

Banking Sector failings take the spotlight

US equities had an uneasy week amid speculation about global banking stability. Despite this, the US Index produced gains for investors returning 1.9% in euro terms. The nervousness was broadly contained to the US financials sector as investors showed concern for the health of regional US lenders enduring a liquidity crunch. The events of the last two weeks, including the bankruptcy of Silicon Valley Bank, have caused many investors to reconsider interest rate prospects. The Federal Reserve meets later this week to make an interest rate decision and some investors have begun to argue whether it will indeed continue to raise rates in the face of banking uncertainties. As it stands investors are pricing in a 60% probability that the Federal Reserve will raise rates by 25 basis points (0.25%). Separately, last week also saw the release of the US inflation report. The report showed that consumer prices had risen by 0.4% for the month of February, and 6% on a yearly basis, lower than the previous report's reading of 6.4%. The report was viewed as having no major surprises, however some investors noted inflation remains sticky.

Meanwhile news in Europe was dominated by Credit Suisse. The 167 year old Swiss lender, considered one of the global nine 'bulge-bracket' banks, saw its' share price tumble by a quarter of its value last week as investors and clients lost confidence in its ability to survive withdrawals. As the bank is deemed systematically important, the Swiss central bank agreed to supply considerable liquidity in order to keep it afloat and reassure markets and depositors. Late into the weekend a deal with the bank UBS, its largest Swiss rival, was agreed to acquire Credit Suisse for 3 billion Swiss Francs (€3 billion). On Thursday the ECB raised interest rates by 50 basis points, projecting that inflation would remain above its target 2% level into 2025. This signalled the ECB's commitment to inflation dampening despite potential banking difficulties, the benchmark ECB deposit rate is now at 3%.

Our regular market information continues on the next page.

Snapshot



World Equities
Gold



Corporate Bonds
Oil
Copper

The week ahead

21 Mar	US Existing Home Sales report is published.
22 Mar	Federal Reserve set to make interest rate decision.
23 Mar	Global manufacturing and services PMIs are released.



	1 Week Return 10.03.23 to 17.03.23		Year to Date Return 30.12.22 to 17.03.23	
	Local Currency	Euro	Local Currency	Euro
World	0.0%	0.4%	2.4%	2.6%
U.S.	1.5%	1.9%	2.5%	2.7%
Europe	-3.4%	-3.4%	4.2%	4.2%
Ireland	-4.0%	-4.0%	14.1%	14.1%
U.K.	-5.2%	-4.6%	-0.9%	0.3%
Japan	-3.5%	-1.4%	3.6%	3.8%
Hong Kong	0.2%	0.6%	-4.0%	-4.3%
Corporate Bonds	-0.3%	-0.3%	-0.1%	-0.1%

Equities

- Global stocks were up last week by 0.4% in euro terms and down 0.0% in local terms.
- Year-to-date global markets were up 2.6% in euro terms and 2.4% in local terms.
- The U.S. market, the largest in the world, finished at 1.9% in euro terms and up 1.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.43% last week. The German equivalent finished at 2.11%. The Irish 10-year bond yield finished at 2.62%.
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.88.

Commodities

- Oil finished the week at \$67 per barrel and is down -14.1% year-to-date in euro terms.
- Gold finished the week at \$1,989 per troy ounce and is up 7.9% year-to-date in euro terms.
- Copper finished the week at \$8,573 per tonne.

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