Markets grapple with lockdown balancing act

Snapshot



Gold

Oil



World Equities

Sovereign Bonds

Corporate Bonds

Copper

The week ahead

18 May The minutes of the latest Fed FOMC minutes go to market.

21 May Flash US PMIs (manufacturing and services) for May go to print.

22 May Eurozone PMIs for May are also released this week.

Equities saw choppy trading last week before finishing the week lower as a number of key officials tempered optimism. Dr. Anthony Fauci struck a cautionary tone when commentating on the risks of reopening too quickly, whilst Fed Chair Powell remarked that the path for a U.S. economic recovery may extend to the end of 2021.

U.S.-China tensions were also back in the spotlight as diplomats from both sides sparred on the pandemic, trade deals, and press freedom in Hong Kong. The U.S. also moved to tighten restrictions around U.S. companies supplying Huawei. U.S. chip makers equities such as Qualcomm saw price falls as a result.

Economic data continued to see large declines, as measures of U.S. industrial and retail activity collapsed in April, with both seeing the largest monthly drops since records began. Inflation figures also continued the negative data trend as the U.S. Consumer Price Index fell 0.8% as the fall in demand outstripped the fall in the supply. Lower oil prices throughout April would also have contributed to the drop, although there has been a strong rebound in prices so far in May namely on the back of increased collaboration between Saudi Arabia and Russia. Democrats in Congress led approval for the latest stimulus package but it remains to be seen if it has sufficient bipartisan support.

Development of a COVID-19 vaccine continues as a number of new initiatives and funding were announced from a number of countries. However, even the most promising of proposals remain in the early stages.

Our regular market information continues on the next page.

	1 Week Return 11.05.20 to 18.05.20		Year to Date Return 01.01.20 to 18.05.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-2.5%	-2.5%	-14.8%	-11.6%
U.S.	-2.3%	-2.4%	-10.9%	-7.6%
Europe	-3.2%	-3.2%	-19.4%	-19.4%
Ireland	-2.1%	-2.1%	-21.0%	-21.0%
U.K.	-2.4%	-4.0%	-23.7%	-27.5%
Japan	-1.9%	-1.6%	-15.4%	-11.1%
Hong Kong	-3.1%	-3.2%	-15.1%	-11.5%
Corporate Bonds	-0.1%	-0.1%	-3.2%	-3.2%
Sovereign Bonds	0.0%	0.0%	0.4%	0.4%

Equities

- All major equity markets moved down last week with the global index down 2.5% in local and Euro terms.
- The influential U.S. market was down -2.3% in local terms and -2.4% in Euro terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.65% last week. The German equivalent finished at -0.54%. The Irish 10 year bond yield finished at 0.09%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP was at 0.89.

Commodities

- Oil finished the week at $31 per barrel.
- Gold finished the week at $1,762 per troy ounce up 16.2% year to date in local terms and 20.5% year to date in Euro terms.
- Copper finished the week at $5,156 per tonne.

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GR: 3399 Print Ref: ZL ISA 3399 1218

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