Equities higher as data supports slower, not negative growth

Stocks markets closed out the week in positive territory as investors wagered central banks will be able to tame inflation without derailing the global economy. More growth orientated sectors such as technology and communication services outperformed. Energy stocks saw choppy trading as the price of oil fell below $100/barrel for the first time in two months early in the week, before rebounding.

On the economic data front, June's US non-farm payrolls report surprised to the upside, with 372,000 jobs added. Although the previous two months were revised downwards slightly, this put the Q2 monthly average at 375,000. Hiring was strong across different economic sectors and the unemployment rate was steady at 3.6%. Wage growth, which has garnered attention recently in the context of inflation, moderated to 0.3% over the course of the month and was generally seen as a positive. Wednesday US inflation print will be closely watched. Global PMI data last week confirmed the view that the global economy is slowing, but it does remain firmly in expansion territory.

The Federal Reserve minutes from the June meeting were also released last week. The statements clearly indicated that the committee constituents were broadly comfortable with the 0.75% June hike. There was nothing in the release to suggest that the Fed will deviate from their hiking path over the coming months. The equivalent ECB release also confirmed that a 0.25% move higher will come at next week's meeting, with a 0.50% move on the cards for September. Overall, the market is firmly focused on central banks and their respective remits of capping inflation without derailing economic growth. Therefore, markets this week will continue to be moved by economic data releases, and what side of the scorecard they support.

Our regular market information continues on the next page.

Snapshot

Corporate Bonds

World Equities

Sovereign Bonds

Oil

Gold

Copper

The week ahead

13 July	US CPI for June goes to print.
14 July	Australian unemployment and US PPI data is released.
15 July	US Retail Sales and Industrial Production figures are published.

	1 Week Return 04.07.22 to 011.07.22		Year to Date Return 01.01.22 to 11.07.22	
	Local Currency	Euro	Local Currency	Euro
World	1.4%	3.9%	-18.7%	-9.1%
U.S.	2.1%	4.6%	-18.8%	-9.2%
Europe	2.1%	2.1%	-15.3%	-15.3%
Ireland	1.9%	1.9%	-27.9%	-27.9%
U.K.	-0.6%	1.1%	2.0%	1.3%
Japan	1.1%	3.3%	-4.9%	-10.1%
Hong Kong	0.3%	2.8%	-2.5%	8.3%
Corporate Bonds	1.3%	1.3%	-10.9%	-10.9%
Sovereign Bonds	-1.1%	-1.1%	-16.6%	-16.6%

Equities

- Global stocks were up last week by 3.9% in euro terms and 1.4% in local terms.
- Year-to-date global markets are down -9.1% in euro terms and -18.7% in local terms.
- The U.S market, the largest in the world, was up 4.6% in euro terms and 2.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.06% last week. The German equivalent finished at 1.30%. The Irish 10-year bond yield finished at 1.88%.
- The Euro/U.S. Dollar exchange rate finished at 1.01, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at $102 per barrel and is up 53.1% year-to-date in euro terms.
- Gold finished the week at $1,738 per troy ounce and is up 6.7% year-to-date in euro terms.
- Copper finished the week at $7,795 per tonne.

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