

Stocks rally on cooler labour market

Last week saw US equity markets close out Friday in positive territory despite volatile trading. Early in the week, negative economic data releases pushed stocks downward, with inflation being the primary concern for investors. On Tuesday the US Bureau of Labor Statistics released its quarterly Employment Cost Index, which showed that employment costs rose by 1.2% in Q1 of 2024, above consensus expectations of a 1.0% figure, and the fastest pace in over a year. The same day saw the release of the Conference Board's Consumer Confidence Index which declined sharply in April. The report showed that consumer sentiment in the US had dropped to a figure of 97.0, far below expectations of 104.0 figure and the index's lowest reading since July 2022.

Later in the week, the Federal Reserve opted to hold interest rates steady as was widely expected at their April FOMC policy meeting. Many investors paid more attention to Fed Chair Jay Powell's comments in the following press conference than to the decision itself. Despite noting that the Fed was not gaining "greater confidence" that progress had been made on inflation, Powell's comments were well received by investors, as a rate hike in the next meeting was effectively ruled out, causing stocks to rally.

On Friday, stocks were boosted further with the release of the nonfarm payrolls report, which showed that employers added 175,000 jobs in April, less than consensus expectations of 238,000 and lower than the previous months figure of 315,000. The lower numbers signalled a cooling in the US labour market which continues to be a key focus policymakers battling inflation.

In the Eurozone, preliminary CPI figures showed that headline inflation remained steady in April at 2.4%. Meanwhile GDP figures surprised to the upside, showing an expansion of 0.3% in Q1 of 2024, despite a contraction of -0.1% the previous quarter.

Fact of the Week

According to the OECD, global trade in goods and services is expected to rise 2.3% in 2024, more than double last year's figure of 1.1%.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds



Gold
Oil
Copper

The week ahead

May 8	US Treasury holds 10 Year Note Auction.
May 9	US Initial Jobless Claims is released.
May 10	UK GDP figures go to print.



	1 Week Return 26.04.24 to 03.05.24		Year to Date Return 31.12.23 to 03.05.24	
	Local Currency	Euro	Local Currency	Euro
World	0.8%	0.0%	6.6%	9.4%
U.S.	0.6%	-0.2%	7.7%	10.5%
Europe	-0.7%	-0.7%	6.2%	6.2%
Ireland	2.2%	2.2%	23.3%	23.3%
U.K.	0.9%	0.8%	7.9%	9.0%
Japan	1.7%	3.8%	17.3%	10.9%
Hong Kong	5.6%	5.0%	-3.7%	-1.2%
Corporate Bonds	0.5%	0.5%	-1.0%	-1.0%
Sovereign Bonds	0.8%	0.8%	-2.2%	-2.2%

Equities

- Global stocks were flat last week in euro terms and up by 0.8% in local terms.
- Year-to-date global markets are up by 9.4% in euro terms and by 6.6% in local terms.
- The U.S market, the largest in the world, finished down slightly by -0.2% in euro terms and up 0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% last week. The German equivalent finished at 2.5%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$78 per barrel and is up 11.8% year-to-date in euro terms.
- Gold finished the week at \$2,302 per troy ounce and is up 14.5% year-to-date in euro terms.
- Copper finished the week at \$9,790 per tonne.

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