

Mixed equity market reactions to global PMI data

The major indices recorded widely varying results over the week. Equities saw a surge in the major tech-heavy indices, largely driven by NIVIDA's strong earnings report, while the Dow suffered its worst week since early April. On Thursday Global PMIs were released which saw the US Composite PMI improve to 54.4 in May's flash estimate, indicating that business activity in the US private sector expanded at a faster rate than in April. US Manufacturing and Services PMIs also increased, signalling expansion in these sectors. The higher-than-expected PMI data supported the US Dollar and appeared to drive a modest rise in longer-term bond yields.

The Eurozone's economic recovery gained momentum in May with the EU Composite PMI reaching its highest level in 12 months. Services activity remained in expansionary territory, while manufacturing PMI improved but remained at contractionary levels. However, European equities ended the week lower, as questions emerged about the pace of potential rate cuts this year.

In the UK, equities fell as CPI data was released on Wednesday. The figures showed headline CPI increased by 2.3% over the year in April, versus a consensus forecast of 2.1%. Core CPI, which excludes volatile food and energy prices, also cooled less than expected, growing by 3.9% in April. Whilst the data came in at its lowest level in nearly 3 years and is closing in on BoE's target, the hotter-than-expected CPI data saw markets retract their current June interest rate cut bets and the GBP edged higher against most of its peers on Wednesday.

Germany's producer price index (PPI) fell more than anticipated, cooling by 3.3% in April, mainly due to declining energy prices. Germany, being the Eurozone's largest economy, is often used as a signal to wider disinflation trends, with the market now expecting the first ECB rate cut in June.

Fact of the Week

Japan's 10-year government bond yield climbed above 1% for the first time in 11 years.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold
Copper
Oil

The week ahead

28 May

US Consumer Confidence Index data is released.

29 May

German CPI data is published.

31 May

Eurozone CPI figures go to print.



	1 Week Return 17.05.24 to 24.05.24		Year to Date Return 31.12.23 to 24.05.24	
	Local Currency	Euro	Local Currency	Euro
World	-0.3%	0.0%	10.0%	12.1%
U.S.	0.0%	0.3%	11.4%	13.5%
Europe	-0.2%	-0.2%	10.2%	10.2%
Ireland	1.5%	1.5%	28.0%	28.0%
U.K.	-1.2%	-0.6%	9.6%	11.5%
Japan	0.0%	-0.7%	18.2%	8.1%
Hong Kong	-5.2%	-5.1%	-2.7%	-1.0%
Corporate Bonds	-0.2%	-0.2%	-1.4%	-1.4%
Sovereign Bonds	-0.5%	-0.5%	-2.6%	-2.6%

Equities

- Global stocks were up last week by 0.6% in euro terms and up 1.6% in local terms.
- Year-to-date global markets are up by 12.0% in euro terms and by 10.3% in local terms.
- The U.S market, the largest in the world, finished at 0.6% in euro terms and 1.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% last week. The German equivalent finished at 2.6%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$78 per barrel and is up 10.4% year-to-date in euro terms.
- Gold finished the week at \$2,334 per troy ounce and is up 15.1% year-to-date in euro terms.
- Copper finished the week at \$10,205 per tonne.

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