Stocks rally for second consecutive week

Snapshot

World Equities
Corporate Bonds
Oil
Copper

Sovereign Bonds
Gold

The week ahead

17 Nov — U.S. retail sales for October are set to rise.

18 Nov — U.K. inflation figures go to print

20 Nov — U.K. Retail Sales and eurozone consumer confidence data released.

Stocks railed for the second consecutive period last week, as most major indexes saw decent gains. Optimism over the perceived conclusion of the U.S. Presidential Election was stoked further early on Monday by positive news on a vaccine development. U.S. stocks hit intraday all-time highs on Monday, before slipping back a bit during the middle of the week. The Pfizer announcement indicated that its vaccine candidate was over 90% effective in preventing infections, a rate well ahead of expectations. Value stocks outperformed growth on the expectation that lagging parts of the economy would see a stronger bounce if a viable vaccine emerged and the stock rotation so some 'stay at home' stocks lost out. Government bond yields (which move inversely to price) rose on both sides of the Atlantic on the positive news. However, whilst the news is undoubtedly encouraging the logistics of a widespread roll out remain unclear and, as noted below, much of Europe remains in lockdown.

U.S. economic news was relatively light as consumer prices came in flat for October, despite the Federal Reserve's change in tone on inflation in recent months. U.K. GDP figures for Q3 rebounded sharply, following the positive trend set in the U.S. and the eurozone. However, Brexit negotiations are continuing and are at a critical juncture. Japanese stocks also rallied on the general global sentiment and were also buoyed by positive earnings revisions. To hopefully further boost Japan's economy, Japanese Prime Minister Yoshihide Suga asked his cabinet to provide a proposal for a third stimulus package.

Major eurozone economies look set to maintain a lockdown into December as Chancellor Merkel stated that infection rates 'are still too high'. The U.K. has seen over 1.3 million cases so far and saw a daily record of over 30,000 on Thursday. Amidst the economic uncertainty ECB President Lagarde looks set to extend both the PEPP and TLTRO programmes rather than impose an interest rate cut.

Our regular market information continues on the next page.

	1 Week Return 9.11.20 to 16.11.20		Year to Date Return 01.01.20 to 16.11.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	1.1%	1.2%	8.8%	3.3%
U.S.	1.0%	1.0%	14.0%	8.2%
Europe	0.8%	0.8%	-2.0%	-2.0%
Ireland	3.0%	3.0%	5.3%	5.3%
U.K.	2.3%	2.5%	-15.1%	-19.9%
Japan	1.6%	2.4%	1.9%	0.5%
Hong Kong	2.7%	2.7%	-0.6%	-5.2%
Corporate Bonds	0.2%	0.2%	2.3%	2.3%
Sovereign Bonds	-0.4%	-0.4%	6.7%	6.7%

Equities

- Global markets were up last week up by 1.2% in euro terms and 1.1% in local terms.
- Year to date the U.K. market is down -19.9% in euro terms and -15.1% in local terms.
- The influential U.S. Market was up 1.0% in euro terms and local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.88% last week. The German equivalent finished at -0.56%. The Irish 10-year bond yield finished at -0.24%.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.90.

Commodities

- Oil finished the week at $41 per barrel.
- Gold finished the week at $1,894 per troy ounce up 24.8% year to date in local terms and 18.2% year to date in Euro terms.
- Copper finished the week at $6,966 per tonne.

Figures are calculated using Total Returns Indices.

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