

Equities positive on cooler jobs data

Last week saw US equities show positive returns after a shaky August, showing their biggest weekly gain in over 5 weeks. Positive sentiment from investors filtered through to markets as economic data releases showed some signs of cooling in the labour market. On Tuesday the US Bureau of Labor Statistics released the Job Openings and Labor Turnover Survey (JOLTS). Figures for July job openings fell to 8.8 million, below expectations of 9.5 million and below the previous months 9.2 million reading. The labour market continues to be a focus-point for many investors as higher wages contribute to inflationary pressures. Lower numbers of Job openings and a lower quit rate were taken by many investors to indicate a slow-down in the labour market which may potentially indicate lower levels of inflation.

Further data throughout the week showed that the US unemployment rate increased to 3.8% in July, up from figures of 3.5%. Figures also showed that participation in the labour market increased to their highest levels since 2020 to figures of 62.8%. Finally, on Friday non-farm payroll figures showed that wage growth has decreased from 4.4% to 4.3% in July, further indicating a cooling in the labour market. Investors now expect the Federal Reserve not to raise interest rates this month, with equities rallying as a result.

In the Eurozone, headline inflation figures released last week remained unchanged at 5.3%, missing expectations of a 5.1% reading. There was however more positive news for investors with the core reading of inflation, which strips out volatile food and energy sectors, reducing from 5.5% to 5.3%. In China, equities were positive, owing to stimulus measures introduced by the Chinese government to revive its ailing economy. China's central bank most recently cut the reserve requirements for domestic banks, freeing up capital within the local economy.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold
Copper
Oil

The week ahead

06 Sept	US Manufacturing and Services PMIs are released.
07 Sept	US Initial Jobless claims report is issued.
08 Sept	German CPI figures are published.



	1 Week Return 28.08.23 to 04.09.23		Year to Date Return 31.12.22 to 04.09.23	
	Local Currency	Euro	Local Currency	Euro
World	1.9%	1.9%	16.3%	14.8%
U.S.	2.1%	2.0%	19.0%	17.5%
Europe	0.2%	0.2%	11.9%	11.9%
Ireland	0.1%	0.1%	27.8%	27.8%
U.K.	1.8%	2.1%	2.6%	6.3%
Japan	2.1%	2.6%	26.2%	12.6%
Hong Kong	2.7%	2.7%	-12.4%	-14.0%
Corporate Bonds	0.1%	0.1%	1.1%	1.1%
Sovereign Bonds	0.3%	0.3%	2.0%	2.0%

Equities

- Global stocks were up last week by 1.9% in euro terms and 1.9% in local terms.
- Year-to-date global markets are up 14.8% in euro terms and 16.3% in local terms.
- The U.S market, the largest in the world, finished at 2.0% in euro terms and 2.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.18% last week. The German equivalent finished at 2.57%. The Irish 10-year bond yield finished at 2.95%
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$86 per barrel and is up 5.8% year-to-date in euro terms.
- Gold finished the week at \$1,944 per troy ounce and is up 5.7 % year-to-date in euro terms.
- Copper finished the week at \$8,479 per tonne.

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