Stocks post gains following milder data

US equities ended the week up 1.6% in euro terms. Stocks posted gains after the announcement of an above expectations Gross Domestic Product (GDP) figure for Q4 of 2022. The report showed that GDP in the US, often used as a benchmark for an economy's performance, rose by 2.9% in the last quarter of 2022. Consensus among economists had been for a 2.6% increase. The higher-than-expected result was viewed by many as an indication of a more positive economic climate than had previously been forecast. In contrast last week also saw the release of consumer spending data for the US which showed a 0.3% decrease in real consumer spending over the month of December. Some of the data suggesting a slowing economy have been attributed to the recent moderation of inflation in the US economy. Eurozone stocks returned 0.2% last week. The gains seen in European stocks of late have resulted in positive sentiment from investors in the Eurozone, however the European Central Bank (ECB) has remained hawkish in its stance towards tackling inflation. ECB President Christine Lagarde has consistently left little room for doubt about the central bank's commitment to raising rates and with the ECB set to announce an interest rate decision in the coming week, many investors are poised for a 0.5% rate increase.

Last week also saw the release of the Eurozone Purchasing Managers Index (PMI) for manufacturing and services activity. The figure came in at 50.2 in January, up from 49.3 in December and ahead of expectations of 49.8. This result represents moderate growth in the 20 member bloc. The flash composite PMI for the UK dropped to 47.8 from 49.0 in December adding to investors doubts about recession risk. UK equities finished the week down -0.2% in euro terms.

Finally, equities in Japan had a stellar week returning 2.8% in euro terms. Much of the performance is seen as a result of the Japanese central bank's commitment to maintain ultra-low rates. Elsewhere in Asia, Hong Kong equities returned 1.7% in euro terms.

Our regular market information continues on the next page.

Snapshot

Sovereign Bonds

Copper

Corporate Bonds

World Equities

Oil

Gold

The week ahead

31 Jan	US Consumer Confidence report is published.
01 Feb	Federal Reserve, ECB and BoE announces interest rate decisions.
02 Feb	US Unemployment and payroll data goes to print.

	1 Week Return 23.01.23 to 30.01.23		Year to Date Return 30.12.22 to 30.01.23	
	Local Currency	Euro	Local Currency	Euro
World	1.1%	1.4%	7.1%	5.4%
U.S.	1.3%	1.6%	6.4%	4.8%
Europe	0.2%	0.2%	7.8%	7.8%
Ireland	1.3%	1.3%	11.6%	11.6%
U.K.	-0.3%	-0.2%	4.0%	5.1%
Japan	2.1%	2.8%	5.3%	5.3%
Hong Kong	1.5%	1.7%	6.1%	4.1%
Corporate Bonds	-0.2%	-0.2%	1.6%	1.6%
Sovereign Bonds	-0.8%	-0.8%	3.5%	3.5%

Equities

- Global stocks were up last week by 1.4% in euro terms and 1.1% In local terms.
- Year-to-date global markets were up 5.4% in euro terms and 7.1% in local terms.
- The U.S market, the largest in the world, were up 1.6% in euro terms and 1.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.53% last week. The German equivalent finished at 2.31%. The Irish 10-year bond yield finished at 2.76%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.88.

Commodities

- Oil finished the week at $79 per barrel and is down -2.9% year-to-date in euro terms.
- Gold finished the week at $1,924 per troy ounce and is up 3.7% year-to-date in euro terms.
- Copper finished the week at $9,242 per tonne.

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