

Positive data fails to temper trade tariff mood

Major US equity markets declined last week as last weekend's tariff announcements continued to be digested. Canada and Mexico earned a 30-day reprieve following the granting of assurances focused mainly on border security. President Trump imposed a 10% tariff on Chinese goods entering the US. Although this headline figure was less than the 25% imposed elsewhere, there was no reprieve. China has responded, albeit with limited retaliatory tariffs of its own. Unsurprisingly, a measure of US trade policy uncertainty jumped to its highest level since 2019.

In terms of data, Friday saw the monthly non-farm payroll release from the US. The headline number of 143,000 jobs created came in below consensus expectations of 175,000, but the underlying details were more encouraging. The unemployment rate fell to 4.0% and December's figure was revised upwards to 307,000 which made it the biggest reading in two years. The other significant US data release saw the manufacturing PMI figure break above the key 50 level for the first time since 2022.

In relation to earnings, FactSet reports that over three quarters of the S&P 500 have reported, with both sales and earnings figures topping aggregate consensus forecasts. However, volatility is still evident within individual names, most notably Google parent Alphabet which fell over 8% midweek following disappointing cloud computing revenue results.

European stocks fared better with both major eurozone and UK indexes moving higher. The Bank of England cut rates by 0.25% to 4.50% whilst also halving its UK GDP growth forecast for the year to 0.75%. In the Eurozone, annualised inflation increased from 2.4% to 2.5% over the course of January. However, the ECB President was relatively sanguine on the move, citing base effects. Finally, German factory orders rebounded to 6.9% in December, well above consensus expectations.



Fact of the week

Advertisers spent almost \$8 million for a 30 second tv slot at Super Bowl LIX; the most expensive ever.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Oil



- Copper
- Gold

The week ahead

12 Feb US CPI goes to print.

13 Feb US PPI for January is released.

14 Feb The latest US Retail Sales figures are published.

Our regular market information continues on the next page.



	1 Week Return 31.01.25 to 07.02.25		Year to Date Return 31.12.24 to 07.02.25	
	Local Currency	Euro	Local Currency	Euro
World	-0.1%	0.4%	3.4%	3.5%
U.S.	-0.2%	0.3%	2.8%	2.9%
Europe	0.7%	0.7%	7.7%	7.7%
Ireland	0.5%	0.5%	4.9%	4.9%
U.K.	0.3%	0.8%	6.4%	5.6%
Japan	-2.0%	0.8%	-1.9%	2.0%
Hong Kong	-0.3%	0.2%	-2.3%	-2.5%
Corporate Bonds	0.2%	0.2%	0.8%	0.8%
Sovereign Bonds	0.9%	0.9%	0.7%	0.7%

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Equities

- Global stocks finished at 0.4% in euro terms and -0.1% in local terms last week.
- Year-to-date global markets are up by 3.5% in euro terms and by 3.4% in local terms.
- The U.S. market, the largest in the world, finished at 0.3% in euro terms and -0.2% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% 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 1.03, whilst Euro/GBP finished at 0.83.

Commodities

- Oil finished the week at \$71 per barrel and is down -0.8% year-to-date in euro terms.
- Gold finished the week at \$2,861 per troy ounce and is up 9.3% year-to-date in euro terms.
- Copper finished the week at \$9,288 per tonne.

Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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