Economic data and Chinese stimulus cheers market

Major U.S. equity indexes ended the week higher, after receiving encouraging inflation data that suggests the Federal Reserve made the right decision in cutting interest rates by half a percentage point last week. The annualised headline Personal Consumption Expenditures (PCE), the Fed's preferred measure of inflation, was 2.2% in August, down from 2.5% in July. August's PCE prices rose by 0.1%, in line with expectations, but this was a slowdown from the 0.2% monthly core reading in July. Additionally, second-quarter U.S. GDP data revealed that the economy grew at an annualised rate of 3%, surpassing the estimated growth of 2.9%.

In Europe, major equity indexes also finished the week on a positive note, underpinned by growing expectations of further European Central Bank (ECB) cuts, with the probability of a cut by a quarter point next month rising to over 70%, up from 20% earlier in the week. The shift in sentiment was founded on slowing economic and inflation indicators respectively. Eurozone PMI data showed a contraction in business activity. The Composite PMI fell to 48.9 in September from 51.0 in August, and the Services PMI dropped to 50.5 from 52.9 in the same period. The downturn was widespread across the eurozone, with France slipping back into contraction following a temporary boost from the August Olympics. Moreover, inflation in France and Spain slowed more than anticipated. In France, annual inflation declined to 1.2% in September from 1.8% in August, while in Spain, it fell to 1.7% from 2.4%. Consequently, Eurozone government bond yields decreased, with the yield on the German 10-year bond falling to 2.1% on Friday.

In China, equity markets experienced their best week since 2008, following the announcement of an economic stimulus package. Major Chinese equity markets surged over 18% for the week as the People's Bank of China introduced a $114 billion lending pool aimed at bolstering the country's capital markets, similar to the stimulus response to the Global Financial Crisis.

Fact of the Week

The number of constituent companies outperforming the S&P 500 index is at a 22 year high.

Our regular market information continues on the next page.

Snapshot

World Equities
Corporate Bonds
Sovereign Bonds
Gold
Copper

Oil

The week ahead

1 Oct	German CPI data is released.
3 Oct	Eurozone and UK manufacturing PMI data goes to print.
4 Oct	US nonfarm payrolls are published.

	1 Week Return 20.09.24 to 27.09.24		Year to Date Return 31.12.23 to 27.09.24	
	Local Currency	Euro	Local Currency	Euro
World	1.4%	1.1%	19.0%	17.6%
U.S.	0.6%	0.3%	20.8%	19.4%
Europe	3.1%	3.1%	12.0%	12.0%
Ireland	1.0%	1.0%	31.9%	31.9%
U.K.	1.2%	1.8%	10.7%	15.1%
Japan	4.9%	5.7%	18.6%	15.6%
Hong Kong	10.8%	10.7%	9.2%	8.4%
Corporate Bonds	0.5%	0.5%	0.9%	0.9%
Sovereign Bonds	0.7%	0.7%	1.6%	1.6%

Equities

- Global stocks were up last week finishing at 1.1% in euro terms and 1.4% in local terms.
- Year-to-date global markets are up by 17.6% in euro terms and by 19.0% in local terms.
- The U.S market, the largest in the world, finished up 0.3% in euro terms and 0.6% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.8% last week. The German equivalent finished at 2.1%. The Irish 10-year bond yield finished at 2.5%.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $61 per barrel and is down -5.9% year-to-date in euro terms.
- Gold finished the week at $2,658 per troy ounce and is up 27.4% year-to-date in euro terms.
- Copper finished the week at $9,847 per tonne.

Figures are calculated using Total Returns Indices.

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