Markets move lower as new case numbers move higher

Snapshot



Sovereign Bonds

Copper

Gold



World Equities

Corporate Bonds

Oil

The week ahead

30 June — Chinese Manufacturing & Services PMI data is published.

1 July — Minutes from the latest FOMC meeting are released.

2 July — Non-farm payrolls from the US go to print.

Global equities fell last week as the daily increase in new COVID-19 cases continued to rise. The U.S. saw a record daily increase of cases last Wednesday which led to a number of states rolling back on their plans to ease restrictions. The general consensus is that the rise is larger than can be explained by increased testing alone and is higher in southern U.S. states.

Growth stocks outperformed value with the tech heavy NASDAQ index holding up better than broader markets. Bank stocks were hit particularly hard on Friday on the back of the reports that the Federal Reserve would attempt to restrict dividends and share buybacks, both key tools for returning capital to shareholders.

Economic data for the week was broadly positive with the U.S. housing market remaining resilient with new home sales up 17% in May and new mortgage applications up 18% (year-on-year). Factory orders and some auto data was also positive as the rebound in U.S. economic activity continued. Data from Europe was also encouraging as manufacturing PMIs moved from 39.4 to 46.9 with services PMIs stronger as they moved from 30.5 to 47.3. However, as with all PMI data, it is worth noting that a figure below 50 still represents a contraction in activity. U.K. PMIs also rebounded as the Bank of England stated that it may look to cut back on its bond purchasing programmes as the Treasury plans a potential cut in VAT. The deadline to request a formal extension to the Brexit negotiations also arrives at midnight tomorrow.

Our regular market information continues on the next page.

	1 Week Return 22.06.20 to 29.06.20		Year to Date Return 01.01.20 to 29.06.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-2.7%	-2.3%	-8.5%	-8.3%
U.S.	-3.4%	-3.4%	-6.0%	-6.3%
Europe	-1.0%	-1.0%	-10.9%	-10.9%
Ireland	-2.1%	-2.1%	-11.4%	-11.4%
U.K.	-1.4%	-2.5%	-19.2%	-25.1%
Japan	0.0%	-0.3%	-7.8%	-6.8%
Hong Kong	0.1%	0.1%	-11.4%	-11.3%
Corporate Bonds	-0.4%	-0.4%	-1.2%	-1.2%
Sovereign Bonds	0.6%	0.6%	3.0%	3.0%

Equities

- All major markets moved down last week, led by the influential U.S. market which was down -3.4% in both local and euro terms.
- Closer to home, Ireland was down -2.1%.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.64% last week. The German equivalent finished at -0.47%. The Irish 10 year bond yield finished at 0.01%.
- The Euro/U.S. Dollar exchange rate finished at 1.13, whilst Euro/GBP was at 0.91.

Commodities

- Oil finished the week at $38 per barrel.
- Gold finished the week at $1,769 per troy ounce up 16.6% year to date in local terms and 16.1% year to date in Euro terms.
- Copper finished the week at $5,953 per tonne.

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