Markets Pause for Breath

Last week saw markets slow in pace somewhat as the positive momentum which had fuelled a rally in recent weeks gave way to modest losses in US equities. The previous positive sentiment was somewhat curtailed by the warnings of St Louis Federal Reserve President James Bullard, who cautioned investors that rates could rise higher than market expectations of a terminal rate of 5.25%. US equities ended the week down 0.1% from the perspective of a Euro investor. Despite this, signs of inflation easing, in the form of softening producer price pressures in the US, permeated through to provide some optimism from investors. The US Dollar fell again this week from its 20-year highs and the Euro/Dollar exchange rate ended the week above parity at 1.026, this came as the prospect of less monetary tightening and slowing inflation led investors to move away from the safety of the Dollar. The US bond market also had a relatively subdued week with the benchmark 10 Year US Treasury yield falling marginally to 3.80%. The yield on the US 2 Year, which is more sensitive to interest rates rose to 4.53% as investors priced in the aforementioned hawkish comments from central bankers during the week.

Within Europe, last week saw the release of the UK's latest budget by newly appointed Chancellor of the Exchequer Jeremy Hunt. The budget represents a U-turn to the previously appointed Kwasi Kwarteng's tax cutting plan. Hunt's budget which involves expenditure cuts, tax rises and increases to state-pension and household benefits, was largely greeted with approval by investors, with UK equities ending the week up 1.5% in euro terms.
Finally last week saw the meeting of US President Biden and his Chinese counterpart Xi Jinping at the G20 leaders' summit in Bali. This meeting was largely seen as a success in terms of global openness and cooperation. It remains to be seen however, to what extent this will result in less hostility in the future. Asian equities continue to rely on movement from China in scaling back their Zero-Covid policy to stimulate growth. Last week saw an uptick in Covid-19 infections across China which put these plans in doubt. Hong Kong equities slowed from their recent gains as a result, ending the week up only 0.3%.

Our regular market information continues on the next page.

Snapshot

Up:

Corporate Bonds

Sovereign Bonds

Down:

World Equities

Copper

Gold

Oil

The week ahead	
23 Nov	Global PMI Data is released.
24 Nov	US Markets close for Thanksgiving Holiday.
25 Nov	German GDP reading for Q3 is published.

	1 Week Return 14.11.22 to 21.11.22		Year to Date Return 01.01.22 to 21.11.22	
	Local Currency	Euro	Local Currency	Euro
World	0.2%	-0.1%	-16.5%	-8.4%
U.S.	0.1%	-0.1%	-17.2%	-9.1%
Europe	-0.2%	-0.2%	-10.7%	-10.7%
Ireland	-0.6%	-0.6%	-19.2%	-19.2%
U.K.	0.1%	1.5%	5.9%	2.3%
Japan	0.2%	0.3%	-0.1%	-9.8%
Hong Kong	0.4%	0.3%	-13.6%	-5.5%
Corporate Bonds	0.7%	0.7%	-13.1%	-13.1%
Sovereign Bonds	1.5%	1.5%	-22.1%	-22.1%

Equities

- Global stocks were down last week by -0.1% in euro terms and 0.2% In local terms.
- Year-to-date global markets was down -8.4% in euro terms and -16.5% In local terms.
- The U.S market, the largest in the world, were down -0.1% in euro terms and 0.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.80% last week. The German equivalent finished at 2.02%. The Irish 10-year bond yield finished at 2.46%.
- The Euro/U.S. Dollar exchange rate finished at 1.03, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at $80 per barrel and is up 17.6% year-to-date in euro terms.
- Gold finished the week at $1,742 per troy ounce and is up 5.5% year-to-date in euro terms.
- Copper finished the week at $8,043 per tonne.

Figures are calculated using Total Returns Indices.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
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