ZURICH

Markets enter December on a positive note

Snapshot



World Equities

Corporate Bonds

Oil

Gold

Copper



Sovereign Bonds

The week ahead

8 Dec Eurozone Preliminary Q3 GDP

10 Dec European Central Bank (ECB) Interest Rate Decision

11 Dec U.S. Congress Funding Bill deadline

Equities edged higher last week as the markets historic rally extended into the first week of December. Despite a marked slowdown in hiring that was revealed in the November jobs report, all major U.S. indexes reached record highs by Friday, reflecting expectations for additional fiscal stimulus. The U.S. unemployment rate declined to 6.7% from 6.9% in November, but the participation rate also declined, indicating that more people exited the labour force. While the declining unemployment rate is encouraging, 6.7% unemployment is still historically high and a good reminder of just how much damage the pandemic has inflicted on the labour market.

Oil bounced back after OPEC and other major oil producers agreed to increase production more gradually than previously planned and the dollar hit a new two-and-a-half-year low against major currencies.

The European Central Bank (ECB) will meet on Thursday to discuss monetary policy options and interest rate decisions. With current policy rates at -0.50%, it is rather unlikely ECB policymakers will opt to lower interest rates further into negative territory.

The pound is slipping as traders who had speculated on a weekend Brexit trade deal were left disappointed. There are signs of hope, though, as the U.K. and European Union strive to finalize a deal before Monday evening.

Earnings comes back into focus once more this week, with upcoming earnings announcements from Ashtead, Ted Baker and Frasers Group, the former Sports Direct group.

Our regular market information continues on the next page.

	1 Week Return 30.11.20 to 07.12.20		Year to Date Return 01.01.20 to 07.12.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	2.2%	0.7%	13.7%	5.1%
U.S.	2.1%	0.6%	18.4%	9.5%
Europe	0.5%	0.5%	0.1%	0.1%
Ireland	3.1%	3.1%	7.4%	7.4%
U.K.	4.6%	4.0%	-11.9%	-17.1%
Japan	1.1%	-0.3%	6.6%	2.8%
Hong Kong	2.4%	0.9%	2.6%	-4.7%
Corporate Bonds	0.1%	0.1%	2.8%	2.8%
Sovereign Bonds	-0.5%	-0.5%	6.8%	6.8%

Equities

- Global markets were up last week up by 0.7% in euro terms and 2.2% in local terms.
- Year to date the U.K. market is down -17.1% in euro terms and -11.9% in local terms.
- The influential U.S. Market was up 0.6% in euro terms and 2.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.94% last week. The German equivalent finished at -0.58%. The Irish 10-year bond yield finished at -0.29%.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.91.

Commodities

- Oil finished the week at $45 per barrel.
- Gold finished the week at $1,829 per troy ounce up 20.5% year to date in local terms and 11.8% year to date in Euro terms.
- Copper finished the week at $7,751 per tonne.

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GR: 3399 Print Ref: ZL ISA 3399 1218

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