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# Weekly Market Update

The US Central Bank, The Federal Reserve, indicated that it may raise interest rates sooner than previously expected, sending markets globally tumbling down. Covid-19 cases in Europe and Japan fall, but England delays the full reopening of society.



## US: Worst week for markets in almost four weeks

Stocks in the US had their worst week in nearly four months after comments from Federal Reserve policymakers suggested interest rates could rise sooner than anticipated, despite reiterating that high inflation was transitory. The S&P 500 slid 1.9%.



## Japan: Stock markets generate mixed returns for the week

The Nikkei 225 index rose 0.05%. The government announced an easing in some coronavirus restrictions, a little more than a month ahead of the start of the Olympics. Japan's exports rose 49.6% year on year in May, the highest growth since 1980.



## China: Sluggish recovery in consumer services

The CSI 300 Index fell over 3%. Cautious Chinese consumer spending during the Dragon Boat Festival holiday and weak box office revenue suggested a sluggish recovery in consumer services. Urban unemployment fell close to its pre-pandemic rate.



## Europe: Infection rates fall and industrial production rises

The Euro Stoxx 50 fell 1.05% after the 'Fed' indicated that it would increase rates earlier than expected. The unwinding of restrictions continues across Europe amid signs infection rates are declining. Industrial production was stronger than expected in April.



## UK: Full reopening delayed, and inflation jumps

The FTSE 100 and FTSE 250 fell 1.6% and 1.8% respectively. PM Johnson delayed the full reopening of society in England by a month. UK inflation jumped again in May, rising to 2.1% on higher prices for clothing, fuels, and meals in restaurants and bars.

To hear more about these topics, please download the latest episode of [The Monday Investment Club](#) podcast.

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