Markets subdued in holiday shortened week

Last week saw a subdued session for equities in a week shortened by the Thanksgiving holiday in the US. Despite smaller trading volumes, stocks ended the period in positive territory as economic data signalled that US business demand continues to cool, aiding sentiment that the Fed's battle for lower inflation has made meaningful progress.

On Tuesday, the minutes from the Federal Reserve Open Market Committee's November meeting were released. The minutes indicated that recently policymakers have had little appetite for raising interest rates further. The minutes highlighted a focus on labour market cooling and a commitment to monitoring information in this area. Fed officials noted that higher rates were still on the table "if incoming information indicated that progress towards the committee's inflation objective was insufficient". Since July of this year the Fed has opted to keep rates steady in the range of 5.25% - 5.5%. Many market participants have speculated as to when the Fed may begin to cut rates, whilst Chairman Jerome Powell has insisted that this is currently not an objective of the Fed.

Friday saw the release of US PMI (purchasing managers index) data for both the services and manufacturing sectors. The figures showed that manufacturing in the US has fallen into contractionary territory at 49.4 down from 50.0 (figures below 50 represent contraction) whereas services have expanded modestly to 50.8 from 50.6.

In the Eurozone, the flash composite PMI, which combines manufacturing and services activities indicated that the 20-member currency union is set to contract in Q4. Figures released on Thursday showed a modest improvement, coming in at a figure of 47.1 up from October's figure of 46.5, a three year low. Despite the increase, the numbers remain firmly in contractionary territory. Bond yields in the Eurozone rose throughout the week as inferences from the European Central Bank suggested policymakers continue to show a preference for tight monetary policy.

Our regular market information continues on the next page.

Snapshot



World Equities

Corporate Bonds

Gold

Copper



Oil

The week ahead	
05 Dec	Eurozone PMIs go to print.
07 Dec	Japanese GDP figures are issued.
08 Dec	US Non-Farm Payrolls are released.

	1 Week Return 27.11.23 to 04.12.23		Year to Date Return 31.12.22 to 04.12.23	
	Local Currency	Euro	Local Currency	Euro
World	1.1%	2.0%	18.7%	16.9%
U.S.	1.2%	2.1%	21.6%	19.8%
Europe	1.6%	1.6%	14.1%	14.1%
Ireland	3.3%	3.3%	15.6%	15.6%
U.K.	0.9%	2.0%	4.8%	8.4%
Japan	0.0%	1.7%	29.6%	14.0%
Hong Kong	-3.4%	-2.9%	-19.2%	-20.5%
Corporate Bonds	1.3%	1.3%	3.2%	3.2%

Equities

- Global stocks were up last week at 2.0% in euro term and 1.1% in local terms.
- Year-to-date global markets are up 16.9% in euro terms and 18.7% in local terms.
- The U.S market, the largest in the world, finished at 2.1% in euro and 1.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.25% last week. The German equivalent finished at 2.37%. The Irish 10-year bond yield finished at 2.73%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at $74 per barrel and is down -9.7% year-to-date in euro terms.
- Gold finished the week at $2,072 per troy ounce and is up 11.8% year-to-date in euro terms.
- Copper finished the week at $8,539 per tonne.

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