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The hand that feeds

Markets began the week on a positive note after it was revealed that the US and China had agreed to a 90-day reduction in tariffs. The US tariff on China dropped to 30%, while China's tariff on the US dropped to 10%. US equities were buoyed further on Tuesday by better-than-expected CPI data. Annual inflation stood at 2.3% in April, the lowest since February 2021 and below forecasts of 2.4%. The Producer Price Index (PPI) followed suit on Thursday, unexpectedly falling by 0.5% MoM in April (vs a forecasted rise of 0.2%) as the cost of services fell by the largest rate since 2009. Retail sales in April also rose 0.1% compared to March, demonstrating US consumer resilience to tariff concerns.

US President Trump conducted a four-day trip of the Middle East which proved fruitful, reportedly securing $600 billion worth of investment from Saudi Arabia, while also negotiating to sell military arms worth nearly $142 billion. Several mega-cap stocks, such as Nvidia and Alphabet, rose on news of individual deals made with Saudi Arabia and Saudi-backed companies. Additionally, news emerged towards the end of the week that US regulators are preparing to ease capital requirements for large banks that were set following the financial crisis in 2008.

Following a sharp fall in April, economic sentiment in Germany rebounded in May, as indicated by the ZEW index which rose to 25.2 from -14.0. The president of ZEW attributed rising optimism to "a new government in place, some progress in the tariff disputes and a stabilising inflation rate". Meanwhile, Q1 GDP growth in the Eurozone was revised down to 0.3% from the 0.4% estimate issued last month, while the number of employed persons in the Eurozone increased by 0.3%, following a 0.1% rise in Q4 2024.

In the UK, GDP data for March showed the economy expanded by 0.2% in the month, beating consensus estimates of 0.0%. The pound sterling strengthened in response, with EUR/GBP falling from 0.85 to 0.84.



Fact of the week

Last week, the S&P 500 index closed higher for the year in local terms for the first time since February.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds
- Oil
- Copper



- Gold
- Sovereign Bonds

The week ahead	
20 May	Eurozone consumer confidence index for May is released.
21 May	UK CPI data for April goes to print.
22 May	US, German, UK and Japan PMI indices are all reported.



	1 Week Return 09.05.25 to 16.05.25		Year to Date Return 31.12.24 to 16.05.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	4.2%	5.2%	4.9%	-2.7%
U.S.	5.4%	6.5%	1.7%	-5.6%
Europe	2.3%	2.3%	10.9%	10.9%
Ireland	2.0%	2.0%	16.8%	16.8%
U.K.	1.7%	2.4%	8.0%	6.2%
Japan	0.2%	0.5%	-1.4%	-1.5%
Hong Kong	2.8%	3.4%	13.3%	4.6%
Corporate Bonds	-0.1%	-0.1%	0.2%	0.2%
Sovereign Bonds	0.1%	0.1%	-0.6%	-0.6%

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 up 5.2% in euro terms and up 4.2% in local terms last week.
- Year-to-date global markets are down by -2.7% in euro terms and up by 4.9% in local terms.
- The U.S. market, the largest in the world, finished up 6.5% in euro terms and up 5.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% 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 1.17, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $63 per barrel and is down -19.2% year-to-date in euro terms.
- Gold finished the week at $3,204 per troy ounce and is up 13.2% year-to-date in euro terms.
- Copper finished the week at $9,479 per tonne and is up 9.5% year-to-date in euro terms.

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