UK labour party wins landslide

In the US, during a week shortened by Independence Day, equity markets ended higher. Early signs of a cooling US labour market emerged, with the June nonfarm jobs report showing 206,000 new jobs added, surpassing expectations of 190,000. However, previous monthly figures were revised downwards, and the unemployment rate increased to 4.1% in June from 4% the previous month, reaching its highest level in 26 months. Additionally, two key indicators of US economic growth, the ISM manufacturing and service sectors reports, both came in below 50 for June, indicating contraction in these areas of the economy.

In Europe, headline inflation dipped to 2.5% year-on-year in June, meeting expectations and down from the 2.6% recorded in May. Core inflation, excluding volatile food and energy prices, remained at 2.9% from the prior month, slightly missing expectations of 2.8%. In France, Marine Le Pen's far-right National Rally party, which led in the first round, fell to third place in Sunday's second round due to tactical voting. European stocks rose as markets reacted to the French election results, with a surprise win for a left-wing coalition leaving the country facing a hung parliament, with no party achieving an absolute majority. There will be further developments and reaction as the week progresses.

In the UK, markets responded positively to the Labour party's landslide election victory on Thursday. Labour leader Keir Starmer became the UK's new prime minister, with his party winning 412 of the 650 seats in the House of Commons. Leading UK indices rose on Thursday, reflecting expectations of a period of stability. The FTSE 100's 0.4% gain on Friday was the best market reaction for the first day of a new Prime Minister since the index was created in 1984.

Fact of the Week

Nvidia, Microsoft, Lilly, Meta, and Amazon accounted for 55 per cent of S&P 500 price returns in the first half of the year.

Our regular market information continues on the next page.

Snapshot



World Equities

Corporate Bonds

Sovereign Bonds

Gold

Oil



Copper

The week ahead	
11 July	UK GDP data goes to print.
11 July	US CPI data is released.
12 July	French CPI data is published.



	1 Week Return 28.06.24 to 05.07.24		Year to Date Return 31.12.23 to 05.07.24	
	Local Currency	Euro	Local Currency	Euro
World	2.0%	1.0%	14.0%	16.3%
U.S.	2.0%	0.9%	16.9%	19.3%
Europe	1.0%	1.0%	9.8%	9.8%
Ireland	1.9%	1.9%	20.3%	20.3%
U.K.	0.5%	0.8%	8.4%	11.0%
Japan	3.2%	2.1%	25.1%	11.8%
Hong Kong	-0.6%	-1.6%	-11.4%	-9.6%
Corporate Bonds	0.3%	0.3%	-1.1%	-1.1%
Sovereign Bonds	0.6%	0.6%	-2.5%	-2.5%

Equities

- Global stocks were up last week by 1.0% in euro terms and 2.0% in local terms.
- Year-to-date global markets are up by 16.3% in euro terms and by 14.0% in local terms.
- The U.S market, the largest in the world, finished at 0.9% in euro terms and 2.0% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 2.6%. 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 0.85.

Commodities

- Oil finished the week at $83 per barrel and is up 18.2% year-to-date in euro terms.
- Gold finished the week at $2,392 per troy ounce and is up 18.1% year-to-date in euro terms.
- Copper finished the week at $9,795 per tonne.

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