Equities slip to close Q1 on a negative note

Equities slipped late last week as the first quarter of 2022 closed out. The week started off on a positive note, as negotiations between Russia and Ukraine had struck an optimistic tone. However, sentiment shifted throughout the week on the news flow from Ukraine. The week finished off with the US non-farm payrolls release for March. The number of jobs added came in below expectations at 431,000 (est. 490,000) but the growth seen in January and February was revised upwards. Overall, total US employment is now about 1% short of its pre-pandemic levels. Unemployment also fell 0.2% and now stands at 3.6%, whilst the participation rate suggests that the jobs market is tightening further.

The data did nothing to alter the narrative that the Federal Reserve will hike rates aggressively in 2022, and bond markets sold off further as a result. The yield on the 2 year treasury bond has also moved to a higher level than then 10 year yield, a scenario referred to as 'yield inversion'. The US manufacturing PMI slowed to 57.1 in March, although it remains firmly above the 50 level. Markets are now close to fully expecting a 0.5% interest rate move in May.

Oil prices continued their recent downward trajectory as President Biden announced the release of oil from the 'Strategic Petroleum Reserve' in a move designed to combat inflationary pressures. However, volatility in energy markets looks set to continue as President Putin is now stipulating that from this week foreign buyers of Russian gas must pay in Roubles. Elsewhere in Europe the eurozone's annualised inflation rate has moved to a record 7.5%, as the currency bloc's unemployment rate moved to a record low of 6.8%.

Our regular market information continues on the next page.

Snapshot



World Equities

Corporate Bonds

Copper



World Equities

Sovereign Bonds

Gold

Oil

The week ahead

5 Apr	US services and eurozone composite PMI data goes to print.
6 Apr	The minutes of the latest Fed meeting are released.
8 Apr	Chinese inflation data is published.



	1 Week Return 28.03.22 to 04.04.22		Year to Date Return 01.01.22 to 04.04.2022	
	Local Currency	Euro	Local Currency	Euro
World	-0.1%	-0.7%	-5.0%	-2.1%
U.S.	-0.6%	-1.2%	-4.9%	-2.1%
Europe	1.1%	1.1%	-7.5%	-7.5%
Ireland	-1.4%	-1.4%	-18.7%	-18.7%
U.K.	1.0%	0.6%	5.1%	4.8%
Japan	-0.5%	-0.5%	-1.7%	-5.1%
Hong Kong	1.2%	0.6%	-0.9%	1.7%
Corporate Bonds	0.3%	0.3%	-5.5%	-5.5%
Sovereign Bonds	-0.3%	-0.3%	-7.8%	-7.8%

Equities

- Global stocks were down last week by -0.7% in euro terms and down -0.1% in local terms.
- Year-to-date global markets are down -2.1% in euro terms and -5.0% in local terms.
- The U.S market, the largest in the world, was down -1.2% in euro terms and -0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 2.41% last week. The German equivalent finished at 0.56%. The Irish 10-year bond yield finished at 1.16% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $100 per barrel and is up 37.1% year-to-date in euro terms.
- Gold finished the week at $1,924 per troy ounce and is up 8.3% year-to-date in euro terms.
- Copper finished the week at $10,343 per tonne.

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