

Weekly Market Update

It was a tough week for markets. Stocks on both sides of the Atlantic met their worst weekly performance in at least a month due to fears about the rapid spread of the Delta variant of coronavirus. We also saw higher inflation being reported in the UK and the US which weighed on markets during the week.



US: Growth & inflation dominate the week

The S&P 500 fell just under 1%. The pace of US consumer price increases accelerated unexpectedly in June. Meanwhile, we saw mixed economic data, with manufacturing output contracting in June, whilst retail sales rose above expectations during the month.



Japan: Rising Covid-19 cases, but business confidence is boosted

The Nikkei 225 registered modest gains for the week. Tokyo registered its highest daily count in new cases since January. Business confidence was boosted by Japan's export-led economic recovery, which has been driven by solid global demand.



China: Upbeat economic data

The CSI 300 Index rose 0.5% in a choppy week. Markets showed relief after China's annual GDP growth rose 7.9% in the second quarter of 2021, in line with expectations. Economic data was also upbeat, with retail sales in June being stronger than expected.



Europe: Rising coronavirus infections weighs on sentiment

Shares fell on concerns that the increase in coronavirus cases could derail an economic recovery. Some investors also worried that central banks might tighten monetary policy sooner than expected to control inflation. The EuroStoxx 50 was down almost 0.8%.



UK: 'Freedom Day', inflation and economic data.

The FTSE 100 fell 1.6%. The UK today lifts its remaining COVID-19 restrictions, even as the number of infections surges. UK consumer price inflation increased to 2.5% in June - the highest level since 2018. Business confidence and retail sales ramp up in June.

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

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