

Weekly Market Update

Global equity markets were largely down last week due to investors' growing concerns of higher inflationary pressures that could accompany an economic recovery. Investors piled out of US Treasuries causing yields to surge. Sterling continues its strength weighing on the FTSE 100.



US: Treasury yields spike and equity markets pull back

Equity markets pulled back last week because of lingering fears among investors of higher inflation. Investors piled out of government bonds, sending yields higher. The House of Representatives passed President Biden's \$1.9 trillion pandemic relief bill.



Asia: Stock markets down but confidence up

Chinese and Japanese stock markets fell in tandem with global markets. Sentiment in Japan has improved and is expected to continue to do so. In China, investors rotated to companies that could see demand pick up as restrictions are relaxed, such as airlines.



Europe: Volatile week and vaccination problems persist

In a volatile week, shares in Europe also fell during the week. Economic sentiment appears to be improving in some economies, but the challenges in the bloc's Covid-19 vaccination rollout is expected to continue in the coming weeks.



UK: Lockdown exit plans published; GBP continues its strength

The FTSE 100 was down 1.9% as the British Pound strengthened during the week, before pulling back to settle at 1.39 USD per GBP. The Domestic FTSE 250 held up better during the week. Boris Johnson announced a plan for gradual ease of lockdown.



The Week Ahead

- In the UK, all eyes are on Rishi Sunak as he gears up to deliver the Spring Budget
- In the US, data from the Federal Reserve will shine a light on economic activity
- Globally, we will see data on how the service sectors are holding up.

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

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