

Weekly Market Update

Global stock markets experienced a mixed week amidst general optimism around progress in fighting the coronavirus. Despite travel restrictions, consumption in China remains strong. In the UK, the British Pound continues its rally as inflation creeps up.



US: major indices down after hitting record intraday highs

Markets started the week strongly on the hopes of further fiscal stimulus, continued easy monetary policy, a better-than-expected earnings season and progress in fighting Covid-19. Despite this, the major indices were modestly down by the end of the week.



Asia: Lunar New Year – travel down; consumption holds up

The Japanese economy showed some signs of recovery, having expanded in the last three months of 2020. In China, travel dropped 71% during the lunar new year period. Despite this, consumer spending during the holiday was strong.



Europe: Optimism in the acceleration of vaccination programmes

The European Commission struck a deal with Pfizer/BioNTech for another 200 million doses of their vaccine. Business expectations for 2021 rose to new highs amid vaccination optimism.



UK: Coronavirus cases are down; British Pound rallies

The number of coronavirus cases have fallen to their lowest level since October. The British Pound ended the week strongly at 1.4 USD per GBP. The Consumer Price Index, a measure of inflation, rose at 0.7% in the 12 months to January.



The Week Ahead

- In the UK, Johnson will outline plans to reopen the economy; unemployment numbers will also be a focus this week
- In the US, GDP estimates, inflation and personal spending numbers are to be released
- In Europe, the focus will be on consumer sentiment and vaccination rollout

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

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