

The changing of the guard

The week commenced with Donald Trump's inauguration on Monday, and markets seemed relieved that new tariffs were not enacted on the president's first day in office. The S&P 500 reclaimed its place above the 6,000 level, and was further boosted to a fresh all-time high after news broke on Wednesday of a \$500 billion investment into AI infrastructure via a joint venture comprising OpenAI, SoftBank, and Oracle. The 10-year US treasury yield traded largely flat, ending near 4.6%, while the dollar weakened against the euro, with EUR/USD rising above 1.046.

The 2024 World Economic Forum in Davos concluded on Friday, and European equities enjoyed a strong rally during the week as fears surrounding trade tensions with the US were eased. The Euro Stoxx 600 posted its seventh consecutive session of gains on Thursday to notch a new record high. The Eurozone Composite PMI rose from 49.6 to 50.2, a five-month high that beat expectations. While the data is still indicative of a stagnant economy, it at least showed signs of marginal growth.

In the UK, the unemployment rate rose unexpectedly to 4.4% in the three months from September to November 2024, up from 4.3% in the previous period. The weakening labour market reinforced market projections for rate cuts next week, and the FTSE 100 rose to a new record high as stocks responded accordingly to the dovish sentiment.

On Friday, the Bank of Japan announced its decision to raise the policy rate from 0.25% to 0.5%, the highest it's been in 17 years. The decision followed inflation data which showed that core CPI rose 3% annually in December, a 16-month high.



Fact of the week

\$1.35 trillion – that is the estimated combined net worth of the attendees of Trump's inauguration.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds



- Copper
- Gold
- Oil
- Sovereign Bonds

The week ahead

29 Jan	Fed rate decision is announced.
30 Jan	ECB rate decision is announced.
31 Jan	US PCE price index goes to print.



	1 Week Return 17.01.25 to 24.01.25		Year to Date Return 31.12.24 to 24.01.25	
	Local Currency	Euro	Local Currency	Euro
World	2.1%	0.0%	4.1%	2.5%
U.S.	1.8%	-0.3%	4.0%	2.4%
Europe	1.6%	1.6%	5.3%	5.3%
Ireland	4.0%	4.0%	4.6%	4.6%
U.K.	-0.1%	0.1%	4.0%	2.0%
Japan	2.9%	1.1%	-1.1%	-1.7%
Hong Kong	0.7%	-1.5%	-2.0%	-3.8%
Corporate Bonds	0.0%	0.0%	-0.4%	-0.4%
Sovereign Bonds	-0.2%	-0.2%	-1.3%	-1.3%

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 0.0% in euro terms and 2.1% in local terms last week.
- Year-to-date global markets are up by 2.5% in euro terms and down by 4.1% in local terms.
- The U.S. market, the largest in the world, finished at -0.3% in euro terms and 1.8% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.6% last week. The German equivalent finished at 2.6%. The Irish 10-year bond yield finished at 2.8%.
- The Euro/U.S. Dollar exchange rate finished at 1.05, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at \$75 per barrel and is up 2.7% year-to-date in euro terms.
- Gold finished the week at \$2,771 per troy ounce and is up 4.1% year-to-date in euro terms.
- Copper finished the week at \$9,156 per tonne.

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