

Markets rise on cooler jobless claims

Last week saw US equities end the week in positive territory, as hopes that the labour market may be beginning to cool prevailed. In what was a relatively quiet week in terms of the economic calendar, sentiment was broadly improved based on the sparse number of data releases.

On Thursday, perhaps most notably, the US Department of Labor released the Initial Jobless Claims report. The report showed that the number of individuals who filed for unemployment insurance for the first time during the past week rose to 231,000. This came in above consensus expectations of a 212,000 figure and is the highest level since August of 2023. Markets viewed the news in positive terms as monetary policy continues to dominate equity market sentiment. In recent weeks, fears of sustained inflation have hampered equity returns as central banks are forced to hold interest rates at elevated levels.

On Friday, the University of Michigan's preliminary consumer sentiment index complemented this narrative. Preliminary figures showed that consumer sentiment fell from 77.2 in April to 67.4 in May, the lowest level in six months. Many investors took this as an indication that the broader economy has begun to cool with lower inflation.

In the UK, the Bank of England decided to hold interest rates steady at 5.25% but also hinted that there may be a rate cut in June. On Friday, UK GDP figures surprised to the upside increasing by 0.6% in Q1 of 2024. The results are significant as they represent the end of a shallow recession the country entered in the second half of 2023. In Sweden, the Riksbank decided to cut interest rates by 25 basis points to 3.75%, the central bank's first rate cut in 8 years.

In Japan, the Yen has continued to depreciate against the USD Dollar with the USD/JPY finishing the week at 155.78.

Fact of the Week

The Turkish central bank has raised interest rates from 8.5% in June 2023 to 50% in March 2024.

Our regular market information continues on the next page.

Snapshot



World Equities

Copper

Gold

Oil



Corporate Bonds

Sovereign Bonds

The week ahead

14 May	US Producer Price Index is released.
15 May	US CPI figures go to print.
16 May	Eurozone CPI figures are reported.



	1 Week Return 03.05.24 to 10.05.24		Year to Date Return 31.12.23 to 10.05.24	
	Local Currency	Euro	Local Currency	Euro
World	1.8%	1.8%	8.6%	11.4%
U.S.	1.8%	1.9%	9.7%	12.5%
Europe	3.4%	3.4%	9.9%	9.9%
Ireland	1.0%	1.0%	24.5%	24.5%
U.K.	2.8%	2.5%	11.0%	11.7%
Japan	-0.3%	-2.2%	16.9%	8.5%
Hong Kong	3.8%	3.8%	0.0%	2.6%
Corporate Bonds	-0.1%	-0.1%	-1.1%	-1.1%
Sovereign Bonds	-0.1%	-0.1%	-2.4%	-2.4%

Equities

- Global stocks were up last week by 1.8% in both euro terms and local terms.
- Year-to-date global markets are up by 11.4% in euro terms and by 8.6% in local terms.
- The U.S market, the largest in the world, finished at 1.9% in euro terms and 1.8% 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 11.9% year-to-date in euro terms.
- Gold finished the week at \$2,360 per troy ounce and is up 17.3% year-to-date in euro terms.
- Copper finished the week at \$9,897 per tonne.

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