Investors restrained after mixed corporate earnings

Last week saw US equities down slightly, returning -1.0% in euro terms on the back of mixed corporate earnings reports. Q1 earnings, which are viewed by many as an indication of economic health in the US, showed that some companies are beginning to strain under tighter financial conditions. Perhaps most notably, shares in the electronic car maker Tesla dropped by 10% after the release of reports displaying lower profit margins and a dimmer forecast for profitability. Last week also saw the release of the US Initial Jobless Claims report which displayed that the long-standing tight US labour market has started to weaken. The report showed that weekly jobless claims increased by 5,000 to 245,000. Investor sentiment following the report was varied, as on the one hand a weaker labour market indicates that the Federal Reserve may enact softer monetary policy in the coming weeks, on the other hand however a weaker labour market is also a signal of increased recession risk.

Closer to home European, European stocks had a subdued week returning 0.5% in euro terms. In the UK, consumer price inflation came in higher-than-expected last Wednesday, worrying investors that the Bank of England will continue to raise rates after its next meeting in May. The report showed a March figure of 10.1%, down from 10.4% in February. Consensus expectation had been a figure of 9.8% and below the psychologically significant figure of 10%. Core inflation which excludes volatile food and energy sectors remained unchanged at 6.2%.

In Asia Pacific, quarterly Chinese GDP figures, released last week revealed that China's economy is on course to meet its growth target for 2023. GDP increased by 4.5% last quarter, the biggest increase in a year for the world's largest manufacturing economy. The increase in Chinese economic activity may provide stimulus to other slowing regions internationally. Despite the positive news on Tuesday, Asian stocks suffered throughout the week as some uncertainty about economic recovery lingered. Hong Kong equities finished the week down -2.8% in euro terms.

Our regular market information continues on the next page.

Snapshot

World Equities

Corporate Bonds

Sovereign Bonds

Oil

Gold

Copper

The week ahead

25 Apr	US Consumer Confidence report is released.
27 Apr	US Q1 GDP figures go to print.
28 Apr	German Consumer Price Index is released.

	1 Week Return 17.04.23 to 24.04.23		Year to Date Return 31.12.22 to 24.04.23	
	Local Currency	Euro	Local Currency	Euro
World	-0.1%	-0.7%	9.0%	6.1%
U.S.	-0.4%	-1.0%	8.1%	5.1%
Europe	0.6%	0.6%	12.8%	12.8%
Ireland	1.4%	1.4%	21.9%	21.9%
U.K.	0.5%	0.2%	7.4%	7.7%
Japan	0.3%	-0.1%	8.8%	3.9%
Hong Kong	-2.3%	-2.8%	-1.8%	-5.0%
Corporate Bonds	-0.1%	-0.1%	0.6%	0.6%
Sovereign Bonds	-0.5%	-0.5%	1.0%	1.0%

Equities

- Global stocks were down slightly last week by -0.7% in euro terms and down -0.1% In local terms.
- Year-to-date global markets were up 6.1% in euro terms and 9.0% in local terms.
- The U.S market, the largest in the world, finished at -1.0% in euro terms and -0.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.54% last week. The German equivalent finished at 2.49%. The Irish 10-year bond yield finished at 2.90%.
- The Euro/U.S. Dollar exchange rate finished at 1.10, whilst Euro/GBP finished at 0.89.

Commodities

- Oil finished the week at $78 per barrel and is up 1.1% year-to-date in euro terms.
- Gold finished the week at $1,985 per troy ounce and is down -0.8% year-to-date in euro terms.
- Copper finished the week at $8,779 per tonne.

Figures are calculated using Total Returns Indices.

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