

Surprise jobs growth sees strong finish to the week

Last week saw mixed performance for US equities, as many investors adopting a 'wait and see' approach ahead of Friday's jobs report. Non-Farm Payrolls data on Friday had been expected to display a decrease in jobs growth, however surprise results for markets showed that jobs growth more than doubled in September to a figure of 336,000 versus expectations of 170,000. The higher jobs growth caused many investors to show concern over labour market tightness, and the potential for further Federal Reserve rate hikes as a result. Despite this, Friday's job report displayed some moderation in wage growth, another aspect closely watched by markets for its impact on inflation. The report showed that average hourly wage growth declined from 4.3% to 4.2% annually.

Preceding Friday's job report, the benchmark 10 Year US Treasury yield, reached a 16-year high of 4.89%. Bond yields continue to rise on the back of robust macroeconomic data and signalling by the Fed that rates will remain higher for longer. Friday ended with US stocks rallying as investors digested the report. Despite interest rate fears, many viewed the report as evidence of a strong US economy.

In Europe, equities finished the week in negative territory as fears of higher interest rates for longer also permeated investor sentiment. Macro data suggested the Eurozone economy is beginning to slow however, which may be positive for inflation. The Eurozone composite PMI, released on Monday, showed a figure of 47.2 for September its fourth consecutive monthly contraction (readings below 50 represent contraction). The manufacturing component of this figure was lower still, at 43.5. Last week also saw an increase in military clashes in the Middle East, which caused some investors to move towards safe-haven assets amid uncertainty. The situation appeared to worsen over the weekend with oil prices rising as a result.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Gold



World Equities
Copper
Oil

The week ahead

11 Oct	FOMC Meeting Minutes are released.
12 Oct	US CPI figures go to print.
13 Oct	European Industrial Production figures are issued.



	1 Week Return 02.10.23 to 09.10.23		Year to Date Return 31.12.22 to 09.10.23	
	Local Currency	Euro	Local Currency	Euro
World	0.3%	-0.1%	10.8%	12.2%
U.S.	0.5%	0.1%	13.7%	15.1%
Europe	-0.2%	-0.2%	8.0%	8.0%
Ireland	0.2%	0.2%	16.2%	16.2%
U.K.	-0.2%	0.0%	3.7%	6.4%
Japan	-2.2%	-2.3%	22.6%	9.6%
Hong Kong	0.5%	0.2%	-16.9%	-16.1%
Corporate Bonds	0.1%	0.1%	-0.7%	-0.7%

Equities

- Global stocks were down last week by -0.1% in euro terms and up slightly by 0.3% in local terms.
- Year-to-date global markets are up 12.2% in euro terms and 10.8% in local terms.
- The U.S market, the largest in the world, finished up 0.1% in euro terms and 0.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.80% last week. The German equivalent finished at 2.84%. The Irish 10-year bond yield finished at 3.31%
- The Euro/U.S. Dollar exchange rate finished at 1.05, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$85 per barrel and is up 8.2% year-to-date in euro terms.
- Gold finished the week at \$1,850 per troy ounce and is up 3.0% year-to-date in euro terms.
- Copper finished the week at \$7,971 per tonne.

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