

Stocks slide on interest rate fears

Equity markets ended the week down as investors revaluated the potential interest rate environment. US stocks returned -0.6% in euro terms whilst the yield on the benchmark US 10 Year Treasury rose to 4.29%. On Wednesday, US Manufacturing and Services PMIs were released, displaying that despite a downturn in global growth, US economic activity rose unexpectedly in August. The services PMI rose to 54.5 in August, up from 52.7 in July. A reading above 50 signifies growth in the respective sector. On Thursday, statistics released by the US Labor Department showed that weekly jobless claims fell 13,000 to 216,000 in the week ended September 2nd, their lowest level since February. Whilst these data points prove positive for the US economy, stock markets struggled due to fears that inflation will remain elevated as a result of a buoyant economy. Last week also saw a sell off in tech-giant Apple, after news broke of a ban on Chinese government officials using iPhones. Some investors feared that this may translate into a broader ban on Apple products in China, the company's largest foreign market.

In Europe the economic outlook proved to be less buoyant. On Tuesday, Eurozone PMIs were released, displaying that economic activity had decelerated in August, more than initially forecast. S&P Global's composite Eurozone PMI declined to 46.7 in August from July's 48.6, its lowest level since 2020. The services component of the PMI fell to 47.9 from 50.9, now in contractionary territory. Last week also saw a downward revision of Eurozone GDP for Q2 to 0.1% growth, down from its initial estimate of 0.3%.

In China, the economic outlook continues to drag, with Chinese stocks posting negative returns for the week. China's currency, the Renminbi fell to a record low of 7.36 versus the US Dollar whilst services activity declined from 54.1 in July to 51.8 in August. Services activity however remains above 50, which indicates that it is not in contractionary territory.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Oil



World Equities
Sovereign Bonds
Gold
Copper

The week ahead

13 Sept	US CPI figures go to print.
14 Sept	Eurozone interest rate decision is made.
15 Sept	Michigan US Consumer Sentiment Survey is published.



	1 Week Return 04.09.23 to 11.09.23		Year to Date Return 31.12.22 to 11.09.23	
	Local Currency	Euro	Local Currency	Euro
World	-1.4%	-0.7%	14.7%	14.2%
U.S.	-1.3%	-0.6%	17.5%	17.0%
Europe	-0.9%	-0.9%	10.8%	10.8%
Ireland	-3.1%	-3.1%	23.3%	23.3%
U.K.	0.5%	0.1%	3.0%	6.5%
Japan	-0.6%	-0.8%	26.8%	12.8%
Hong Kong	-3.3%	-2.7%	-14.1%	-14.8%
Corporate Bonds	0.0%	0.0%	0.9%	0.9%
Sovereign Bonds	-0.7%	-0.7%	1.3%	1.3%

Equities

- Global stocks were down last week by -0.7% in euro terms and -1.4% in local terms.
- Year-to-date global markets are up 14.2% in euro terms and 14.7% in local terms.
- The U.S market, the largest in the world, finished down -0.6% in euro terms and -1.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.29% last week. The German equivalent finished at 2.64%. The Irish 10-year bond yield finished at 3.04%
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$87 per barrel and is up 8.2% year-to-date in euro terms.
- Gold finished the week at \$1,928 per troy ounce and is up 5.4% year-to-date in euro terms.
- Copper finished the week at \$8,229 per tonne.

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