

Markets finish out Q1 in positive territory

Last week saw US stocks post gains as investors re-evaluated the trajectory of monetary policy. US stocks finished Q1 of 2023 in positive territory on Friday, after a volatile close to the quarter. Much of the positive sentiment has been attributed to the tech sector, which outperformed and offset some of the losses seen in financial sector stocks recently, which suffered due to the recent banking sector turmoil. Optimism in markets was extended last week with the release of US core PCE, the Federal Reserve's preferred measure of inflation. The price index, which excludes the volatile food and energy sectors, increased by 0.3% for the month of February. This figure was below the consensus estimate of 0.4% and also below the previous month's 0.5% increase. The lower inflation reading lead some investors to anticipate softer monetary policy from the Fed. The Federal reserve has engaged in its most aggressive rate hiking policy in four decades over the last number of months, raising the benchmark interest rate nine times since March of 2022 in a battle to tame inflation. Lower policy rate expectations have seen positive sentiment in markets, with many investors hoping for an end to bear market conditions.

Markets in Europe followed a similar trajectory last week, finishing the first quarter of 2023 in positive territory. The release of Eurozone inflation data last week was a key factor in improved investor sentiment with the headline figure being its lowest in over a year. The report, released by Eurostat last Friday, indicated that consumer prices in the Eurozone increased by 6.9% year to date in March, down sharply from 8.5% in February. The figure came in lower than economists' expectations, with much of the decrease being attributed to lower energy prices. There were however some calls for caution as core inflation, which is often viewed as a more accurate gauge of price pressures, came in at a record high of 5.7%, up 0.1% from the previous month. It remains to be seen how policy makers will react in due course.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Gold
Oil
Copper



Sovereign Bonds

The week ahead

04 Apr

Royal Bank of Australia makes interest rate decision.

05 Apr

US Manufacturing and Services PMIs are released.

07 Apr

US Non-farm payrolls and unemployment Rate go to print.



	1 Week Return 27.03.23 to 03.04.23		Year to Date Return 30.12.22 to 03.04.23	
	Local Currency	Euro	Local Currency	Euro
World	3.4%	2.6%	7.7%	5.8%
U.S.	3.4%	2.6%	7.6%	5.7%
Europe	3.2%	3.2%	9.9%	9.9%
Ireland	3.5%	3.5%	19.3%	19.3%
U.K.	2.1%	2.1%	3.2%	4.2%
Japan	3.3%	1.3%	7.1%	4.3%
Hong Kong	1.9%	1.2%	-1.9%	-4.1%
Corporate Bonds	0.3%	0.3%	0.8%	0.8%
Sovereign Bonds	-1.6%	-1.6%	2.7%	2.7%

Equities

- Global stocks were up last week by 2.6% in euro terms and 3.4% in local terms.
- Year-to-date global markets were up 5.8% in euro terms and 7.7% in local terms.
- The U.S. market, the largest in the world, finished at 2.6% in euro terms and 3.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.49% 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 \$80 per barrel and is up 6.0% year-to-date in euro terms.
- Gold finished the week at \$1,977 per troy ounce and is up 0.1% year-to-date in euro terms.
- Copper finished the week at \$9,004 per tonne.

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