

# Markets move higher as ‘soft landing’ hopes grow

The first week of 2023 ended on a positive note with equities showing gains on the back of optimistic indicators in the US and Europe. US equities finished the week up 2.1% in Euro terms and were aided by the positive reaction to the US Jobs Report for December. US jobs growth slowed as the country added 223,000 jobs in December compared with 256,000 in November.

This was however, above economists’ expectations of 200,000. Wage growth in December slowed in the US, coming in at 4.6% in comparison to 4.8% in November. The reading led many market participants to believe the US Federal Reserve’s interest rate rises have begun to effectively combat inflation. Data on Friday, released from the Institute of Supply Management supported this sentiment further, as it showed a contraction in the services sector for the second month in a row. US Treasury yields moved lower on Friday as investors factored in the likelihood of a slowdown in the US economy. The benchmark US 10 Year Yield shed over 30 basis points last week, finishing the week at 3.56%.

Within Europe, a lower-than-expected inflation reading helped boost equities as positive sentiment around the ECB’s ability to curb inflation strengthened. Eurozone equities finished the week up 4.9% as a result. The flash index for consumer prices showed that inflation had fallen back into single digit territory in December, reading 9.2%, down from 10.1% in November. Some concern remained as the majority of the decrease was put down to a fall in energy prices which remain unpredictable. Core inflation, which excludes volatile food and energy prices increased to 5.2% from a previous month of 5%. On a more positive note, Croatia formally accepted the Euro as its currency on the 1st of January, becoming the 20th member of the Eurozone.

Our regular market information continues on the next page.

## Snapshot



Corporate Bonds  
Sovereign Bonds  
World Equities  
Copper



Oil  
Gold

## The week ahead

11 Jan	Chinese inflation figure goes to print.
12 Jan	US CPI is released.
13 Jan	UK GDP and Manufacturing figures are published.



	1 Week Return 30.12.22 to 06.01.23		Year to Date Return 30.12.22 to 06.01.23	
	Local Currency	Euro	Local Currency	Euro
World	1.8%	2.5%	1.8%	2.5%
U.S.	1.4%	2.1%	1.4%	2.1%
Europe	4.9%	4.9%	4.9%	4.9%
Ireland	7.4%	7.4%	7.4%	7.4%
U.K.	3.3%	4.1%	3.3%	4.1%
Japan	-0.6%	-0.3%	-0.6%	-0.3%
Hong Kong	2.8%	3.5%	2.8%	3.5%
Corporate Bonds	1.2%	1.2%	1.2%	1.2%
Sovereign Bonds	3.2%	3.2%	3.2%	3.2%

#### Equities

- Global stocks was up last week by 2.5% in euro terms and 1.8% in local terms.
- Year-to-date global markets are up 2.5% in euro terms and 1.8% in local terms.
- The U.S market, the largest in the world, is up 2.1% in euro terms and 1.4% in local terms.

#### Fixed Income & FX

- The U.S. 10-year yield finished at 3.56% last week. The German equivalent finished at 2.21%. The Irish 10-year bond yield finished at 2.72%.
- The Euro/U.S. Dollar exchange rate finished at 1.06, whilst Euro/GBP finished at 0.88.

#### Commodities

- Oil finished the week at \$74 per barrel and is down -7.6% year-to-date in euro terms.
- Gold finished the week at \$1,866 per troy ounce and is up 2.9% year-to-date in euro terms.
- Copper finished the week at \$8,570 per tonne.

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