

Markets welcome future rate cuts

US Stocks ended last week on a high as investors cheered a number of indications from Federal Reserve policymakers that rates would decrease in 2024. On Wednesday, as widely expected, the Fed opted to leave interest rates unchanged in the 5.0% - 5.5% range. Investors focused on Fed Chair Jerome Powell's comments in the ensuing press conference, stating that he was not overly concerned with the recent uptick in inflation data, pointing out recent seasonal effects. Investors also paid particular attention to release of the Fed's Q1 interest rate projections, also known as the 'Dot Plot'. This shows the median interest rate expectation of policymakers and indicated there would be three rate cuts in 2024.

The week also saw the release of some encouraging data for markets. On Thursday, the release of February's existing home sales data, a lagging indicator, saw an unexpected increase. The figures showed sales of 4.38M or an increase of 9.5% MoM. This came despite expectations of a -1.3% decrease. Meanwhile bond yields (which move inversely to price) declined in response to the Fed's rate implications. The benchmark US 10 Year Treasury yield finished the week at 4.2% compared to 4.3% the previous in week.

In other regions, central bank rate decisions remained the dominant theme throughout the week. In Europe, investors saw a surprise decision from the Swiss National Bank, which cut interest rates by 25 basis points to 1.5%, the central bank's first rate cut in nine years. Meanwhile the Bank of England (BoE) elected to hold rates steady at 5.25% for a fifth meeting in a row. The BoE and its Governor Andrew Bailey, did signal more dovish prospects in the coming months. In the Eurozone, the release of S&P Global's composite PMI saw business activity come close to stabilising. The figure of 49.9 for March was higher than both February's 49.2 and expectations of 49.7, however remains below the threshold of 50.0 which represents a contraction in economic activity.

Fact of the Week

The Bank of Japan raised interest rates to 0.1% on Tuesday, the first-time rates have been above zero in 8 years.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold



Oil
Copper

The week ahead

26 Mar

US CB
Consumer
Confidence is
released.

28 Mar

US GDP
figures go to
print.

29 Mar

PCE Price
Index is
released.



	1 Week Return 18.03.24 to 25.03.24		Year to Date Return 31.12.23 to 25.03.24	
	Local Currency	Euro	Local Currency	Euro
World	2.0%	2.6%	8.5%	10.8%
U.S.	2.3%	3.0%	9.9%	12.2%
Europe	0.7%	0.7%	7.6%	7.6%
Ireland	0.6%	0.6%	17.0%	17.0%
U.K.	2.7%	2.3%	3.8%	4.8%
Japan	5.7%	4.9%	20.4%	14.5%
Hong Kong	-3.8%	-3.2%	-9.1	-7.3%
Corporate Bonds	0.7%	0.7%	-0.9%	-0.9%
Sovereign Bonds	0.9%	0.9%	-0.9%	-0.9%

Equities

- Global stocks were up last week by 2.6% in euro terms and up 2.0% in local terms.
- Year-to-date global markets are up by 10.8% in euro terms and by 8.5% in local terms.
- The U.S market, the largest in the world, finished up 3.0% in euro and 2.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.2% 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 1.08, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$81 per barrel and is up 14.9% year-to-date in euro terms.
- Gold finished the week at \$2,165 per troy ounce and is up 7.2% year-to-date in euro terms.
- Copper finished the week at \$8,756 per tonne.

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