Earnings season opens on positive note

The Q1 earnings season began with some positive surprises for investors last week as US financial companies appeared to beat expectations despite taking a hammering last month. Larger US banks such as JP Morgan Chase saw profits increase by 52% in Q1 as deposits flowed to institutions investors viewed as safer. Last week also saw the release of the US Consumer Price Index, which many investors viewed as encouraging. The report showed that US inflation reduced to 5% in March, down from 6% in February. While the report was reassuring for many investors, core inflation, which strips out the volatile food and energy sectors, increased by 0.4% to give a figure of 5.6% for the month of March. Inflation moderation has helped markets in recent weeks as the prospect of softer monetary policy from the Federal Reserve feeds investor appetite. The strong core element however has kept investors grounded in their outlook for future monetary policy. Federal Reserve officials on Friday maintained this message, causing US equities to fall towards the tail end of the week. US equities ended the week down -0.8% in Euro terms.

Across the Atlantic, European stocks ended the week in positive territory up 2.0% as the region benefits from a Chinese reopening along with lower inflation expectations. The European STOXX 50 index, made up of Europe's top blue chip companies, reached a 22 year high on Friday, displaying European stocks regional outperformance. Much of Europe's success has also been attributed to its luxury goods market which has benefitted significantly from increased Chinese trade in recent months.

Asia Pacific equities however did not fare as well, with Hong Kong equites down -1.1% in Euro terms. This came as Chinese economic data suggested the world's largest manufacturing economy has not reached its target output level yet. China's consumer inflation, released last week, fell below 1% in March, an indication that demand is still weak. Investors await Chinese GDP figures which are released later today.

Our regular market information continues on the next page.

Snapshot

Gold
Oil
Copper

World Equities
Corporate Bonds
Sovereign Bonds

The week ahead

19 Apr	Eurozone CPI figures are released.
20 Apr	US Initial Jobless Claims report goes to print.
21 Apr	Global Manufacturing and Services PMIs are released.

	1 Week Return 10.04.23 to 17.04.23		Year to Date Return 31.12.22 to 17.04.23	
	Local Currency	Euro	Local Currency	Euro
World	1.4%	-0.1%	9.1%	5.8%
U.S.	0.7%	-0.8%	8.2%	4.9%
Europe	2.0%	2.0%	12.2%	12.2%
Ireland	2.7%	2.7%	19.2%	19.2%
U.K.	1.7%	0.9%	6.9%	7.2%
Japan	2.2%	0.9%	8.0%	3.5%
Hong Kong	0.4%	-1.1%	-0.5%	-4.1%
Corporate Bonds	-0.9%	-0.9%	0.8%	0.8%
Sovereign Bonds	-2.4%	-2.4%	1.5%	1.5%

Equities

- Global stocks were down slightly last week by -0.1% in euro terms and up 1.4% In local terms.
- Year-to-date global markets were up 5.8% in euro terms and 9.1% in local terms.
- The U.S market, the largest in the world, finished at -0.8% in euro terms and 0.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.5% last week. The German equivalent finished at 2.4%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.1, whilst Euro/GBP finished at 0.9.

Commodities

- Oil finished the week at $82 per barrel and is up 7.5% year-to-date in euro terms.
- Gold finished the week at $2,012 per troy ounce and is up 0.9% year-to-date in euro terms.
- Copper finished the week at $9,030 per tonne.

Figures are calculated using Total Returns Indices.

Warning: Past performance is not a reliable guide to future performance.
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