

ECB leaves key interest rate unchanged

Last week saw US stocks finish lower for the second week in a row as bond yields moved higher and investor sentiment declined. Much of the poor performance came as Mega Cap tech stocks posted mixed Q3 earnings reports. The 'Magnificent Seven' (Amazon, Apple, Alphabet, Meta, Microsoft, NVIDIA, and Tesla) had fuelled strong stock market performance in the first half of the year. The companies make up almost 30% of the S&P 500 Index, meaning their performance can have a large effect on stock market performance as a whole.

Despite higher-than-expected overall earnings for Google's parent company Alphabet, earnings in the company's cloud computing division showed their slowest quarterly growth at 22%, resulting in a cautious sell-off from some investors. Meanwhile Facebook parent company, Meta, also beat earnings expectations but saw its share price drop throughout the week, as guidance from the company's CFO projected slower advertising revenues in Q4. On Friday, the US also saw the core personal consumption (PCE) price index released, which is known to be the Federal Reserve's preferred measure of inflation. Figures showed that the index rose 0.3% in in September, in line with expectations. The Fed meets later this week to make an interest rate decision, expectations are largely for rates to stay the same.

In the Eurozone, the European Central Bank broke its extended run of consecutive interest rate hikes by deciding to leave rates unchanged, a sign that price pressures are finally beginning to ease in the 20-member currency bloc. Since July 2022, the ECB has raised rates by a combined 4.5%, to dampen inflation. Many investors have speculated as to how long rates will remain elevated in the Eurozone. At a press conference following the announcement, ECB president Christine Lagarde stated that further rate hikes were still on the table, and discussion surrounding a potential drop in rates would be "totally premature".

Our regular market information continues on the next page.

Snapshot



Corporate Bonds

Gold

Copper



World Equities

Oil

The week ahead

| | |
|--------|--|
| 31 Oct | Eurozone CPI figures are published. |
| 01 Nov | Federal Reserve makes interest rate decision. |
| 03 Nov | US Manufacturing and Services PMIs are released. |



| | 1 Week Return 23.10.23 to 30.10.23 | | Year to Date Return 31.12.22 to 30.10.23 | |
|-----------------|---------------------------------------|-------|---|--------|
| | Local Currency | Euro | Local Currency | Euro |
| World | -1.0% | -0.9% | 7.4% | 8.0% |
| U.S. | -1.3% | -1.2% | 9.8% | 10.3% |
| Europe | -0.3% | -0.3% | 4.7% | 4.7% |
| Ireland | -1.0% | -1.0% | 10.1% | 10.1% |
| U.K. | -0.7% | -1.0% | 1.5% | 3.1% |
| Japan | -0.5% | 0.2% | 20.9% | 7.6% |
| Hong Kong | 1.0% | 1.1% | -18.1% | -17.9% |
| Corporate Bonds | 0.5% | 0.5% | -0.1% | -0.1% |

Equities

- Global stocks were down last week by -0.9% in euro terms and down by -1.0% in local terms.
- Year-to-date global markets are up 8.0% in euro terms and 7.4% in local terms.
- The U.S market, the largest in the world, finished down -1.2% in euro terms and -1.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.89% last week. The German equivalent finished at 2.82%. The Irish 10-year bond yield finished at 3.24%
- The Euro/U.S. Dollar exchange rate finished at 1.06, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$82 per barrel and is up 3.4% year-to-date in euro terms.
- Gold finished the week at \$1,996 per troy ounce and is up 10.4% year-to-date in euro terms.
- Copper finished the week at \$8,069 per tonne.

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Figures are calculated using Total Returns Indices.

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