

Too hot to bear

Last week was characterised by large swings in the major asset classes as investor sentiment shifted in response to market news. Equities rose substantially across the board as geopolitical worries were assuaged, particularly in the US where the rhetoric around a potential US-China trade deal improved. US share prices were also supported by a strong start to the Q3 earnings calendar and healthy macro indicators, ultimately finishing the week up 2.3% in EUR terms.

The long-awaited September CPI report for US inflation came in softer than expected. The annual headlined rate ticked up to 3% for the first time since January, while the core rate fell marginally. Meanwhile, US PMI data indicated economic growth in October, with the Manufacturing PMI rising to 52.2 from 52.0 and the Services PMI rising to 55.2 from 54.2.

In the Eurozone, economic indicators were more bifurcated. The German PMI surprised on the upside in October, with the composite figure rising substantially from 52.0 to 53.8, a 29-month high. This was driven by a jump in the Services PMI from 51.5 to 54.5 and signals that fiscal expansion is beginning to impact positively on economic growth. In France, the PMI report surprised on the downside, with the composite figure falling to 46.8 in October from 48.1 in September. This represents an 8-month low and a 14th consecutive month below the 50 point threshold representing contraction.

In Japan, Sanae Takaichi was elected as the nation's first female Prime Minister. Domestic stocks rallied due to the market's anticipation of more accommodative, market-friendly policymaking under the ruling coalition, with specific expectations for tax cuts and a larger defence budget.

A fall in uncertainty meant a commensurate fall in the value of safe-haven assets, none more notable than gold, which gave back gains made earlier in the month, falling -3% in EUR terms.



Fact of the week

The US national debt hit \$38 trillion on Wednesday, just over two months after hitting \$37 trillion in August. That's the quickest accumulation of \$1 trillion in debt since the Covid pandemic.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Copper
- Gold



- Corporate Bonds
- Sovereign Bonds
- Oil

The week ahead

29 Oct	The Fed meets for its latest interest rate decision.
30 Oct	The ECB meets for its latest interest rate decision.
31 Oct	US and Eurozone inflation metrics go to print.



	1 Week Return 17.10.25 to 24.10.25		Year to Date Return 31.12.24 to 24.10.25	
	Local Currency	Euro	Local Currency	Euro
World	1.7%	2.1%	19.2%	6.2%
U.S.	1.9%	2.3%	16.4%	3.7%
Europe	1.2%	1.2%	16.3%	16.3%
Ireland	3.2%	3.2%	23.1%	23.1%
U.K.	3.1%	2.7%	21.4%	14.8%
Japan	3.1%	1.9%	19.1%	9.1%
Hong Kong	2.8%	3.2%	30.6%	16.3%
Corporate Bonds	-0.1%	-0.1%	1.0%	1.0%
Sovereign Bonds	-0.4%	-0.4%	0.4%	0.4%

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 2.1% in euro terms and up 1.7% in local terms last week.
- Year-to-date global markets are up by 6.2% in euro terms and up by 19.2% in local terms.
- The U.S. market, the largest in the world, finished up at 2.3% in euro terms and up 1.9% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.0% 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 1.16, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$62 per barrel and is down -23.6% year-to-date in euro terms.
- Gold finished the week at \$4,113 per troy ounce and is up 39.6% year-to-date in euro terms.
- Copper finished the week at \$10,937 per tonne and is up 12.6% year-to-date in euro terms.

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