

Markets slow on higher prices

Last week saw markets in the US slow somewhat as inflation data came in higher than expected. On Tuesday the US Bureau of Labor Statistics released their monthly Consumer Price Index (CPI) report which showed that year on year prices rose by 3.2% in February, up from 3.1% the previous month. Core CPI, which strips out volatile food and energy sectors, came in at 3.8%, a decrease on the previous months figure of 3.9% but above consensus expectations of a 3.7% reading. Greater concern however was placed on Thursday's Producer Price Index (PPI) reading. The report showed that PPI rose to 0.6% in February, despite consensus estimates of 0.3%. Year on year PPI rose by 1.6% despite expectations of 1.1%, its highest level in six months. Bond yields rose as a result of the higher inflation data, with the yield on the benchmark 10 Year US Treasury Yield rising to 4.32%.

Despite these data releases, investor concerns were eased somewhat with the release of Thursday's retail sales report. The report showed that retail sales increased by 0.6%, below expectations of a 0.8% figure, whilst online sales declined by 0.1%. The slower sales figures were viewed by many as encouraging for the prospect of lower inflation. The Federal Reserve will meet later this week to make an interest rate decision. Consensus estimates suggest that the Federal Funds Rate will remain unchanged at the 5.25%-5.50% range.

In Asia, China saw CPI rise for the first time since August 2023. CPI rose by 0.7% in February, up from -0.8% in January. The country has suffered with a poor economic outlook in recent months, however many investors last week welcomed further stimulus measures from the Chinese government. Sentiment remains cautious as to whether deflationary pressures have subsided completely in the world's largest manufacturing economy.

Fact of the Week

Despite all the interest, three out of the Magnificent Seven have underperformed the US market in 2024.

Our regular market information continues on the next page.

Snapshot



World Equities

Oil

Copper



Corporate Bonds

Sovereign Bonds

Gold

The week ahead

20 Mar

Fed Interest Rate Decision.

21 Mar

Global Manufacturing and Services PMIs go to print.

22 Mar

UK Retail sales figures are published.



	1 Week Return 11.03.24 to 18.03.24		Year to Date Return 31.12.23 to 18.03.24	
	Local Currency	Euro	Local Currency	Euro
World	-0.5%	0.2%	6.4%	8.0%
U.S.	-0.2%	0.5%	7.4%	8.9%
Europe	0.3%	0.3%	6.9%	6.9%
Ireland	1.6%	1.6%	16.2%	16.2%
U.K.	0.9%	0.5%	1.0%	2.4%
Japan	-2.4%	-3.1%	13.8%	9.2%
Hong Kong	1.5%	2.2%	-5.5%	-4.3%
Corporate Bonds	-1.1%	-1.1%	-1.5%	-1.5%
Sovereign Bonds	-1.0%	-1.0%	-1.8%	-1.8%

Equities

- Global stocks were up last week by 0.2% in euro terms and down -0.5% in local terms.
- Year-to-date global markets are up by 8.0% in euro terms and by 6.4% in local terms.
- The U.S market, the largest in the world, finished up 0.5% in euro and -0.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 2.5%. The Irish 10-year bond yield finished at 2.8%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$83 per barrel and is up 17.2% year-to-date in euro terms.
- Gold finished the week at \$2,160 per troy ounce and is up 6.3% year-to-date in euro terms.
- Copper finished the week at \$8,986 per tonne.

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