.2%
U.K.	0.4%	1.1%	4.5%	6.0%
Japan	-0.1%	0.3%	9.3%	6.9%
Hong Kong	-0.9%	0.2%	7.6%	11.4%
Corporate Bonds	0.0%	0.0%	-1.1%	-1.1%
Sovereign Bonds	0.7%	0.7%	-2.8%	-2.8%

Equities

- Global stocks increased last week, and were up 1.4% in euro terms.
- Year-to-date global markets are up 8.9% in euro terms and 5.0% in local terms.
- The U.S market, the largest in the world, was up 1.8% in euro terms, and 0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.65% last week, down from 1.68% a week earlier. The German equivalent was broadly flat on the week and finished at -0.34%. The Irish 10-year bond yield finished at 0.02%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at $60 per barrel.
- Gold finished the week at $1,726 per troy ounce.
- Copper finished the week at $8,967 per tonne.

Figures are calculated using Total Returns Indices.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.

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