Markets react to positive US jobs data and lower Eurozone Inflation

US major equity indexes ended the week on a positive note on the back of a stronger than expected employment data, despite reports of a dockworkers' strikes at Eastern seaports in the US. On Friday, the much-anticipated monthly nonfarm payrolls report revealed that employers added 254,000 jobs in September, nearly double the consensus forecast and the highest increase since March. Unemployment data also exceeded expectations, with the unemployment rate unexpectedly dropping to 4.1%. On Monday, the Institute for Supply Management (ISM) reported that factory activity in September held steady at 47.2 still in contractionary territory. In contrast, the ISM services sector rose more than expected, reaching 54.9, its highest level in 19 months. The report also highlighted growing price pressures in the sector, marking their highest level since the beginning of the year.

In Europe, major equity markets decline as escalating conflicts in the Middle East made investors cautious. However, in terms of economic data, annual headline inflation in the eurozone slowed to 1.8% in September, the lowest level since April 2021 and below the forecast of 1.9%. Core inflation also eased slightly, dropping to 2.7% annually, from 2.8% in August. The eurozone composite Purchasing Managers Index (PMI) for September was revised upward to 49.6 from 48.9. With the PMI indicating weaker eurozone growth and inflation falling below the European Central Bank's (ECB) 2% target, expectations of a further ECB interest rate cut in October are growing stronger.

Japan's markets experience sharp declines early in the week as investors reacted to recent political developments. Shigeru Ishiba unexpectedly won the Liberal Democratic Party's closely contested leadership election on Friday, September 27th, becoming Japan's new prime minister. Ishiba's more dovish stance, which was unexpected, put downward pressure on the yen.

Fact of the Week

The US East and Gulf Coast strikes cost the US economy an estimated $5 billion a day and it is likely to take 2 to 3 weeks for the normal flow of goods to be re-established.

Our regular market information continues on the next page.

Snapshot

World Equities
Oil
Gold

Corporate Bonds
Sovereign Bonds
Copper

The week ahead	
07 Oct	Eurozone retail sales data is published.
10 Oct	US CPI goes to print.
11 Oct	US PPI is released.

	1 Week Return 27.09.24 to 04.10.24		Year to Date Return 31.12.23 to 04.10.24	
	Local Currency	Euro	Local Currency	Euro
World	-0.7%	1.2%	18.1%	18.9%
U.S.	0.3%	2.2%	21.2%	22.0%
Europe	-2.1%	-2.1%	9.7%	9.7%
Ireland	-6.1%	-6.1%	23.8%	23.8%
U.K.	-0.3%	-0.6%	10.4%	14.3%
Japan	-2.0%	-3.9%	16.2%	11.1%
Hong Kong	7.1%	9.3%	17.0%	18.4%
Corporate Bonds	-0.1%	-0.1%	0.9%	0.9%
Sovereign Bonds	-0.4%	-0.4%	1.2%	1.2%

Equities

- Global stocks were up last week finishing at 1.2% in euro terms and down -0.7% in local terms.
- Year-to-date global markets are up by 18.9% in euro terms and by 18.1% in local terms.
- The U.S market, the largest in the world, finished up 2.2% in euro terms and 0.3% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.0% 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 1.10, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $74 per barrel and is up 4.4% year-to-date in euro terms.
- Gold finished the week at $2,654 per troy ounce and is up 29.4% year-to-date in euro terms.
- Copper finished the week at $9,796 per tonne.

Figures are calculated using Total Returns Indices.

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