

Powell puts markets in a hole at Symposium

Stock markets fell sharply into the weekend as Friday marked the worst day for stocks since June. It was a quiet week until Friday for markets, when Jay Powell's speech at Jackson Hole sending stocks down more than 3%. Technology and growth stocks fared worst as the market interpreted the comments from the Fed Chair to be hawkish and signalling that the path of higher interest rates remains very much intact. 99% of stocks on the S&P 500 fell on the day. Government bonds took the comments more in their stride, with offerings at the shorter end of the US treasury curve seeing prices fall slightly, with those further out (e.g., 10-year bonds) seeing yields close flat for the day.

On balance, economic data last week was broadly negative. The composite PMI in the US came in at 45.5, with the eurozone figure at 49.2. Both coming in below the key 50 mark that indicates a contraction. The UK figure stayed in expansion territory at 50.9, buoyed by the services reading. US new home sales slipped further last month, with the figure coming in at -12.6% versus an expectation of -2.5%. Whilst a negative reading was forecast, the scale of the decline garnered much attention. The US Q2 GDP figure was revised slightly upwards to -0.6% from the initial reading of -0.7%. Both personal income and spending rose less than expected in the US, as the PCE index cooled in July. However, the key metric is still 6.3% higher than a year ago.

In Europe, energy and electricity prices continue to rise as Russia's Gazprom announced that Nord Stream 1 will see further 'maintenance related disruptions' from early September. Governments continue to attempt to implement contingency plans as winter begins to loom. The EUR/USD rate traded below parity for much of the week as the slowing economic outlook and energy crisis weigh on the single currency bloc.

Our regular market information continues on the next page.

Snapshot



Oil
Copper



World Equities
Corporate Bonds
Sovereign Bonds
Gold

The week ahead

31 Aug

Eurozone inflation for August is released.

01 Sep

US and Chinese manufacturing PMIs are published

02 Sep

US non-farm payrolls go to print.



	1 Week Return 22.08.22 to 29.08.22		Year to Date Return 01.01.22 to 29.08.22	
	Local Currency	Euro	Local Currency	Euro
World	-1.5%	-2.0%	-15.7%	-4.3%
U.S.	-1.9%	-2.3%	-15.2%	-3.8%
Europe	-1.5%	-1.5%	-13.5%	-13.5%
Ireland	-1.0%	-1.0%	-19.6%	-19.6%
U.K.	-1.4%	-1.9%	6.0%	4.7%
Japan	-0.8%	-1.4%	-0.2%	-5.0%
Hong Kong	0.3%	-0.2%	-7.5%	4.3%
Corporate Bonds	-1.4%	-1.4%	-12.3%	-12.3%
Sovereign Bonds	-1.9%	-1.9%	-17.1%	-17.1%

Equities

- Global stocks were down last week by -2.0% in euro terms and -1.5% in local terms.
- Year-to-date global markets are down -4.3% in euro terms and -15.7% in local terms.
- The U.S market, the largest in the world, was down -2.3% in euro terms and -1.9% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.11% last week. The German equivalent finished at 1.53%. The Irish 10-year bond yield finished at 2.17%.
- The Euro/U.S. Dollar exchange rate finished at 0.99, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$94 per barrel and is up 42.8% year-to-date in euro terms.
- Gold finished the week at \$1,722 per troy ounce and is up 7.8% year-to-date in euro terms.
- Copper finished the week at \$8,188 per tonne.

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