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Markets welcome signs of a more balanced economy

Global equity markets delivered another week of solid gains, with major indices continuing to advance and reach fresh record highs. Investor sentiment was supported by ongoing US earnings strength, further progress in the reopening of the Strait of Hormuz and encouraging economic data. While earnings growth remains concentrated in energy and Artificial Intelligence (AI) stocks, strong results from many of the S&P 500's largest constituents has helped to ease some concerns over dependence on AI-related stocks. European equity markets were also uplifted by firmer risk appetite and resilient earnings.

US labour market data softened in July, with payrolls declining by 23,000, significantly below expectations of an 80,000 increase. The unemployment rate edged down to 4.1%, largely reflecting a decrease in labour force participation rates. Employment figures have been consistently revised lower in recent months, with July marking the fourth consecutive month of weakening payroll growth. The continued cooling in labour market conditions has reinforced expectations that the Federal Reserve is likely to keep interest rates unchanged for the time being and this sentiment helped to support equity markets on Friday.

Despite the contraction in US payrolls in July, the Manufacturing Purchasing Manager's Index (PMI) rose to 55.6, from 53.3 in June. US factory activity has grown at its fastest pace in more than four years, driven by increased production and new order growth. This improvement suggests that business confidence and investment activity remains strong and continues to support growth, despite concerns arising from weakening payroll trends.

Snapshot

- Corporate Bonds
- Sovereign Bonds
- World Equities
- Gold

- Copper
- Oil

The week ahead	
12 Aug	US CPI inflation release.
13 Aug	UK Q2 GDP estimate.
14 Aug	University of Michigan Consumer Sentiment survey.

Fact of the week

Despite posting a record 18% gain on Friday, 31st July, the Kospi finished the month down 22%, its worst monthly decline since October 2008 and highlighting the extraordinary volatility that produced four double-digit daily swings in recent weeks.

Our regular market information continues on the next page.

	1 Week Return 31.07.26 to 07.08.26		Year to Date Return 31.12.25 to 07.08.26	
	Local Currency	Euro	Local Currency	Euro
World	3.3%	2.9%	13.9%	15.8%
U.S.	3.7%	3.2%	13.8%	15.7%
Europe	2.2%	2.2%	13.6%	13.6%
Ireland	6.7%	6.7%	10.9%	10.9%
U.K.	0.5%	0.3%	12.3%	14.5%
Japan	1.7%	2.1%	20.9%	22.0%
Hong Kong	-2.1%	-2.5%	8.3%	9.3%
Corporate Bonds	0.5%	0.5%	-0.8%	-0.8%
Sovereign Bonds	0.7%	0.7%	-0.2%	-0.2%

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 by 2.9% in euro terms and up 3.3% in local terms last week.
- Year-to-date global markets are up by 15.8% in euro terms and up by 13.9% in local terms.
- The U.S. market, the largest in the world, finished up 3.2% in euro terms and up 3.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.6% last week. The German equivalent finished at 3.1%. The Irish 10-year bond yield finished at 3.3%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at $78 per barrel and is up 38.4% year-to-date in euro terms.
- Gold finished the week at $4,342 per troy ounce and up 2.1% year-to-date in euro terms.
- Copper finished the week at $14,191 per tonne and is up 15.8% year-to-date in euro terms.

 Figures are calculated using Total Returns Indices.

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