

Markets off record highs on poor U.S. jobs data

U.S. stocks hit fresh highs on Thursday afternoon before somewhat limping into the weekend on the back of the monthly non-farm payrolls jobs data. Just 235,000 jobs were added in August versus a consensus expectation of 750,000 - a miss of over half a million. On the other hand, previous releases were revised upwards and the unemployment rate ticked down further to 5.2%. Most commentators pointed to supply issues rather than a lack of employer demand, an opinion supported by the NFIB small business survey which showed that the percentage of businesses reporting that jobs were hard to fill rising to a record high in August. Weekly jobless claims were also down to their lowest level since March 2020 with average hourly earnings jumping 0.6%. The slew of data left much to be digested, as the weaker report may slightly stall the Federal Reserve's tapering plans. Finally from the U.S., Hurricane IDA battered the east coast, with a number of areas including New York seeing substantial flooding. The final human cost is still being counted, with the economic impact likely to be seen in data in the coming months.

Chinese data pointed towards a continuing slowdown in the world's second biggest economy, with the manufacturing PMI falling to 50.1 and the services reading dropping further into contraction territory. However, Chinese stocks were higher for the second week in a row following their large falls in August. Japanese equities were also higher as the market reacted positively to the news that Prime Minister Suga will resign, prompting speculation of further economic stimulus. Eurozone stocks were broadly flat as inflation in August hit the highest level in ten years, bringing some hawkish comments from some policymakers. The ECB meet later this week, whilst no change is expected, the accompanying commentary will be closely analysed for any potential shifts in future policy.

Our regular market information continues on the next page.

Snapshot



Oil
Gold



World Equities
Corporate Bonds
Copper

The week ahead

6 Sept

U.S. markets closed for Labor Day.

9 Sept

The ECB meets for its latest interest rate decision.

10 Sept

U.K. GDP figures and U.S. producer prices both go to print.



	1 Week Return 30.08.21 to 06.09.21		Year to Date Return 01.01.21 to 06.09.21	
	Local Currency	Euro	Local Currency	Euro
World	0.6%	-0.1%	18.8%	22.4%
U.S.	0.2%	-0.5%	21.2%	24.8%
Europe	-0.2%	-0.2%	20.3%	20.3%
Ireland	-0.3%	-0.3%	20.7%	20.7%
U.K.	0.0%	0.1%	14.2%	19.3%
Japan	3.6%	3.1%	12.9%	9.5%
Hong Kong	-0.4%	-0.9%	6.3%	9.3%
Corporate Bonds	-0.3%	-0.3%	-0.4%	-0.4%

Equities

- Global stocks were down last week by -0.1% in euro terms and up 0.6% in local terms.
- Year-to-date global markets are up 22.4% in euro terms and 18.8% in local terms.
- The U.S. market, the largest in the world, was down -0.5% in euro terms and up 0.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.32% last week, up from 1.30% a week earlier. The German equivalent finished at -0.37%. The Irish 10-year bond yield finished in positive territory at 0.01%.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$69 per barrel and is up 45.3% year-to-date in euro terms.
- Gold finished the week at \$1,827 per troy ounce and is down -1.0% year-to-date in euro terms.
- Copper finished the week at \$9,421 per tonne.

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