

Weekly Market Update

Investors welcome the positive economic data coming out of many economies globally, but this also continues to raise their concerns about inflation and the actions that the central bank may take and when they might do so. Markets ended the week reasonably flat, despite a volatile trading week.



US: Mixed results amid economic recovery and inflation concerns

The S&P 500 fell 0.4% in a volatile week, reflecting the strength of the economy as well as inflationary concerns. The Central Bank acknowledged that inflation may run above their target temporarily. Preliminary economic data released during the week was strong.



Japan: Economic decline but exports on the up

The Nikkei 225 returned 0.8%. Data showed that Japan's economy shrank 5% in the first quarter of 2021, mainly due to a drop in private consumption due to Covid-19 restrictions. On the flip side, Japan's exports are now growing the most since 2010.



Asia: Mixed economic data coming out of China

In China, the CSI 300 rose 0.5%. Data showed strong external demand offsetting weaker domestic demand. Retail sales growth slowed in April. A rise in Covid-19 cases in several areas raised worries that it could stifle a recovery in household consumption.



Europe: Economy rebounding as restriction begin to ease

The Euro Stoxx 50 fell 0.3%, on signs that the economy is rebounding as restrictions instituted to control the virus' spread begin to ease. However, worries about inflation curbed gains. Business activity accelerated at the fastest pace in three years in May.



UK: Positive economic data and inflation accelerates in April

The FTSE 100 fell 0.2%, in part because strong economic data lifted the pound, ending the week at 1.42 USD per GBP. The FTSE 250 returned 0.4%. Inflation accelerated in April, driven by gas and electricity bills and clothing prices. April saw retail sales volumes jump.

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

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