

# Corporate earnings surprise to the upside

Friday saw US stocks break their three-week long losing streak as a slew of Q1 earnings reports were released. The Nasdaq, home to many of the world's largest technology stocks saw strong performance as many of the industry's tech giants posted positive results. Microsoft and Google's parent company Alphabet, both saw double-digit improvements to revenue. Alphabet also announced its intention to pay a cash dividend for the first time in the stock's history, causing its market cap to surge past the \$2 Trillion mark.

Earlier in the week, investors saw the release of the US manufacturing and Services PMIs which surprised to the downside. The PMI for manufacturing activity fell into contractionary territory coming in at 49.9 for April, far below expectations of a 52.0 figure (numbers below 50.0 represent a contraction). Services activity remained in expansionary territory with the PMI coming in at 50.9. Services however also missed consensus expectations of a 52.0 figure. The news was largely taken positively by the market as inflationary fears remain a fundamental topic for many investors.

The week was capped off by the release of the much-awaited Personal Consumption Expenditures (PCE) Price Index, commonly referred to as the Fed's preferred gauge of inflation. The results showed inflation rose by 2.7%, compared with consensus estimates of a 2.6% figure. The core figure, which excludes the volatile food and energy sectors, increased to 2.8% year on year in March, above expectations of 2.7%.

In the Eurozone, investors saw economic activity expand by the fastest rate in over a year. The Preliminary estimate of the HCOB Eurozone composite PMI increased to 51.4, up from 50.3 the previous month and far above consensus expectations of a 50.8 figure. Investors in the 20-country bloc, await this week's inflation print eagerly, ahead of a potential interest rate cut from the ECB in June.

## Fact of the Week

As of March 2024, 74% of the stocks in S&P 500 were dividend paying.

Our regular market information continues on the next page.

## Snapshot



World Equities

Copper

Oil



Corporate Bonds

Sovereign Bonds

Gold

## The week ahead

30 Apr

Eurozone CPI figures go to print.

01 May

Federal Reserve Interest Rate Decision.

03 May

US Non-Farm Payrolls are released.



	1 Week Return 19.04.24 to 26.04.24		Year to Date Return 31.12.23 to 26.04.24	
	Local Currency	Euro	Local Currency	Euro
World	2.5%	2.4%	5.8%	9.4%
U.S.	2.8%	2.7%	7.1%	10.8%
Europe	1.7%	1.7%	7.0%	7.0%
Ireland	0.8%	0.8%	20.6%	20.6%
U.K.	3.2%	3.4%	6.9%	8.1%
Japan	2.4%	0.5%	15.3%	6.9%
Hong Kong	9.5%	9.4%	-8.8%	-5.9%
Corporate Bonds	-0.3%	-0.3%	-1.5%	-1.5%
Sovereign Bonds	-0.4%	-0.4%	-3.0%	-3.0%

### Equities

- Global stocks were up last week by 2.4% in euro terms and up 2.5% in local terms.
- Year-to-date global markets are up by 9.4% in euro terms and by 5.8% in local terms.
- The U.S market, the largest in the world, finished at 2.7% in euro and -2.8% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 4.7% last week. The German equivalent finished at 2.6%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.86.

### Commodities

- Oil finished the week at \$84 per barrel and is up 20.8% year-to-date in euro terms.
- Gold finished the week at \$2,388 per troy ounce and is up 20.1% year-to-date in euro terms.
- Copper finished the week at \$9,853 per tonne.

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