

Stocks suffer slightly in choppy week of trading

Stocks suffered last week as the overall market fell in a week of choppy trading. US markets started the week on a pessimistic note, as it emerged over last weekend that key democrats would not support the full extent of President Biden's infrastructure package. There was better news on the inflation front, as the latest US CPI release on Tuesday showed prices were up just 0.1% versus an expectation of 0.3%. Whilst one data point does not signal a trend, it was certainly evidence for those supporting the thesis that inflation remains transitory; and is largely a consequence of pandemic stimulus and the subsequent rebound. August's retail sales number was a positive for markets as e-commerce and back to school shopping led the gauge to rise 0.7%.

The ECB's Chief Economist Philip Lane raised some eyebrows in Europe as the Financial Times reported that he has privately stated that he expects the ECB's 2% inflation target to be met by 2025, which would potentially see higher interest rates sooner than current market estimates. Inflation was the theme in the UK also, as it jumped to 3.2% in August, the highest level in nine years. Interestingly, this now compels the Bank Of England Governor, Andrew Bailey, to write to the Chancellor of the Exchequer to outline plans on how the bank will bring it back down towards target levels.

In Asia, campaigning has continued in the race to become the leader of Japan's ruling Liberal Democratic Party, which will lead the winner to become the next Prime Minister. Chinese stocks fell as economic data disappointed for August. The growing crisis at property developer Evergrande also cast a shadow on the domestic market.

Our regular market information continues on the next page.

Snapshot



Oil



World Equities
Corporate Bonds
Gold
Copper

The week ahead

22 Sept

The FOMC meet for their latest interest rate decision.

23 Sept

Eurozone PMIs go to print.

24 Sept

The latest US new home sales data is released.



	1 Week Return 13.09.21 to 20.09.21		Year to Date Return 01.01.21 to 20.09.21	
	Local Currency	Euro	Local Currency	Euro
World	-0.9%	-0.3%	16.3%	21.3%
U.S.	-0.7%	-0.1%	18.5%	23.5%
Europe	-1.2%	-1.2%	17.8%	17.8%
Ireland	0.2%	0.2%	20.4%	20.4%
U.K.	-1.6%	-1.7%	11.3%	16.7%
Japan	0.2%	0.8%	17.5%	15.0%
Hong Kong	-5.4%	-4.8%	1.1%	5.0%
Corporate Bonds	-0.2%	-0.2%	-0.6%	-0.6%

Equities

- Global stocks were down last week by -0.3% in euro terms and -0.9% in local terms.
- Year-to-date global markets are up 21.3% in euro terms and 16.3% in local terms.
- The U.S. market, the largest in the world, was down -0.1% in euro terms and -0.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.35% last week, up slightly from 1.34% a week earlier. The German equivalent finished at -0.30%. The Irish 10-year bond yield finished at 0.08% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$71 per barrel and is up 53.0% year-to-date in euro terms.
- Gold finished the week at \$1,752 per troy ounce and is down -3.7% year-to-date in euro terms.
- Copper finished the week at \$9,307 per tonne.

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