

Equity pull back as Fed Minutes spook markets

Stocks finished lower last week as the minutes from the last Federal Reserve FOMC meeting were released. The market has interpreted the release as signalling that the Fed could move more rapidly than previously envisaged. Tuesday's US inflation figure will be closely watched as inflation is expected to come in at over 8% for the 12 months to the end of March. With unemployment at 3.6%, and given the Fed's dual mandate, it is probable that we see a 0.5% rate hike over the coming months. For context, the Fed have not imposed a half point hike since 2001. There was not a huge amount of data releases last week, but the ISM services PMI came in at 58.3 which is firmly in expansion territory.

Equity sector performance was diverse last week, but broadly in line with the above expectations as defensive sectors performed best with more growth orientated area most under pressure. The ongoing COVID induced lockdown in Shanghai also weighed on sentiment. Whilst the effects will not be fully seen until future data releases, the market is now forecasting a hit to overall Chinese business activity as a result.

Finally, with all the votes nearly counted President Macron is on 28% versus 24% for challenger Marine Le Pen. This represents an extension of Macron's 2017 result over Le Pen and put him firmly on course to win the 2nd round run off. Far-left candidate Jean-Luc Mélenchon polled at roughly 20% and has urged supporters to vote for Macron in the run-off.

Our regular market information continues on the next page.

Snapshot



Gold



World Equities
Corporate Bonds
Sovereign Bonds
Oil
Copper

The week ahead

12 Apr	US inflation for March goes to print.
14 Apr	The ECB meets for its latest rate decision.
15 Apr	Markets closed for Good Friday.



	1 Week Return 04.04.22 to 11.04.22		Year to Date Return 01.01.22 to 11.04.2022	
	Local Currency	Euro	Local Currency	Euro
World	-2.2%	-1.1%	-6.4%	-2.1%
U.S.	-2.3%	-1.2%	-6.3%	-2.0%
Europe	-0.8%	-0.8%	-7.4%	-7.4%
Ireland	-3.6%	-3.6%	-20.0%	-20.0%
U.K.	1.9%	2.2%	7.3%	7.8%
Japan	-2.9%	-3.1%	-4.2%	-7.2%
Hong Kong	-1.4%	-0.3%	-1.6%	2.4%
Corporate Bonds	-1.4%	-1.4%	-6.6%	-6.6%
Sovereign Bonds	-1.9%	-1.9%	-9.5%	-9.5%

Equities

- Global stocks were down last week by -1.1% in euro terms and down -2.2% in local terms.
- Year-to-date global markets are down -2.1% in euro terms and -6.4% in local terms.
- The U.S market, the largest in the world, was down -1.2% in euro terms and -2.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 2.74% last week. The German equivalent finished at 0.78%. The Irish 10-year bond yield finished at 1.35% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at \$95 per barrel and is up 32.5% year-to-date in euro terms.
- Gold finished the week at \$1,957 per troy ounce and is up 11.4% year-to-date in euro terms.
- Copper finished the week at \$10,304 per tonne.

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