Mixed returns as inflation fears and supply strains continue

The major indexes ended the week mixed as investors weighed strong economic and profits data against ongoing supply strains, a rise in COVID-19 numbers and inflation fears. The world equity market is up 31% in euro terms so far this year, and its path to get here has seen just one 5% correction along the way.

On Wednesday, the Fed will release minutes from the FOMC meeting held earlier this month. The next chair of the Federal Reserve could be decided by next week. The race for the position is currently between the current chair, Jerome Powell and Lael Brainard, a Fed Board Governer. Compared to Powell, Brainard is considered slightly more dovish among Fed Officials, favoring looser monetary policy. Meaning it would take longer to tighten policies including raising interest rates if Brainard prevails.

In Europe, stocks moved cautiously higher, as the spread of COVID-19 clouded the economic outlook. Fears of further coronavirus restrictions in Europe after Germany and Austria's announcements of a nationwide lockdown also added to downward pressure on Core eurozone bond yields. Dovish comments from European Central Bank (ECB) President Christine Lagarde saw yields fall last week as she pushed back against interest rate increases. This decision was based on the belief that inflation would fade and indicated asset purchases could continue beyond the expiry of the Pandemic Emergency Purchase Programme.

Our regular market information continues on the next page.

Snapshot

World Equities

Corporate Bonds

Sovereign Bonds

Oil

Gold

Copper

The week ahead

23 Nov	Eurozone, US and UK Manufacturing and Services Flash PMI data for November released.
24 Nov	FOMC November meeting minutes.
25 Nov	Black Friday; US markets close early

	1 Week Return 15.11.21 to 22.11.21		Year to Date Return 01.01.21 to 22.11.21	
	Local Currency	Euro	Local Currency	Euro
World	-0.2%	0.7%	21.2%	31.1%
U.S.	0.3%	1.2%	25.4%	35.6%
Europe	-0.4%	-0.4%	24.5%	24.5%
Ireland	-1.1%	-1.1%	12.9%	12.9%
U.K.	-1.7%	-0.6%	16.5%	24.0%
Japan	0.1%	1.1%	16.3%	14.0%
Hong Kong	-0.3%	0.6%	0.5%	8.2%
Corporate Bonds	0.3%	0.3%	-0.9%	-0.9%
Sovereign Bonds	0.7%	0.7%	-2.6%	-2.6%

Equities

- Global stocks were up last week by 0.7% in euro terms and down -0.2% in local terms.
- Year-to-date global markets are up 31.1% in euro terms and 21.2% in local terms.
- The U.S market, the largest in the world, was up 1.2% in euro terms and 0.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.57% last week. The German equivalent finished at -0.34%. The Irish 10-year bond yield finished at 0.14% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.13, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $76 per barrel and is up 70% year-to-date in euro terms.
- Gold finished the week at $1,845 per troy ounce and is up 5.3% year-to-date in euro terms.
- Copper finished the week at $9,753 per tonne.

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