

US jobs growth lower than expected

US equities finished the week lower, with the S&P 500 Index experiencing its steepest weekly decline in 18 months, as concerns about an economic slowdown weighed on sentiment. Information technology stocks led the downturn, partly due to a drop in NVIDIA shares amid speculation of a possible Justice Department antitrust investigation. Meanwhile, US employers added 142,000 nonfarm payrolls in August, an increase from the initially reported 114,000 jobs in July, but below economists' forecast of 160,000. The unemployment rate fell to 4.2% in August, down from July's 33-month high of 4.3%, and slightly better than expected. Although payrolls fell short of forecasts in August, the unemployment rate decreased, and wage growth remained strong. This suggests that while the US labour market is cooling, it is not at a rate that justifies a 50-basis point cut. As a result, markets are anticipating a 25-basis point cut at the Fed's September policy meeting.

In Europe, major equity indices declined for the week amid renewed concerns over the weakening global economic growth outlook. The eurozone's GDP grew by 0.2% in the second quarter of 2024, revised down from the earlier estimate of 0.3%. Among the eurozone's largest economies, Germany contracted by 0.1%, whilst Italy and France saw modest growth of 0.2%. In contrast, Spain experiences strong quarter on quarter growth at 0.8%, while Ireland recorded a sharp decline of -1.0%. The European Central Bank is expected to cut rates by 25 basis points at their September policy meeting next week.

Chinese equities hit a seven-month low this week. Hong Kong's financial markets were closed on Friday due to Typhoon Yagi. China's official manufacturing Purchasing Managers' Index (PMI) dropped to 49.1 in August down from 49.4 in July, as production and new order weakened. However, manufacturing and services activity inched up to 50.3 in August up from 50.2 in July. The mixed PMI results highlight the uneven performance on China's economy.

Fact of the Week

Historically, September has been one of the worst months for US stocks, averaging a 0.7% loss since 1950.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Sovereign Bonds



World Equities
Gold
Oil
Copper

The week ahead

11 Sep	US CPI data is released.
12 Sep	ECB meet for September interest rate decision.
13 Sep	Chinese unemployment data goes to print.



	1 Week Return 30.08.24 to 06.09.24		Year to Date Return 31.12.23 to 06.09.24	
	Local Currency	Euro	Local Currency	Euro
World	-3.9%	-4.3%	12.2%	11.5%
U.S.	-4.3%	-4.7%	13.7%	12.9%
Europe	-3.9%	-3.9%	7.0%	7.0%
Ireland	-1.8%	-1.8%	25.8%	25.8%
U.K.	-2.3%	-2.5%	9.1%	12.0%
Japan	-4.9%	-3.1%	11.0%	9.2%
Hong Kong	-1.3%	-1.6%	-6.5%	-7.0%
Corporate Bonds	0.5%	0.5%	0.9%	0.9%
Sovereign Bonds	1.2%	1.2%	1.4%	1.4%

Equities

- Global stocks were down last week finishing at -4.3% in euro terms and -3.9% local terms.
- Year-to-date global markets are up by 11.5% in euro terms and by 12.2% in local terms.
- The U.S market, the largest in the world, finished at -4.7% in euro terms and -4.3% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.7% last week. The German equivalent finished at 2.2%. The Irish 10-year bond yield finished at 2.6%.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at \$68 per barrel and is down -5.9% year-to-date in euro terms.
- Gold finished the week at \$2,497 per troy ounce and is up 20.6% year-to-date in euro terms.
- Copper finished the week at \$8,876 per tonne.

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