

Markets take a breather, as economy plays catch up

Global stocks were lower last week, after being pulled down by the likes of Japan, the U.K, and the eurozone. US equities were positive, but a weakening dollar reduced returns for Irish investors. Stocks saw choppy trading in general throughout the week, with no individual theme dominating the headlines. President Biden marked his first 100 days in office, which has been dominated by the COVID vaccine rollout. However, in recent weeks he has been able to focus on other areas. For example, stocks were lower on Thursday following an announcement to double the long term CGT rate for wealthy Americans – a move that would have to navigate robust opposition to get through Congress.

Housing data in the US remains extremely positive with, new home sales surging over 20% in March from a year earlier. Weekly unemployment claims in the US came in lower than expected, dropping to the lowest level since the pandemic began. Some market participants are increasingly turning to this sort of ‘real time’ economic data given the volatility in some metrics. ‘Year-on-year’ numbers for many indicators are showing record numbers, given the extreme lows seen into Q2 2020. For example, the consensus is for this week’s GDP releases to contain some eye-catching numbers.

The ECB kept policy unchanged last week, as expected. The pace of asset purchases will continue unabated as the meeting commentary set a firmly ‘dovish’ tone. Eurozone PMI data released on Friday showed a record reading for the manufacturing component, with the services side moving back into expansion territory with a result of 50.3. This helped to push the composite figure to a 9 month high. Eurozone services data continues to lag the likes of the U.S and U.K, with continued restrictions as a result of a slower vaccine rollout being identified as the main cause.

Our regular market information continues on the next page.

Snapshot



Copper



World Equities
Corporate Bonds
Sovereign Bonds
Oil
Gold

The week ahead

28 Apr	The FOMC meets for the latest US rate decision
29 Apr	The first estimate of Q1 US GDP growth goes to print.
30 Apr	Eurozone inflation and GDP figures, along with Chinese PMIs are released.



	1 Week Return 19.04.21 to 26.04.21		Year to Date Return 01.01.21 to 26.04.21	
	Local Currency	Euro	Local Currency	Euro
World	0.1%	-0.2%	10.0%	11.7%
U.S.	0.5%	0.3%	11.2%	12.9%
Europe	-0.2%	-0.2%	10.7%	10.7%
Ireland	-1.3%	-1.3%	9.4%	9.4%
U.K.	-0.9%	-2.2%	8.8%	11.9%
Japan	-2.0%	-2.3%	6.8%	3.6%
Hong Kong	0.4%	0.3%	11.1%	12.7%
Corporate Bonds	0.0%	0.0%	-1.1%	-1.1%
Sovereign Bonds	-0.1%	-0.1%	-4.0%	-4.0%

Equities

- Global stocks decreased last week, and were down -0.2% in euro terms.
- Year-to-date global markets are up 11.7% in euro terms and 10.0% in local terms.
- The U.S market, the largest in the world, was down 0.3% in euro terms, and 0.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.58% last week, up from 1.56% a week earlier. The German equivalent finished at -0.25%. The Irish 10-year bond yield finished at 0.11%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$62 per barrel and is up 28.1% year-to-date in euro terms.
- Gold finished the week at \$1,777 per troy ounce.
- Copper finished the week at \$9,582 per tonne.

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