Labour market shows signs of cooling

Last week saw US stocks end down slightly in a holiday shortened week. Treasury yields dipped lower after weak economic data was released throughout the period. A key data release last week was the US jobs report which suggested a weakening labour market despite months of tight conditions. The report, released on Friday when markets were in fact closed, showed that the US economy added 236,000 jobs in March after an upwardly revised 326,000 jobs were added in February and 504,000 in January. The numbers came in 3,000 jobs lower than economists' expectations and indicated that hiring momentum has begun to slow.

The US Manufacturing and Services PMIs for March were also released last week which indicated that economic activity has begun to slow its pace in the US. The ISM manufacturing index decreased to an almost three-year low, coming in at 46.3, below economists' expectations of 47.5 (figures below 50 indicate a contraction in activity). The ISM Services index, while still in expansionary territory came in at 51.2, below economists' expectations of 54.4. The signal of a slowing economy was largely taken positively by investors, as these two reports are seen as leading indicators in the battle for lower inflation. The implication of slowing economic activity could be viewed as evidence for a pause in interest rate hikes.

In Europe, equities posted gains as markets have calmed following the recent banking turmoil. However, the question of further rate rises in the Euro area till remains pertinent. Last week several ECB officials such as Christine Lagarde and Philip Lane indicated that future rate rises remained very much on the table. The ECB has raised rates six times to date in the current tightening cycle.

Elsewhere the Reserve Bank of Australia decided to pause its rate hiking campaign, despite inflation still being above its target rate. This marks the first time in over a year the RBA has chosen not to raise interest rates.

Our regular market information continues on the next page.

Snapshot

Corporate Bonds
Sovereign Bonds
Gold

World Equities
Oil
Copper

The week ahead

12 Apr	US Consumer Price Index is released.
13 Apr	US Initial Jobless Claims report is issued.
14 Apr	Q1 Earnings Season begins.

	1 Week Return 03.04.23 to 10.04.23		Year to Date Return 30.12.22 to 10.04.23	
	Local Currency	Euro	Local Currency	Euro
World	-0.6%	-0.1%	7.6%	5.9%
U.S.	-0.4%	0.0%	7.5%	5.8%
Europe	0.2%	0.2%	9.9%	9.9%
Ireland	-1.6%	-1.6%	16.0%	16.0%
U.K.	1.1%	1.3%	5.1%	6.3%
Japan	-2.0%	-2.7%	5.7%	2.6%
Hong Kong	0.1%	0.5%	-1.0%	-3.0%
Corporate Bonds	0.5%	0.5%	1.7%	1.7%
Sovereign Bonds	0.5%	0.5%	4.0%	4.0%

Equities

- Global stocks were down last week by -0.1% in euro terms and -0.6% In local terms.
- Year-to-date global markets were up 5.9% in euro terms and 7.6% in local terms.
- The U.S market, the largest in the world, finished at 0.0% in euro terms and -0.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.42% last week. The German equivalent finished at 2.18%. The Irish 10-year bond yield finished at 2.63%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.88.

Commodities

- Oil finished the week at $80 per barrel and is up 5.2% year-to-date in euro terms.
- Gold finished the week at $1,992 per troy ounce and is up 0.9% year-to-date in euro terms.
- Copper finished the week at $8,807 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.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.

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