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A stronger economy, a tougher rates outlook

US equities ended the week mostly flat although the labour market surprised on the upside adding 162,000 jobs in August, well above the 55,000 forecast and a notable step up from July's revised 21,000. Unemployment held steady at 4.1%, pointing to continued labour market resilience. Business activity also remained solid. The PMI eased to 54.6 from 55.6, missing the 55.4 forecast but still marking an eighth consecutive month of expansion. Cost pressures, however, remain persistent, the prices index held at 71.1, meaning raw-material costs have now risen for 23 consecutive months.

Overseas, geopolitical tensions weighed on sentiment. Fresh strikes between the US and Iran near the Strait of Hormuz pushed oil prices sharply higher early in the week, dragging European equities lower and pushing bond yields higher. This added to inflation concerns in the eurozone. Headline inflation rose to 3.3% from 2.9%, driven largely by higher energy costs. There was some reassurance as core inflation eased to 2.4% from 2.5% and services inflation cooled to 3.0%, suggesting the energy-driven pickup has not yet fed through more broadly. Markets continue to price in a 25bp deposit-rate hike ahead of the ECBs interest rate decision this week.

Japan saw similar pressure, with rising government bond yields fuelling expectations of further Bank of Japan tightening and weighing on growth stocks. A sharply stronger yen added further pressure on exporters. Attention now turns to the BoJ's 17–18 September meeting, where policymakers will assess whether persistent inflation justifies another rate increase.

Snapshot

- World Equities
- Copper
- Oil

- Corporate Bonds
- Sovereign Bonds
- Gold

The week ahead	
07 Sep	Eurozone GDP data is reported.
10 Sep	ECB Interest rate decision.
11 Sep	US CPI data is released.

Fact of the week

Japan's 10-year government bond yield briefly reached 3.0%, a level not seen since 1996, as higher oil prices, fiscal concerns and a broader global bond sell-off pushed yields higher.

Our regular market information continues on the next page.

	1 Week Return 28.08.26 to 04.09.26		Year to Date Return 31.12.25 to 04.09.26	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	0.1%	0.1%	13.6%	14.8%
U.S.	0.1%	0.2%	13.3%	14.5%
Europe	-1.0%	-1.0%	11.7%	11.7%
Ireland	3.0%	3.0%	15.1%	15.1%
U.K.	0.2%	-0.2%	12.1%	13.8%
Japan	-0.9%	1.5%	21.8%	23.6%
Hong Kong	0.5%	0.5%	10.6%	11.1%
Corporate Bonds	-0.3%	-0.3%	-1.5%	-1.5%
Sovereign Bonds	-0.5%	-0.5%	-1.9%	-1.9%

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 by 0.1% in euro terms and up 0.1% in local terms last week.
- Year-to-date global markets are up by 14.8% in euro terms and up by 13.6% in local terms.
- The U.S. market, the largest in the world, finished up 0.2% in euro terms and up 0.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.8% last week. The German equivalent finished at 3.3%. The Irish 10-year bond yield finished at 3.5%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at $92 per barrel and is up 61.1% year-to-date in euro terms.
- Gold finished the week at $4,430 per troy ounce and up 3.7% year-to-date in euro terms.
- Copper finished the week at $14,490 per tonne and is up 17.7% year-to-date in euro terms.

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