



THE WEEK THAT WAS: WEEK 2 – ending 8th January 2021

“You shouldn’t do things differently just because they are different. They need to be better” E.Musk

Domestic Irish news



517,347 people were either on the Live Register or Pandemic Unemployment Payment PUP over the month to December 2020

Central Statistics Office (CSO) data shows significant numbers of Irish people were not working in December '20. As the country has since entered into 'level 5 lockdown' these figures will deteriorate through January '21 but are expected to improve through the year.

Global Stock Markets



The global share market has gained 2.8% year to date as volatility remains relatively low

The global stock market has continued its positive run in 2021 as markets focus the much-anticipated end to the Covid-19 crisis, comforted by the continued and substantial supports of central banks and governments. The VIX gauge of market volatility ended 2020 at the relatively low or calm level of 22.75 and has fallen slightly to 21.56 year-to-date.

The Story of the Week



DIY disasters used to typically result in a flooded kitchens, collapsing shelves, paint splatters across the new living room carpet and so on. Covid-19 lockdowns have added scope for a whole range of far more personal DIY disasters, namely, disastrous attempts at hair-cuts. TikTok user 'Ashe media' has inadvertently entertained thousands with footage of him being asked to 'bleach' his mothers hair but accidentally dying it a rather striking shade of yellow, leaving the unfortunate woman resembling a pineapple, one hilariously similar to SpongeBob Square Pants Pineapple House.

US Markets



'Insurrection' in Washington DC fails to unsettle soaring markets

Extraordinary events in the US capitol as crowds that had been attending a Donald Trump rally descended upon government buildings aiming to disrupt Congress' work to confirm the Presidency of Joe Biden. Described as 'insurrectionists' or 'domestic terrorists,' the unruly mob managed to gain access to Capitol buildings forcing elected representatives to seek shelter. Capitol Police were over-whelmed as the building was stormed by the pro-Trump mob which was only dispersed hours later and upon the arrival of the National Gard and back-up riot police. 2 people were killed, many injured and a mounting number of arrests are ongoing. Incredibly, market participants looked through the profoundly negative scenes causing a remarkable lack of fallout for the USD or indeed financial markets.

US Politics

US Democrats have won control of the Senate in Georgia's run-off election transferring power from the Republican Party

Joe Biden's Presidency received a significant boost when Georgia's 'run-off' election saw the two contested congressional seats go to his Democratic party colleagues. VP Kamala Harris will now have the deciding vote significantly improving the parties chances of passing policy meaningful to their party and supporters. While Democrats are expected to increase corporate tax rates and are typically inclined towards more regulations than their counter-parts, significant changes are not expected promptly, leaving major markets relatively unconcerned.

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Index performances and market data

Equity & Bond Markets (%) in Local Currency	2015	2016	2017	2018	2019	2020	2021 YTD (to 8/1)
MSCI AC World (Gross TR)	1.8	9.7	20.4	-7.2	26.9	14.8	2.5
ISEQ Overall Return	33.6	-2.7	9.7	-20.5	31.4	5.3	0.0
FTSE 100 TR	-1.3	19.1	11.8	-8.5	17.6	-11.5	5.0
Euro Stoxx 50 TR	6.4	3.7	9.2	-12.0	29.3	-3.2	2.6
S&P 500 TR	1.4	12.0	21.8	-4.4	31.0	18.4	1.7
Nasdaq Composite	5.7	7.5	28.2	-3.9	34.5	43.6	2.3
Nikkei 225	9.1	0.4	19.1	-10.2	20.0	16.0	2.3
MSCI Emerging Markets	-8.0	7.1	27.8	-12.2	13.0	16.7	4.6
Eurozone Government Bonds 1-5 yr	1.0	0.9	-0.2	0.0	1.1	0.6	-0.04

Sovereign 10yr Bond Yields (%)	2015	2016	2017	2018	2019	2020	2021 YTD (to 8/1)
U.S.	2.2	2.4	2.4	2.7	1.9	0.89	1.13
German	0.6	0.2	0.4	0.2	-0.3	-0.63	-0.5
UK	1.9	1.2	1.2	1.3	0.8	0.18	0.31
Japan	0.2	0.0	0.0	0.0	0.0	0.01	0.03
Ireland	1.1	0.7	0.7	0.9	0.1	-0.33	
Italy	1.6	1.8	2.0	2.8	1.4	0.55	0.56
Greece	7.9	7.1	4.1	4.4	1.4	0.58	0.61
Portugal	2.5	3.8	1.9	1.7	0.4	0.04	-0.01
Spain	1.7	1.4	1.6	1.4	0.4	0.00	0.06

Central Bank Rates (%)	2015	2016	2017	2018	2019	2020	2021 (to 8/1)
ECB	0.05	0.0	0.0	0.0	0.0	0.0	0.0
Bank of England	0.50	0.25	0.50	0.75	0.75	0.1	0.1
U.S. Federal Reserve	0.50	0.75	1.50	2.50	1.75	0.25	0.25

Foreign Exchange Rates	2015	2016	2017	2018	2019	2020	2021 (to 8/1)
Euro/Dollar (€/\$)	1.09	1.04	1.20	1.15	1.11	1.21	1.22
Euro/Sterling (€/£)	0.75	0.84	0.89	0.90	0.85	0.92	0.90
Sterling/Dollar (£/\$)	1.46	1.24	1.36	1.28	1.30	1.32	1.11

IPD All Property Return (%) in Local Currency	2015	2016	2017	2018	2019	2020 (to end Q3)
Ireland	25.2	12.6	8.0	9.6	5.3	-0.8
U.K.	13.3	3.6	10.3	6.2	1.3	-2.9
U.S.	12.5	7.8	7.1	7.5	6.3	0.8

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Sources: Factset / Bloomberg / Moneymate / MSCI

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