

AI and Everything Else

AI jitters persisted last week with Broadcom and Oracle leading the sell-off. Both companies released quarterly earnings which disappointed under the market's microscope. Oracle's revenues were weaker than anticipated while its AI-related debt pile continued to mount, and its price fell -12.7%. Broadcom predicted its AI-related revenue will double this quarter compared to last year; however, it also expects its margins to narrow. Its share price dropped 7.8% last week. The market continued to rotate out of growth sectors and into more defensive offerings. This led the value-heavy Dow Jones to post its highest-ever weekly close, while the tech-heavy Nasdaq Composite Index shed -2.4% in EUR terms.

Value stocks were helped by the announcement from the Fed that they will be cutting interest rates by 25bps for the third time in 2025 on Wednesday. The voting within the Federal Open Market Committee (FOMC) was split 9-3, showing increased division within the Fed regarding the direction of the US economy. The decision came after the long-delayed US Job Openings and Labor Turnover Survey (JOLTS) for October showed that openings rose marginally from 7.66m to 7.67m in October, above the projected 7.15m. The Fed's decision put the dollar on the defensive, and the EUR/USD exchange rate moved from 1.164 to 1.174.

10-year German bund yields (which move inversely to price) rose by 6bps during the week, as long-term government bond yields continued their ascent across the developed nations. This is partly due to elevated concerns around fiscal sustainability but is also a spillover from Japan where bonds have been particularly weak since the election of PM Sanae Takaichi, who plans to ramp up spending despite the nation's existing debt burden. GDP data showed that the UK's economy shrank by -0.1% in October, missing forecasts of 0.1% in growth, after contracting by -0.1% in September.

Meanwhile, oil prices fell by -5.2% in EUR terms, while gold and silver rose by 1.6% and 5.3% respectively.



Fact of the week

The Fed cut rates last week, but there were three votes of dissent – the highest number since 2019.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Copper
- Gold



- Corporate Bonds
- Sovereign Bonds
- Oil

The week ahead

16 Dec	US non-farm payrolls data for November is released.
18 Dec	The ECB and the BoE both meet for their last rate decision of the year.
19 Dec	The BoJ announces its rate decision.



	1 Week Return 05.12.25 to 12.12.25		Year to Date Return 31.12.24 to 12.12.25	
	Local Currency	Euro	Local Currency	Euro
World	-0.2%	-1.0%	20.4%	6.2%
U.S.	-0.7%	-1.4%	17.0%	3.2%
Europe	0.1%	0.1%	17.2%	17.2%
Ireland	1.2%	1.2%	35.7%	35.7%
U.K.	-0.2%	-0.9%	22.1%	14.8%
Japan	1.8%	0.6%	25.1%	11.2%
Hong Kong	0.2%	-0.5%	35.7%	19.5%
Corporate Bonds	-1.0%	-1.0%	-0.4%	-0.4%
Sovereign Bonds	-0.5%	-0.5%	-1.0%	-1.0%

Warning: Past performance is not a reliable guide to future performance.
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Equities

- Global stocks finished down -1.0% in euro terms and down -0.2% in local terms last week.
- Year-to-date global markets are up by 6.2% in euro terms and up by 20.4% in local terms.
- The U.S. market, the largest in the world, finished down at -1.4% in euro terms and down at -0.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.2% last week. The German equivalent finished at 2.9%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.88.

Commodities

- Oil finished the week at \$57 per barrel and is down -29.4% year-to-date in euro terms.
- Gold finished the week at \$4,300 per troy ounce and is up 44.5% year-to-date in euro terms.
- Copper finished the week at \$11,536 per tonne and is up 17.6% year-to-date in euro terms.