Markets move lower as sentiment takes a hit

Global equities edged downwards last week, as the S&P 500 saw its first five day losing streak since February. An overhang from the previous week's jobs report, the perennial inflation worries, and the persistency of the delta variant in the U.S., were all flagged as potential reasons by market commentators. In the U.S. on Friday, the Labor Department reported that producer prices rose 0.7% in August, slightly above consensus expectations. The latest 'JOLTS' survey last Wednesday revealed there was a record 10.9 million jobs waiting to be filled in July - nearly a million more than forecasted, whilst weekly job claims fell to a pandemic era low of 310,000. The above releases did nothing to shift the narrative that a lack of both materials and labour supply could curtail growth for the rest of 2021.

Meanwhile, on the political front, a path for approving President Biden's infrastructure bill remains unclear as there are growing divisions within the progressive and moderate caucuses of the Democratic Party on Capitol Hill. Treasury Secretary Yellen also reminded legislators that the U.S. debt ceiling would most likely be hit once again in October.

In Europe, the ECB signalled that it would reduce the pace of asset purchased under the 'PEPP' programme before the end of the year, which was seen as a direct response to the strengthening eurozone recovery. However, policymakers left the headline policy rates unchanged and the pre-pandemic APP (Asset Purchase Programme) remains intact. Elsewhere in central bank activity, the Reserve Bank of Australia, keep both its cash rate and three year bond yield target unchanged at 0.10%. The U.K. saw GDP in June slip to 0.1% on a monthly basis as a decent figure for the industrial sector was dragged down by weakness in services.

Our regular market information continues on the next page.

Snapshot

Oil

Copper

World Equities

Corporate Bonds

Gold

The week ahead	
14 Sept	U.S. monthly inflation data for August goes to print.
15 Sept	The latest inflation reading from the U.K. is published.
17 Sept	U.K. retail sales and U.S. consumer confidence will give further insight into the strength of the global recovery.

	1 Week Return 06.09.21 to 13.09.21		Year to Date Return 01.01.21 to 13.09.21	
	Local Currency	Euro	Local Currency	Euro
World	-1.5%	-1.3%	17.3%	21.2%
U.S.	-1.7%	-1.5%	19.1%	23.2%
Europe	-1.8%	-1.8%	19.0%	19.0%
Ireland	-1.3%	-1.3%	19.4%	19.4%
U.K.	-2.2%	-1.8%	12.4%	17.8%
Japan	2.3%	2.5%	17.1%	13.8%
Hong Kong	0.5%	0.6%	7.7%	11.0%
Corporate Bonds	-0.1%	-0.1%	-0.5%	-0.5%

Equities

- Global stocks were down last week by -1.3% in euro terms and -1.5% in local terms.
- Year-to-date global markets are up 21.2% in euro terms and 17.3% in local terms.
- The U.S market, the largest in the world, was down -1.5% in euro terms and -1.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.34% last week, up from 1.32% a week earlier. The German equivalent finished at -0.32%. The Irish 10-year bond yield finished at 0.04% 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 $70 per barrel and is up 50.3% year-to-date in euro terms.
- Gold finished the week at $1,789 per troy ounce and is down -2.3% year-to-date in euro terms.
- Copper finished the week at $9,685 per tonne.

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