ZURICH

Getting to the top is easier than staying there

AI was leading the news again last week, but this time none of the Magnificent Seven companies were responsible. Oracle, a tech company which has reinvented itself multiple times, reported earnings which showed massive growth in its cloud revenue – driven primarily by AI-related demand. Part of this surge in business was a $300 billion contract with OpenAI which will see Oracle provide the ChatGPT creator with computing power over the next five years. The company's share price jumped more than 36% on Wednesday, before retreating and finishing the week with a 25% gain.

Markets had a muted reaction on Monday to geopolitical developments during the preceding weekend. In Japan, Prime Minister Shigeru Ishiba announced his resignation less than 12 months after taking office, reigniting political turmoil in the nation. Meanwhile, the French government collapsed after PM François Bayrou lost a confidence vote. He was replaced by Sébastien Lecornu on Wednesday, who became France's fifth prime minister in less than two years.

In economic news, for the second consecutive time the ECB voted to maintain current interest rates last week in a decision which was widely anticipated. GDP data showed the UK economy stalled in July, recording 0% growth following a 0.4% expansion in June.

The headline US CPI inflation rose to 2.9% in August from 2.7% in June and July, marking its highest level since January. Meanwhile, producer prices unexpectedly fell -0.1% MoM in August. The University of Michigan's Consumer Sentiment Index fell 2.8 points to 55.4 in September, a four-month low. A New York Fed survey of consumer expectations also found that worker confidence in finding a new job after losing one hit a record low at 44.9%, a 5.8% drop from last month. The data indicates a sombre economic backdrop in the US ahead of the Fed's rate decision this week.

Snapshot

Up:
- World Equities
- Sovereign Bonds
- Copper
- Gold

Down:
- Corporate Bonds
- Oil

The week ahead

17 Sep	Federal Reserve rate decision announced.
18 Sep	Bank of England rate decision announced.
19 Sep	Bank of Japan rate decision announced.

Fact of the week

Oracle co-founder Larry Ellison briefly became the world's wealthiest man on Wednesday after his net worth jumped by $101 billion, the largest ever single-day rise.

Our regular market information continues on the next page.

	1 Week Return 05.09.25 to 12.09.25		Year to Date Return 31.12.24 to 12.09.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	1.5%	1.6%	15.9%	2.3%
U.S.	1.6%	1.7%	12.8%	-0.4%
Europe	0.9%	0.9%	11.6%	11.6%
Ireland	1.7%	1.7%	19.0%	19.0%
U.K.	0.8%	1.1%	16.8%	11.7%
Japan	2.0%	1.6%	13.2%	6.4%
Hong Kong	3.7%	4.0%	34.7%	18.7%
Corporate Bonds	-0.7%	-0.7%	0.3%	0.3%
Sovereign Bonds	0.0%	0.0%	-0.8%	-0.8%

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 1.6% in euro terms and up 1.5% in local terms last week.
- Year-to-date global markets are up by 2.3% in euro terms and up by 15.9% in local terms.
- The U.S. market, the largest in the world, finished up at 1.7% in euro terms and up 1.6% 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 $63 per barrel and is down -22.9% year-to-date in euro terms.
- Gold finished the week at $3,643 per troy ounce and is up 22.5% year-to-date in euro terms.
- Copper finished the week at $9,994 per tonne and is up 1.9% year-to-date in euro terms.

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