

# Bonds are speaking; are stocks listening?

The market's eyes were fixed on the US non-farm payrolls report last week, which provided an important snapshot of the US labour market ahead of the Fed's September policy meeting. Non-farm payrolls rose by 22K August, missing consensus estimates of 75K, while the unemployment rate rose from 4.2% to 4.3%, its highest level in nearly four years. The data continued the recent slowdown in the labour market, and investors are now fully pricing in a September rate cut.

Meanwhile, the unemployment rate in the Eurozone hit an all-time low of 6.2%, matching expectations. Eurozone HICP inflation came in hotter than anticipated, climbing to 2.1% in August, ahead of forecasts of 2.0%. In the US, the non-manufacturing ISM survey printed at 52.0 for August, higher than 50.1 in July and ahead of expectations of 51.0. UK retail sales grew by 0.6% in July, exceeding forecasts of 0.2%. However, retail sales statistics for the first half of the year were revised down after the Office for National Statistics admitted to calculation errors.

The global sell-off in long-term bonds deepened as fiscal jitters persist. In the US, 30-year treasury yields rose above the 5.0% mark, while in Europe, yields on French offerings reached a 16-year high amid growing political unrest. 30-year UK gilt yields hit their highest level since 1998. Fiscal concerns pushed gold to another record high this year above \$3,600/oz.

In corporate news, Google escaped the harsher penalties that were mooted in the ruling on its antitrust case. The search-engine company was not forced to sell Chrome and is allowed to continue paying distributors for default placement, chief among whom is Apple, which Google pays an estimated \$20 billion annually in exchange for prime placement on iPhones. Google's stock surged 9% in response to the news, while Apple's share price also rose 4%.



## Fact of the week

For the first time ever, US investors' margin loans have exceeded \$1 trillion as leveraged positions in the stock market increase.

Our regular market information continues on the next page.

## Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Copper
- Gold



- Oil

## The week ahead

<b>10 Sep</b>	US producer price index goes to print.
<b>11 Sep</b>	ECB rate decision is announced.
<b>12 Sep</b>	UK GDP growth for the three months to July is reported.



	1 Week Return 29.08.25 to 05.09.25		Year to Date Return 31.12.24 to 05.09.25	
	Local Currency	Euro	Local Currency	Euro
World	0.4%	0.1%	14.2%	0.7%
U.S.	0.4%	0.1%	11.0%	-2.0%
Europe	-0.1%	-0.1%	10.6%	10.6%
Ireland	0.5%	0.5%	17.0%	17.0%
U.K.	0.3%	0.1%	15.9%	10.4%
Japan	0.8%	0.4%	11.0%	4.7%
Hong Kong	-0.4%	-0.7%	29.8%	14.1%
Corporate Bonds	0.4%	0.4%	0.6%	0.6%
Sovereign Bonds	0.6%	0.6%	-0.9%	-0.9%

**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 0.1% in euro terms and up 0.4% in local terms last week.
- Year-to-date global markets are up by 0.7% in euro terms and up by 14.2% in local terms.
- The U.S. market, the largest in the world, finished slightly up at 0.1% in euro terms and up 0.4% in local terms.

## Fixed Income & FX

- The U.S. 10-year yield finished at 4.1% last week. The German equivalent finished at 2.7%. 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 0.87.

## Commodities

- Oil finished the week at \$62 per barrel and is down -23.8% year-to-date in euro terms.
- Gold finished the week at \$3,587 per troy ounce and is up 20.8% year-to-date in euro terms.
- Copper finished the week at \$9,830 per tonne and is up 0.4% year-to-date in euro terms.

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