

Markets react to a weakening economic outlook in Europe

In the US, major equity indexes ended the week on a positive note, recovering some of the losses from the previous week, despite uncertainty surrounding the upcoming Trump administration's policies contributing to rising geopolitical tensions. From a company perspective, a significant point of focus was NVIDIA's third quarter earnings report released on Wednesday. Shares of the chip giant remained largely unchanged for the week, as investors seemed generally pleased with the result, though the company's guidance for the fourth quarter came in lower than some had anticipated.

In Europe, major equity indexes ended the week higher, fuelled by expectations that the European Central Bank (ECB) may lower borrowing costs in December. The HCOB Flash Eurozone Composite PMI Output Index unexpectedly dropped to 48.1, a 10-month low, from 50 in October. PMIs for the region's largest economies, France and Germany, also showed contraction. The weak PMI data helped boost expectations that the ECB might ease monetary policy further in December. However, a rise in negotiated wage growth, a key indicator observed by the ECB for signs of inflationary pressures, supported the argument for maintaining a cautious stance on policy. Negotiated wages grew 5.4% in the three months through September, up from 3.5% in the previous quarter.

In the UK, inflation rose more than anticipated in October. The annual change in consumer prices increased to 2.3% from 1.7% in September. This was the highest rate since April and surpassed economists' expectations of 2.2%. The core inflation measure, which excludes volatile food and energy prices, edged up to 3.3%.

Japanese equities closed the week lower, as rising geopolitical tensions weakened risk appetite and increased demand for safer assets. Consumer inflation remained above the Bank of Japan's 2% target in October. While the headline consumer price index dropped to 2.3% year-on-year, it was in line with expectations. This data was generally viewed as reinforcing the more hawkish stance the BoJ has taken this year.

Fact of the Week

Amidst the backdrop of the COP29 summit, 2024 is set to become the hottest year on record.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Sovereign Bonds
World Equities
Oil
Gold
Copper



The week ahead

27 Nov	US PCE price index is published.
28 Nov	US markets closed for Thanksgiving.
29 Nov	Eurozone CPI goes to print and Ireland votes.



	1 Week Return 15.11.24 to 22.11.24		Year to Date Return 31.12.23 to 22.11.24	
	Local Currency	Euro	Local Currency	Euro
World	1.5%	2.7%	20.4%	27.8%
U.S.	2.0%	3.2%	26.6%	34.3%
Europe	0.7%	0.7%	6.9%	6.9%
Ireland	-0.4%	-0.4%	20.0%	20.0%
U.K.	2.6%	3.0%	10.6%	15.3%
Japan	-0.9%	0.3%	16.4%	12.4%
Hong Kong	-1.1%	0.1%	-1.1%	5.2%
Corporate Bonds	0.1%	0.1%	1.3%	1.3%
Sovereign Bonds	0.5%	0.5%	1.6%	1.6%

Equities

- Global stocks were up last week finishing at 2.7% in euro terms and 1.5% in local terms.
- Year-to-date global markets are up by 27.8% in euro terms and by 20.4% in local terms.
- The U.S market, the largest in the world, finished at 3.2% in euro terms and 2.0% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.4% 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 1.04, whilst Euro/GBP finished at 0.83.

Commodities

- Oil finished the week at \$71 per barrel and is up 5.4% year-to-date in euro terms.
- Gold finished the week at \$2,716 per troy ounce and is up 39.5% year-to-date in euro terms.
- Copper finished the week at \$8,848 per tonne.

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