

Equities see gains as sentiment improves

US Stocks continued to march higher last week, returning 1.3% in Euro terms as investors priced in the likelihood of a 'soft landing' for the US economy. Last week saw the release of US retail sales figures which showed that in June retail sales rose by 0.2% to \$689.5 billion. The results displayed sluggish growth as the advance seen throughout 2022 levels off. Despite this, spending on services such as travelling and recreation remains high, suggesting overall consumer expenditure is not in decline.

On Thursday, the US Labor Department reported that the number of applications for jobless claims had declined by 9,000 to 228,000 for the week ending July 15. This figure is often used as a proxy for job cuts and is now at a two-month low with investors continuing to view the US labour market as a signal of economic resilience in the US. Thursday also saw the tech-heavy Nasdaq drop 2 percentage points as companies such as Netflix and Tesla showed disappointing earnings. The week ended with many investors looking ahead to this week's Federal Reserve policy meeting. Bond yields have increased throughout the week as the likelihood of a rate hike seems near certain for many investors. The benchmark US 10 Year Treasury yield finished the week higher at 3.85%.

In the Eurozone, revised GDP figures showed a narrow avoidance of recession in the first quarter of 2023, with the revised figures displaying a flat level of GDP growth in 1Q23. In the UK, a cooler than expected inflation result saw sentiment improve. Consumer price growth in the UK slowed to 7.9% in June from a previous figure of 8.7%. The decline has largely been attributed to lower gasoline prices. Despite the lower-than-expected fall in prices, the Bank of England appeared to remain hawkish in their policy stating that inflation continues to remain too high.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold



Oil
Copper

The week ahead

26 July

Federal Reserve makes interest rate decision.

27 July

ECB makes interest rate decision.

28 July

US PCE Price Index is released.



	1 Week Return 17.07.23 to 24.07.23		Year to Date Return 31.12.22 to 24.07.23	
	Local Currency	Euro	Local Currency	Euro
World	0.2%	1.3%	17.5%	12.9%
U.S.	0.2%	1.3%	19.3%	14.6%
Europe	1.3%	1.3%	13.4%	13.4%
Ireland	1.6%	1.6%	28.3%	28.3%
U.K.	3.6%	2.8%	4.4%	7.1%
Japan	0.9%	0.1%	22.1%	9.2%
Hong Kong	-1.1%	0.0%	-6.8%	-10.6%
Corporate Bonds	0.1%	0.1%	0.9%	0.9%
Sovereign Bonds	0.6%	0.6%	2.9%	2.9%

Equities

- Global stocks were up last week by 1.3% in euro terms and 0.2% in local terms.
- Year-to-date global markets are up 12.9% in euro terms and 17.5% in local terms.
- The U.S. market, the largest in the world, finished at 1.3% in euro terms and 0.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.85% last week. The German equivalent finished at 2.48%. The Irish 10-year bond yield finished at 2.87%.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$77 per barrel and is down -8.2% year-to-date in euro terms.
- Gold finished the week at \$1,963 per troy ounce and is up 3.4% year-to-date in euro terms.
- Copper finished the week at \$8,423 per tonne.

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