

# Mixed week for risk assets as demand slows

Last week saw a mixed week for risk assets with US stocks returning 1.9% in euro terms, a deceleration relative to the previous week's gains. As Q3 earnings season comes to a close, last week saw some upside surprises from US tech companies, which provided some support to equities. The major focus however has been on the rise in US Government bond yields. Although yields had declined on long term US debt up until Thursday, a weak US Treasury debt auction saw investors pull back. The Auction of \$24 billion of 30 Year US Treasury notes saw some of the weakest demand in over two years, leaving many investors sceptical of the US government's ability to service its borrowing costs. Yields climbed because of the poor response, eating away at the capital value of fixed income markets. Sentiment was also compounded by comments from Federal Reserve Chairman Jerome Powell, warning against investors being 'misled' by favourable price data.

In Europe, comments from European Central Bank (ECB) President Christine Lagarde lowered overall sentiment, as she stated that interest rate cuts would not be feasible until after 'the next couple of quarters', contributing to the overall 'higher for longer' interest rate narrative. Macro indicators released within the Eurozone also dampened sentiment as growth prospects have lowered. In Germany figures for industrial production displayed a 1.4% drop, meanwhile the country's Consumer Price Index (CPI) figures for October displayed its lowest levels in over 2 years, coming in at 3.8%. In Asia, prices also declined, with Chinese CPI figures showing a contraction of 0.2% in October. The last number of weeks have seen investors begin to shift concerns from issues surrounding price pressures to the impact on growth from higher borrowing costs.

**Our regular market information continues on the next page.**

## Snapshot



World Equities  
Corporate Bonds  
Gold



Copper  
Oil

## The week ahead

14 Nov	US CPI figures are released.
16 Nov	US Initial Jobless Claims report is issued.
17 Nov	Eurozone CPI figures are released.



	1 Week Return 06.11.23 to 13.11.23		Year to Date Return 31.12.22 to 13.11.23	
	Local Currency	Euro	Local Currency	Euro
World	0.4%	1.1%	13.1%	13.1%
U.S.	1.2%	1.9%	16.4%	16.5%
Europe	0.3%	0.3%	8.3%	8.3%
Ireland	-4.6%	-4.6%	9.5%	9.5%
U.K.	-0.5%	-1.4%	2.2%	3.6%
Japan	-1.0%	-1.5%	27.0%	10.6%
Hong Kong	-4.9%	-4.1%	-18.5%	-18.6%
Corporate Bonds	0.1%	0.1%	0.7%	0.7%

### Equities

- Global stocks were up last week by 1.1% in euro terms and up by 0.4% in local terms.
- Year-to-date global markets are up 13.1% in both euro terms and in local terms.
- The U.S market, the largest in the world, finished up 1.9% in euro terms and 1.2% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 4.65% last week. The German equivalent finished at 2.73%. The Irish 10-year bond yield finished at 3.15%
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.87.

### Commodities

- Oil finished the week at \$77 per barrel and is down -4.2% year-to-date in euro terms.
- Gold finished the week at \$1,937 per troy ounce and is up 6.4% year-to-date in euro terms.
- Copper finished the week at \$7955 per tonne.

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