

Markets react to disappointing non-farm payrolls

Many of the major US equity indexes ended the week lower. Non-farm Payrolls rose by just 12,000 in October, significantly below the expected increase of 113,000 and following a 223,000 gain in September. The report showed that the Unemployment Rate held steady at 4.1%, in line with expectations. Annual wage growth, as reflected in Average Hourly Earnings, increased to 4% from 3.9%. Additionally, the Personal Consumption Expenditures (PCE) price index, the Federal Reserve's preferred inflation measure, showed that prices rose 2.1% over the year through September, a slowdown from August's 2.3%. This latest inflation reading reinforced signs that the recent trend of high price increases has moderated, boosting expectations that the Federal Reserve, set to meet this week, may continue to cut interest rates.

In Europe, major stock indexes ended the week lower, weighed down by lower expectations for future rate cuts by the European Central Bank (ECB). Annual headline inflation rose above forecasts, reaching 2% in October compared to 1.7% in September, as last year's drop in energy prices no longer impacted the year-over-year comparison. The core inflation rate, which excludes volatile energy and food prices, held steady at 2.7%. Meanwhile, the eurozone economy grew by 0.4% in the third quarter, twice the pace of the previous quarter and above the consensus forecast of 0.2%. Germany unexpectedly avoided a recession, reporting 0.2% growth, while France and Spain also reported stronger-than-expected economic gains.

Japan's markets gained over the week as the Bank of Japan (BoJ) left interest rates unchanged despite political uncertainty. In the October 27 election, Japan's ruling Liberal Democratic Party fell short of a majority in the lower house, leading to initial yen weakening against the USD. The election results raised expectations of a period of political uncertainty, which could influence future fiscal policy decisions and the BoJ's approach to monetary policy.

Fact of the Week

Our regular market information continues on the next page.



Snapshot



World Equities
Corporate Bonds
Sovereign Bonds

Oil

Gold

Copper

The week ahead				
05 Nov	US Presidential Election.			
07 Nov	The Federal Reserve and Bank of England both publish rate decisions.			
08 Nov	Chinese CPI and PPI goes to print.			

		1 Week Return 25.10.24 to 01.11.24		Year to Date Return 31.12.23 to 01.11.24	
	Local Currency	Euro	Local Currency	Euro	
World	-1.2%	-1.4%	16.9%	19.0%	
U.S.	-1.3%	-1.4%	20.9%	23.1%	
Europe	-1.6%	-1.6%	8.1%	8.1%	
Ireland	1.2%	1.2%	25.1%	25.1%	
U.K.	-0.9%	-1.3%	9.0%	12.9%	
Japan	0.9%	0.1%	14.4%	7.3%	
Hong Kong	-0.3%	-0.5%	4.9%	7.2%	
Corporate Bonds	-0.6%	-0.6%	0.5%	0.5%	
Sovereign Bonds	-1.0%	-1.0%	0.1%	0.1%	

Equities

- Global stocks were down last week finishing at -1.4% in euro terms and -1.2% in local terms.
- Year-to-date global markets are up by 19.0% in euro terms and by 16.9% in local terms.
- The U.S market, the largest in the world, finished down -1.4% in euro terms and -1.3% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.4% last week. The German equivalent finished at 2.4%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at \$72 per barrel and is up 2.4% year-to-date in euro terms.
- Gold finished the week at \$2,748 per troy ounce and is up 36.2% year-todate in euro terms.
- Copper finished the week at \$9,469 per tonne.

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