Stocks return to record territory

Stocks moved broadly higher last week, lifting many of the major benchmarks to new records as optimism over the economic recovery continues to fuel the rally. A key contributing factor in the market's gains was the passage of the American Rescue Plan (ARP), with President Biden signing the $1.9 trillion pandemic-relief bill into law on Thursday.

The U.S. Consumer Price Index (CPI) rose 0.4% during February, the strongest monthly increase since last August. While inflation still remains generally muted, price pressures are building. Much of February's increase was owed to a 3.9% rise in energy prices, however food prices also moved upwards during the month. Core inflation picked-up slightly compared to the flat readings of the past several months, but still rose 0.1% during the month. Furthermore, commodity prices are climbing and factory-gate inflation is starting to build. The Producer Price Index (PPI) rose 0.5% during February as producers pass on the rise in raw materials prices. The PPI is now up 2.8% year to date.

The ECB kept its monetary policy stance unchanged at its policy meeting this week, maintaining its Deposit rate at -0.50%. However, the ECB announced it would accelerate bond purchases in the second quarter to curb the recent rise in yields, pushing bond prices up.

The EU's vaccination efforts suffered another setback when Italy banned the use of a batch of the Oxford-AstraZeneca vaccine, after reports of adverse effects. Denmark and Ireland also suspended its use of the vaccine over concerns it might cause deadly blood clots. Meanwhile, the European Medicines Agency approved the Johnson & Johnson vaccine for use in the EU. The company said it expects to start delivering doses in April.

Our regular market information continues on the next page.

Snapshot



World Equities

Corporate Bonds

Sovereign Bonds

Gold

Copper



Oil

The week ahead

17 Mar	No change is expected when the FOMC rate decision is announced.
18 Mar	Interest Rate Decision is announced by the Bank of England.
19 Mar	Bank of Japan policy announcement.



	1 Week Return 08.03.21 to 15.03.21		Year to Date Return 01.01.21 to 15.03.21	
	Local Currency	Euro	Local Currency	Euro
World	3.1%	2.4%	4.6%	7.2%
U.S.	3.6%	2.9%	4.8%	7.4%
Europe	1.7%	1.7%	5.6%	5.6%
Ireland	2.5%	2.5%	8.3%	8.3%
U.K.	0.5%	0.4%	5.6%	10.0%
Japan	3.0%	2.2%	8.0%	4.8%
Hong Kong	1.1%	0.5%	7.6%	10.1%
Corporate Bonds	0.1%	0.1%	-1.0%	-1.0%
Sovereign Bonds	0.3%	0.3%	-3.1%	-3.1%

Equities

- Global markets were up last week by 2.4% in euro terms and 3.1% in local terms.
- Year to date global markets are up 7.2% in euro terms and 4.6% in local terms.
- The influential U.S. market was up by 2.9% in euro terms and 3.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.62% last week. The German equivalent finished at -0.32%. The Irish 10-year bond yield finished at 0.02%.
- The Euro/U.S. Dollar exchange rate finished at 1.19, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at $66 per barrel.
- Gold finished the week at $1,725 per troy ounce.
- Copper finished the week at $9,103 per tonne.

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