

Europe's inflation puts the ECB on alert

Global markets pulled in different directions last week as a cooling US labour market collided with stubborn inflation abroad. US equities ended the week without a clear direction. Friday's report showed September payrolls grew by 29,000, roughly a third of the 90,000 economists had anticipated. The print pulled Treasury yields higher and led the market to scale back bets on an October Fed rate hike. Inflation held steady, headline Personal Consumption Expenditures (PCE) rose 0.3% in August and 3.4% annually, while the core measure, which strips out food and energy, gained 0.2% on the month and 3.0% on the year, both annual rates matching July's revised figures.

European shares had a choppy week as higher oil prices and bond yields dented risk appetite. Eurozone inflation jumped to 3.8% in September from 3.2% in August, overshooting the 3.6% forecast and strengthening the case for the European Central Bank (ECB) to keep policy tight. Oil price swings and US-Iran tensions kept sentiment cautious. Brent Crude climbed past \$103 a barrel during the week as optimism over US-Iran talks faded, hurting rate-sensitive sectors.

Japanese equities were split. Chipmakers and AI-linked names advanced on the back of global semiconductor strength and renewed confidence in AI infrastructure spending, but the wider market was held back by high bond yields. Tokyo core CPI leapt to 2.7% in September from 1.8%, ahead of forecasts, and the measure stripping out fresh food and energy reached 3.0% from 2.0%, pointing to potential further Bank of Japan tightening.



Fact of the week

Last week, China launched its largest stimulus package since 2024. After months of slowing momentum, the measures could help the country hit this year's 4.5–5% growth target.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds



- Oil
- Gold
- Copper

The week ahead

05 Oct	Eurozone and US PMI data is released.
06 Oct	Eurozone Retail sales go to print.
09 Oct	US Consumer sentiment data is reported.



	1 Week Return 25.09.26 to 02.10.26		Year to Date Return 31.12.25 to 02.10.26	
	Local Currency	Euro	Local Currency	Euro
World	-0.6%	0.5%	12.3%	16.9%
U.S.	-0.2%	0.8%	13.4%	18.1%
Europe	-1.1%	-1.1%	8.6%	8.6%
Ireland	-1.4%	-1.4%	13.5%	13.5%
U.K.	-2.2%	-1.1%	8.2%	10.9%
Japan	0.3%	1.0%	22.9%	27.2%
Hong Kong	-2.7%	-1.7%	3.3%	6.8%
Corporate Bonds	0.3%	0.3%	-3.5%	-3.5%
Sovereign Bonds	0.0%	0.0%	-4.5%	-4.5%

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 0.5% in euro terms and down -0.6% in local terms last week.
- Year-to-date global markets are up by 16.9% in euro terms and up by 12.3% in local terms.
- The U.S. market, the largest in the world, finished up 0.8% in euro terms and down -0.2% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 5.3% last week. The German equivalent finished at 3.5%. The Irish 10-year bond yield finished at 3.6%.
- The Euro/U.S. Dollar exchange rate finished at 1.13, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$91 per barrel and is up 65.6% year-to-date in euro terms.
- Gold finished the week at \$4,141 per troy ounce and up 0.1% year-to-date in euro terms.
- Copper finished the week at \$14,312 per tonne and is up 19.9% year-to-date in euro terms.

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