

# Markets have lacklustre start to the year

Markets ended the first week of 2024 in negative territory as stocks gave back some of the gains from December. In the US, performance was muted in a holiday shortened week that saw lower trading volumes. Economic data releases suggested a slowdown in manufacturing activity, with the S&P Global US Manufacturing PMI coming in below expectations and firmly in contractionary territory at 47.9 (figures below 50 indicate a contraction).

Labour market data was conflicting in the US with several releases supporting various perspectives. On Wednesday, the JOLTs Job Openings report for November, showed that new Job openings were below expectations. The report showed that new job openings came in at 8.79 million in November, its lowest level in over two years and below expectations of an 8.85 million figure. On Friday however, the much-watched non-farm payrolls report was released which beat expectations. The report showed that US employers hired more workers than expected in December with wages also rising. Non-farm payrolls increased by 216,000 in December, far higher than the previous month's 173,000 figure and higher still than economists' forecast of 170,000. This release saw some investors show concern for the future of the Federal Reserve's much anticipated interest rate cuts in 2024. The reasoning being that if the labour market remains too hot, it may jeopardise the Fed's inflation dampening work, causing interest rates to remain higher for longer.

In Europe, stocks showed a similar performance. Towards the end of the week, preliminary estimates for Eurozone inflation indicated an uptick in December. Preliminary figures showed an increase of 2.9% in Eurozone consumer prices year on year, higher than the previous month's figure of 2.4%. Core CPI, which strips out the volatile food and energy sectors decreased to 3.4% from 3.6%. In the UK, the Halifax House Price index showed that UK house prices increased for the first time in 8 months, increasing by 1.7% in December year on year, an early indication that the market may be recovering.

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

## Snapshot



Gold



World Equities  
Corporate Bonds  
Sovereign Bonds  
Oil  
Copper

## The week ahead

09 Jan	Eurozone Unemployment data is issued.
11 Jan	US Consumer Price Index is released.
12 Jan	US PPI figures go to print.



	1 Week Return 02.01.24 to 08.01.24		Year to Date Return 31.12.23 to 08.01.24	
	Local Currency	Euro	Local Currency	Euro
World	-1.5%	-0.9%	-1.5%	-0.9%
U.S.	-1.6%	-1.0%	-1.6%	-1.0%
Europe	-0.7%	-0.7%	-0.7%	-0.7%
Ireland	-0.9%	-0.9%	-0.9%	-0.9%
U.K.	-0.4%	0.2%	-0.4%	0.2%
Japan	1.1%	-0.5%	1.1%	-0.5%
Hong Kong	-3.9%	-3.3%	-3.9%	-3.3%
Corporate Bonds	-1.2%	-1.2%	-1.2%	-1.2%
Sovereign Bonds	-1.2%	-1.2%	-1.2%	-1.2%

### Equities

- Global stocks were down last week -0.9% in euro terms and -1.5% in local terms.
- The U.S market, the largest in the world, finished at -1.0% in euro and -1.6% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 4.03% last week. The German equivalent finished at 2.18%. The Irish 10-year bond yield finished at 2.51%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.86.

### Commodities

- Oil finished the week at \$72 per barrel and is down -12.1% year-to-date in euro terms.
- Gold finished the week at \$2,027 per troy ounce and is up 8.7% year-to-date in euro terms.
- Copper finished the week at \$8,361 per tonne.

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