

Choppy trading as markets shift focus from inflation to growth

Last week saw somewhat of a variable week for equities as several indicators proved to shift investor sentiment. US stocks lost -0.6% last week in euro terms. The announcement of wide-ranging layoffs in large US tech companies such as Microsoft and Alphabet contributed to last week's shifting sentiment as conflicting economic indicators suggested the US labour market is still tight. This was supported by the US weekly Jobless claims report which was released on Thursday. Initial claims for state unemployment benefits dropped to 190,000 despite expectations of 214,000 claims. This is the lowest level observed since September of last year. Earlier in the week US stocks reacted negatively as the US retail sales report for December was released and displayed a decrease of -1.1%, below expectations of -0.8%. Investors have viewed this as an indication of a slowing economy, with consumers beginning to reduce their spending in the face of tighter financial conditions.

Elsewhere Eurozone equities ended the week down -0.7% amid hawkish comments made by ECB President Christine Lagarde at the World Economic Forum which was held last week in Davos. Hopes of lower inflation have been prevalent within Europe as of late and were boosted on Wednesday as figures released by the EU statistics office Eurostat, showed a decline in consumer prices in December of -0.4% month on month. Eurozone yields decreased last week on the back of more positive sentiment in the Bloc, with the Benchmark 10 Year German Bund Yield ending the week at 2.18%, the previous week's close had seen the yield at 2.21%.

In Asia, equities continue to post weekly gains as China rolls back its strict covid restrictions which have been in place for almost 3 years. Hong Kong equities returned 0.1% in local terms last week.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Sovereign Bonds
Copper
Gold
Oil



World Equities

The week ahead

24 Jan	Manufacturing and Services PMIs released for the US and Europe.
26 Jan	US GDP figures go to print.
27 Jan	US Core Personal Consumption Expenditure (PCE) Price Index is published.



	1 Week Return 16.01.23 to 23.01.23		Year to Date Return 30.12.22 to 23.01.23	
	Local Currency	Euro	Local Currency	Euro
World	-0.4%	-0.4%	4.8%	3.2%
U.S.	-0.6%	-0.6%	3.7%	2.2%
Europe	-0.7%	-0.7%	6.9%	6.9%
Ireland	-0.4%	-0.4%	9.4%	9.4%
U.K.	-1.2%	0.1%	4.1%	4.1%
Japan	2.1%	1.0%	2.2%	2.3%
Hong Kong	0.1%	-0.1%	4.5%	2.7%
Corporate Bonds	0.1%	0.1%	1.9%	1.9%
Sovereign Bonds	0.1%	0.1%	4.3%	4.3%

Equities

- Global stocks were down last week by -0.4% in euro terms and -0.4% in local terms.
- Year-to-date global markets are up 3.2% in euro terms and 4.8% in local terms.
- The U.S market, the largest in the world, was down -0.6% in euro terms and -0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.50% last week. The German equivalent finished at 2.18%. The Irish 10-year bond yield finished at 2.59%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.89.

Commodities

- Oil finished the week at \$82 per barrel and is up 0.6% year-to-date in euro terms.
- Gold finished the week at \$1,925 per troy ounce and is up 3.8% year-to-date in euro terms.
- Copper finished the week at \$9,308 per tonne.

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