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All work and no play

US equities took a tumble on Friday after December's monthly jobs report surpassed expectations. 256,000 jobs were added in the month, and the unemployment rate dropped from 4.2% to 4.1%. The strength of the labour market dented expectations for rate cuts in 2025, and major indexes reacted poorly to the news, with the S&P 500 falling by 1.5%. 10-year treasury yields were firmly in the ascendancy early in the week after manufacturing PMI surveys revealed that prices for manufacturers are on the rise, spurring inflation fears. Following the jobs report on Friday, there were spikes in both yields and the dollar. The 10-year treasury yield (which moves inversely to the price) finished above 4.7% as the market priced in fewer rate cuts, while EUR/USD dropped below the 1.025 level.

European stocks traded higher on Monday after reports suggested that Trump's administration would look to implement targeted (rather than universal) tariffs on imports. Despite some of these gains being given back on Friday due to the hawkish mood in the US, the Euro Stoxx 50 ended the week in the green. Eurozone inflation rose from 2.2% to 2.4% in December, while headline inflation in Germany rose from 2.4% to 2.8%, 0.2% ahead of expectations. 10-year German bund yields trended higher, rising above 2.5% to reach the highest level in six months.

The UK bond market joined the global sell-off; 10-year gilt yields pushed above 4.8% for the first time since the Global Financial Crisis in 2008, and the 30-year yield reached its highest level since 1998. The sterling also weakened further to a 14-month low against the dollar.
The Chinese yuan reached a 16-month low against the dollar on Monday. The Chinese central bank announced Friday that it would temporarily stop purchasing government bonds in an attempt to stymie the downward pressure on yields and the yuan amid deflation concerns.

Snapshot

- Oil
- Gold
- Copper

- World Equities
- Corporate Bonds
- Sovereign Bonds

The week ahead	
15 Jan	US and UK CPI go to print.
16 Jan	UK GDP is reported.
17 Jan	China Quarterly GDP is released.

Fact of the week

The 2025 Henley Passport Index reported that the Irish passport is the joint 4th most powerful in the world, providing visa-free access to 191 destinations.

Our regular market information continues on the next page.

	1 Week Return 03.01.25 to 10.01.25		Year to Date Return 31.12.24 to 10.01.25	
	Local Currency	Euro	Local Currency	Euro
World	-1.6%	-1.2%	-0.8%	0.3%
U.S.	-1.9%	-1.6%	-0.8%	0.2%
Europe	1.2%	1.2%	1.3%	1.3%
Ireland	-0.3%	-0.3%	-1.4%	-1.4%
U.K.	0.3%	-0.7%	1.0%	-0.4%
Japan	-2.5%	-2.3%	-2.5%	-1.8%
Hong Kong	-3.1%	-2.8%	-4.4%	-3.6%
Corporate Bonds	-0.3%	-0.3%	-0.8%	-0.8%
Sovereign Bonds	-1.4%	-1.4%	-2.0%	-2.0%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished at -1.2% in euro terms and -1.6% in local terms last week.
- Year-to-date global markets are up by 0.3% in euro terms and down by -0.8% in local terms.
- The U.S. market, the largest in the world, finished at -1.6% in euro terms and -1.9% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.8% last week. The German equivalent finished at 2.6%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.02, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $77 per barrel and is up 7.9% year-to-date in euro terms.
- Gold finished the week at $2,689 per troy ounce and is up 3.6% year-to-date in euro terms.
- Copper finished the week at $8,992 per tonne.

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