

# US Stocks hit record high

US Stocks reached all-time highs last week as Tech stocks delivered returns to investors and sentiment towards the possibility of the Federal Reserve cutting interest rates remained positive. As earnings season continues in January, last week saw further releases from some of the US' largest companies. The streaming giant Netflix, surprised to the upside, showing higher than expected subscriber additions, whilst Meta, Microsoft and IBM all posted positive results, much of which were attributed to increased AI demand. Tesla, one of the Magnificent Seven large cap stocks, saw earnings miss their expectations. Greater competition from China has seen heightened competition in the Electric Vehicles market, with companies such as Tesla cutting prices in an attempt to compete. In terms of economic releases, last week saw a relatively light calendar, however Initial Jobless Claims provided an upside surprise on Thursday. The Department of Labor's report showed that claims for the number of individuals who filed for unemployment insurance for the first time during the past week increased to 214,000, up from 189,000 the previous week. A larger number of people applying for unemployment normally indicates a softening job market, with many investors implying lower demand and in turn lower inflation.

In Europe, stocks also saw positive performance. On Thursday the ECB's interest rate decision saw rates remain unchanged, a decision which was favourably received by markets. In the ensuing press conference ECB President Christine Lagarde stressed that it was still premature to discuss rate cuts however many commentators noted a more dovish tone in her remarks, with President Lagarde acknowledging that the process of disinflation was working for the central bank.

In Asia, equities posted gains following an announcement from the People's Bank of China (PBOC), that the reserve ratio requirement for most banks would be reduced by 50 basis points. The move from the PBOC along with several other pro-growth measures marked a signal from Beijing that it remains committed to stimulating the Chinese Economy.

## Fact of the Week

About 80% of S&P record highs have led to at least one more all-time high the following week.

Our regular market information continues on the next page.

## Snapshot



World Equities  
Corporate Bonds  
Sovereign Bonds  
Oil  
Copper



Gold

## The week ahead

|        |                                                |
|--------|------------------------------------------------|
| 30 Jan | Chinese Manufacturing PMIs go to print.        |
| 31 Jan | ECB Interest Rate Decision.                    |
| 01 Feb | Eurozone Preliminary CPI figures are released. |



|                 | 1 Week Return<br>22.01.24 to 29.01.24 |       | Year to Date Return<br>31.12.23 to 29.01.24 |       |
|-----------------|---------------------------------------|-------|---------------------------------------------|-------|
|                 | Local Currency                        | Euro  | Local Currency                              | Euro  |
| World           | 1.3%                                  | 1.5%  | 1.5%                                        | 3.3%  |
| U.S.            | 1.0%                                  | 1.2%  | 2.5%                                        | 4.2%  |
| Europe          | 3.2%                                  | 3.2%  | 1.5%                                        | 1.5%  |
| Ireland         | 3.1%                                  | 3.1%  | 6.5%                                        | 6.5%  |
| U.K.            | 2.2%                                  | 2.8%  | -1.3%                                       | 0.2%  |
| Japan           | -0.7%                                 | -0.5% | 6.1%                                        | 2.7%  |
| Hong Kong       | 3.8%                                  | 4.1%  | -6.4%                                       | -4.9% |
| Corporate Bonds | 2.0%                                  | 2.0%  | -2.1%                                       | -2.1% |
| Sovereign Bonds | 0.6%                                  | 0.6%  | -0.8%                                       | -0.8% |

### Equities

- Global stocks were up again last week by 1.5% in euro terms and 1.3% in local terms.
- Year-to-date global markets are up by 3.3% in euro terms and by 1.5% in local terms.
- The U.S market, the largest in the world, finished up 1.2% in euro and 1.0% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 4.1% last week. The German equivalent finished at 2.3%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.85.

### Commodities

- Oil finished the week at \$78 per barrel and is up 10.7% year-to-date in euro terms.
- Gold finished the week at \$2,019 per troy ounce and is down -0.5% year-to-date in euro terms.
- Copper finished the week at \$8,448 per tonne.

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