14 June 2021

# Weekly Market Update

Interest rates and inflation seemed to continue to dominate sentiment last week. Markets were mixed across the world, dominated by news on economic growth, inflation and increases or declines in Coronavirus infection rates. Central Bank's 'accommodative' policies are set to continue.

01

## US: Markets take higher inflation in their stride

The S&P 500 was up 0.4% during the week. Latest inflation figures in the US showed the highest rate of inflation since 2008. Investors appear to have accepted the Federal Reserve's view that this is 'transitory' and a result of economies reopening.

02

## Japan: Domestic economic recovery remains fragile

Japan's stock market returns were broadly flat. Sentiment was boosted by the lifting of the states of emergency in three areas as infection rates decline. Japan's first-quarter gross domestic product (GDP) shrank by less than initially estimated.

03

## Asia: Chinese stocks fall for a second week

In China, the CSI 300 Index fell 1.1%. News of a fresh Covid-19 outbreak in Guangzhou weighed on sentiment. More positively, media reported that the U.S. and China agreed to renew talks on improving trade and investment ties.

04

## Europe: Shares gain ground for a fourth consecutive week,

The Euro Stoxx 50 rose 0.9%. The European Central Bank's (ECB) pledged to continue its high rate of bond purchases. The ECB announced it is increasing its growth forecast for Eurozone and that inflation would accelerate this year and then slow in 2022.

05

## UK: FTSE 100 up; FTSE 250 down

The FTSE 100 was up 0.9%, but the domestically-focussed FTSE 250 lost 0.4%. Data showed the economy expanded 2.3% in April driven by growth in services as lockdown measures eased. Fears rose that England's next stage of the reopening would be delayed.

To hear more about these topics, please download the latest episode of **The Omnis Investment Club** podcast.

**Omnisinvestments.com**