

Markets rise on a positive medium to long term outlook

Snapshot



World Equities
Corporate Bonds
Gold
Oil
Copper

Markets rose last week but were off record highs as investors weighed the short-term negativity with the potential for a more positive medium to long term outlook. Joe Biden was sworn in as the 46th U.S. President as stocks remain on their best post-election run since prior to World War II. Negotiations in relation to the proposed \$1.9 trillion stimulus plan look set to continue, as Democrats also announced that the Senate trial for President Trump's second impeachment is due to begin on 9th February. Netflix rose sharply as results showed higher than expected new subscriptions in Q4 2020. Facebook and Alphabet were also strong as oil stocks fell as U.S. inventory levels were higher than expected.

Trading volumes in general were above average as individual retail investors continue to participate. U.S. markets were closed on Monday and economic news overall was light. However, there was continued positive news from the U.S. housing market as starts were up 5.8% in December, the strongest pace since 2006 and existing home sales were up 0.7%. Within Europe the composite PMI moved below the key 50 point mark in January as a positive manufacturing reading (54.7) was offset by a negative 45.0 figure from the services sector.

The week ahead

26
Jan

UK employment data and US consumer confidence both go to print

27
Jan

The Federal Reserve meets for the first time this year

29
Jan

The 1st reading of Q4 German GDP is released

As per the above, eurozone economic data has been trending downwards in recent months as the return to lockdown for large swathes of the population weighs on business activity. The ECB made no change in policy last week but did emphasise its flexible approach to the evolving backdrop as COVID-19 continues to hold Europe in its grip.

Our regular market information continues on the next page.

	1 Week Return 18.01.21 to 25.01.21		Year to Date Return 01.01.21 to 25.01.21	
	Local Currency	Euro	Local Currency	Euro
World	1.6%	0.7%	2.5%	3.0%
U.S.	2.0%	1.2%	2.5%	3.0%
Europe	0.1%	0.1%	2.0%	2.0%
Ireland	-0.6%	-0.6%	1.7%	1.7%
U.K.	-0.5%	-0.6%	3.7%	4.3%
Japan	0.7%	-0.2%	3.3%	3.3%
Hong Kong	0.2%	-0.6%	5.5%	6.0%
Corporate Bonds	0.0%	0.0%	-0.1%	-0.1%

Equities

- Global markets rose last week by 0.7% in euro terms and 1.6% in local terms.
- The influential U.S. market was up by 1.2% in euro terms and 2.0% in local terms.
- Closer to home, Ireland finished down -0.6%.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.08% last week. The German equivalent finished at -0.53%. The Irish 10-year bond yield finished at -0.21%.
- The Euro/U.S. Dollar exchange rate finished at 1.22, whilst Euro/GBP finished at 0.89.

Commodities

- Oil finished the week at \$53 per barrel.
- Gold finished the week at \$1,864 per troy ounce.
- Copper finished the week at \$7,993 per tonne.

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Intended for distribution within the Republic of Ireland.

GR: 3399 Print Ref: ZL ISA 3399 1218

