

Tech stocks outperform in first half of 2023

US stocks ended the midpoint of 2023 on a positive note as improved macroeconomic data saw US stocks rally. The tech-heavy Nasdaq Composite has had its best first half of the year since 1983, rising 32% year to date. Investors have attributed much of tech's outperformance to the optimism surrounding Artificial Intelligence stocks. Despite this however some investors have pointed to the lack of breadth in US markets as reason for scepticism as much of the outperformance in 2023 has been contained within the top stocks of US indexes.

On Friday, the US Commerce Department released their Personal Consumption Expenditures (PCE) price index. The report showed that PCE is now at its lowest level since early 2021, standing at 3.8% year on year. Core PCE, which strips out volatile food and energy sectors and is often referred to as the Federal Reserve's preferred measure of inflation, came in at 4.6% year on year down from 4.7% the previous month. Although the figure remains elevated, the report supported the view that inflation is cooling.

In the Eurozone, Friday saw the release of Consumer Price Index (CPI) from Eurostat. The report showed that inflation in the 20-member bloc had fallen further than expected, with headline CPI now standing at 5.5%, the lowest level since early 2022. Many investors have contrasted these figures to that of the UK, which still stands at 8.7%. However, Core CPI in the Eurozone rose slightly to 5.4%, up from 5.3% in May. The European Central Bank has remained steadfast in its messaging, ensuring the market it will continue to raise rates until price pressures are undoubtedly subsiding.

In Asia, Japanese equities continued their strong run, as gains last week has led Japan to be one of the top performing major markets year to date. Chinese markets however remained mixed, as investors await more positive growth data which yet has failed to come.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
World Equities



Sovereign Bonds
Gold
Copper
Oil

The week ahead

05 July	European Services PMIs are released.
06 July	US Manufacturing & Services PMIs are released.
07 July	US non-farm payrolls report goes to print.



	1 Week Return 26.06.23 to 03.07.23		Year to Date Return 31.12.22 to 03.07.23	
	Local Currency	Euro	Local Currency	Euro
World	2.5%	2.5%	15.1%	12.6%
U.S.	2.9%	2.8%	16.8%	14.3%
Europe	2.3%	2.3%	12.7%	12.7%
Ireland	3.4%	3.4%	23.9%	23.9%
U.K.	1.0%	1.0%	2.6%	6.1%
Japan	1.4%	0.7%	23.8%	10.5%
Hong Kong	0.9%	0.8%	-7.0%	-9.3%
Corporate Bonds	0.0%	0.0%	0.7%	0.7%
Sovereign Bonds	-0.4%	-0.4%	3.1%	3.1%

Equities

- Global stocks were up last week by 2.5% in euro terms and 2.5% in local terms.
- Year-to-date global markets are up 12.6% in euro terms and 15.1% in local terms.
- The U.S. market, the largest in the world, finished at 2.8% in euro terms and 2.9% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.84% last week. The German equivalent finished at 2.39%. The Irish 10-year bond yield finished at 2.80%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$70 per barrel and is down -13.8% year-to-date in euro terms.
- Gold finished the week at \$1,915 per troy ounce and is up 3.3% year-to-date in euro terms.
- Copper finished the week at \$8,322 per tonne.

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Intended for distribution within the Republic of Ireland.

GR: 5685 Print Ref: ZL ISA 5685 0121

