

Global stocks stronger in light trading week

Stocks finished the week in positive territory, in a session marked by lower trading volumes as a number of major markets prepared for the Bank Holiday weekend. In the U.S., the S&P 500 finished just ahead for the month of May, marking its fourth consecutive monthly rise (U.S. markets are closed today for Memorial Day). Commentary around inflation continues to be a persistent theme in markets and there has been further evidence that supply chain issues are starting to bite in certain economic sectors. In the U.S., new home sales have been dampened somewhat by supply chain disruptions leading to record low inventories with input prices (including labour and lumber) moving higher.

U.S. consumer spending continues to rise (11.3% annualised during Q1) which should be an early signal for continuing employment growth, but Friday's U.S. jobs numbers for May should provide further clarity. First quarter U.S. GDP was unrevised last week at 6.4%, but there were positive changes in some of the underlying components, which saw strong growth in big ticket items such as cars and household appliances.

In terms of the Q1 earnings seasons, 97% of S&P 500 constituents have now reported with earnings in total looking likely to be more than 50% higher than a year ago (as per usual, within the context of the trough in 2020). Encouragingly, results have beaten analysts' expectations by over 23%. That may tell you a little about how accurate the forecasts are, but it is worth noting that expectations were relatively high coming into 2021, so this positive 'beat' is good news.

Our regular market information continues on the next page.

Snapshot



World Equities
Sovereign Bonds
Corporate Bonds
Gold
Oil
Copper

The week ahead

1 June	EU inflation data and U.S. manufacturing PMIs go to print.
4 June	U.S. & Chinese services PMI data for May is published.
4 June	U.S. non-farm payrolls will be closely watched after last month's disappointing result.



	1 Week Return 24.05.21 to 31.05.21		Year to Date Return 01.01.21 to 31.05.21	
	Local Currency	Euro	Local Currency	Euro
World	0.5%	0.8%	11.5%	12.0%
U.S.	0.3%	0.6%	11.6%	12.1%
Europe	1.1%	1.1%	13.6%	13.6%
Ireland	1.0%	1.0%	9.8%	9.8%
U.K.	-0.5%	0.0%	10.9%	15.5%
Japan	2.1%	1.3%	8.9%	2.7%
Hong Kong	3.2%	3.6%	14.2%	14.6%
Corporate Bonds	0.3%	0.3%	-1.3%	-1.3%
Sovereign Bonds	0.8%	0.8%	-5.0%	-5.0%

Equities

- Global stocks were up last week, at 0.8% in euro terms and 0.5% in local terms.
- Year-to-date global markets are up 12.0% in euro terms and 11.5% in local terms.
- The U.S. market, the largest in the world, was up 0.6% in euro terms and 0.3% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.59% last week, down from 1.62% a week earlier. The German equivalent finished at -0.17%. The Irish 10-year bond yield finished at 0.23%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.22, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$67 per barrel and is up 38.2% year-to-date in euro terms.
- Gold finished the week at \$1,905 per troy ounce and is up 0.5% year-to-date in euro terms.
- Copper finished the week at \$10,248 per tonne.

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