

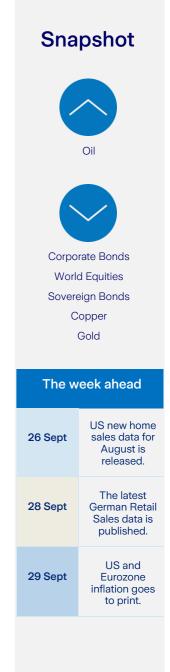
Markets lower as US rates to be 'higher for longer'

The Federal Reserve kept the key interest rate in the 5.25%-5.50% following their two-day meeting last week. Whilst the move (or lack thereof) was in line with market expectations the post meeting press conference was seen as relatively hawkish by market participants. The Fed also upgraded its economic forecasts and now expects higher growth into 2024. Whilst there are always differences of opinions amongst the FOMC members, the narrative of rates being 'higher for longer' has taken hold on investment markets. Equity markets sold off and the 10-year US treasury yield hit a 16 year high on the back of the commentary. The market is now not expecting a cut in the main Fed funding rate until July 2024.

The Fed meeting dominated the economic calendar last week, and outside of an underwhelming housing starts data release there was not much else from the US. In other central bank news, The Bank of England voted to keep rates at 5.25%, which was a moderate surprise. Inflation has fallen for three consecutive months in the UK and the Monetary Policy Committee were split 5 to 4 in favour of a pause. The Swiss National Bank (SNB) also sprung a moderate surprise by holding rates at 1.75% whilst the Bank of Japan kept policy broadly unchanged.

Eurozone economic activity slipped once again last month, with the composite figure PMI coming in at 47.1 versus 46.7. Whilst there was a marginal improvement the reading is still below 50, signifying a contraction. The manufacturing component continued to be the primary contributor to the overall reduction in output, the service sector also experienced a second consecutive month of decreased activity. European stocks also fell last week as ECB Economist Philip Lane stated that risks are 'tilted to the downside'.

Our regular market information continues on the next page.





		1 Week Return 18.09.23 to 25.09.23		Year to Date Return 31.12.22 to 25.09.23	
	Local Currency	Euro	Local Currency	Euro	
World	-2.6%	-2.4%	12.1%	12.2%	
U.S.	-3.0%	-2.8%	13.8%	14.0%	
Europe	-0.9%	-0.9%	9.9%	9.9%	
Ireland	-2.0%	-2.0%	19.1%	19.1%	
U.K.	0.5%	-0.2%	6.0%	8.3%	
Japan	-2.3%	-2.4%	27.8%	14.0%	
Hong Kong	0.5%	0.6%	-16.1%	-16.1%	
Corporate Bonds	-0.2%	-0.2%	-0.3%	-0.3%	
Sovereign Bonds	-0.7%	-0.7%	-0.3%	-0.3%	

Equities

- Global stocks were down last week by -2.4% in euro terms and -2.6% in local terms.
- Year-to-date global markets are up 12.2% in euro terms and 12.1% in local terms.
- The U.S market, the largest in the world, finished down -2.8% in euro terms and -3.0% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.48% last week. The German equivalent finished at 2.78%. The Irish 10-year bond yield finished at 3.19%
- The Euro/U.S. Dollar exchange rate finished at 1.06, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$91 per barrel and is up 13.8% year-to-date in euro terms.
- Gold finished the week at \$1,922 per troy ounce and is up 6.1% year-to-date in euro terms.
- Copper finished the week at \$8,162 per tonne.

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Figures are calculated using Total Returns Indices

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