

## Financial Headlines

### United States

In the US last week, NVIDIA briefly became the world's most valuable company by market capitalisation, having overtaken Microsoft last Tuesday and holding the top spot until last Thursday evening. On the 17th of June 2023, NVIDIA's market cap stood at \$1.05tn, and over the past 12 months the company has added over \$2.3tn in market cap. The rise of NVIDIA over the past year has been intertwined with the rise in Generative Artificial Intelligence, a sector that will be heavily reliant on the products produced by NVIDIA, specifically their Graphics Processing Units (GPU's). Meanwhile, in economic news US retail sales increased by 0.1% in May, below forecasts of 0.2% but above the April level of -0.2%. The lower retail sales may help boost interest rate cut sentiment as consumers continue to spend less.

### Europe & UK

**In Europe**, the Swiss National Bank (SNB) continued its interest rate cut cycle last week, cutting its policy rate by 25 basis points, from 1.50% to 1.25%. The SNB was the first Central Bank in Europe to cut its interest rate back in March.

**In the UK**, the annual rate of inflation slowed to 2% in May, marking the first time inflation has fallen to the Bank of England's target rate of 2% since July 2021. The annual rate of inflation has also slowed every month so far in 2024, from 4% in January to 2% in May. A slowdown in food prices, restaurants and recreation and culture activities were the main causes for this lower rate. Annual core inflation for May also slowed to 3.5%, the lowest rate since October 2021. Meanwhile, the Bank of England maintained its interest rate at the current level of 5.25%, as expected.

### Ireland

In 2023, there were 6.3mn foreign visitors to Ireland, according to a new survey launched by the Central Statistics Office. The annual inbound tourism metric measures the number of non Irish residents who depart the country via airports and seaports, but who also stayed overnight. Of this 6.3mn, 2.5mn came to Ireland for tourism and leisure, while another 2.3mn came to visit family. These visitors also accounted for 12.6mn nights in Irish hotels in 2023, on average staying for 4.7 nights. In economic terms, these 6.3mn visitors spent €7.3bn on their trips, with €2.8bn on day to day spending and €2.3bn on accommodation.

### Asia-Pacific

The Chinese Ministry of Commerce has opened an anti-dumping investigation into European Union pork which has been imported into the country. The opening of the investigation is the latest in the ongoing trade disputes between China and the EU, with the EU last week raising tariffs on Chinese electric vehicles to nearly 50%. While China is the dominant market for EU produced pork, the level of exports from the EU to China has fallen in recent years, with exports falling by nearly 50% in tonnage terms and market share falling from 5.5% in 2020 to 1.75% in 2023. There is unease within the EU Auto Sector that China could turn next to EU automakers, and impose tariffs on car imports to China.

## Market Movers

Equity Indices	Value	Weekly Change	YTD Change
S&P 500	5,464.62	+0.89%	+14.57%
NASDAQ	17,689.36	+0.43%	+17.84%
EuroStoxx50	4,907.30	+0.71%	+8.53%
EuroStoxx600	515.11	+0.49%	+7.54%
FTSE 100	8,237.72	+0.97%	+6.52%
ISEQ	9,414.82	-0.20%	+7.47%

Interest Rate	Current Rate	Direction	Rate Change
FED	5.50%	—	0
ECB	4.25%	↓	-0.25%
BOE	5.25%	—	0

Fixed Income	Yield	Weekly Change	YTD Change
US 10YR	4.257	+0.86%	+10.11%
US 2YR	4.734	+0.58%	+11.39%
German 10YR	2.3970	+1.70%	+18.20%
UK 10YR	4.1030	+0.98%	+15.94%
Irish 10YR	3.141	-0.52%	+20.68%

FX	Value	Weekly Change	YTD Change
EUR/USD	1.0691	-0.15%	-3.20%
EUR/GBP	0.8453	+0.23%	-2.55%
GBP/USD	1.2645	-0.32%	-0.61%

## Equities

**In the US**, equities continued to advance last Monday, with the S&P 500 gaining 0.7% and the NASDAQ gaining 0.9%. Gains came from mega cap tech stocks, with Tesla gaining over 5%, while Microsoft and Apple both gained over 1%. The rally continued on Tuesday, as the S&P 500 and NASDAQ both hit record highs once again. The big news story last Tuesday was NVIDIA, who became the world's most valuable company by overtaking Microsoft with a market cap of \$3.335tn. So far in 2024, NVIDIA's market cap has risen by 172%, fuelled by the rise of Artificial Intelligence and the key role NVIDIA will play in its development. Markets in the US were shut last Wednesday on account of Juneteenth National Independence Day. On Thursday, US equities pulled back slightly, with the S&P 500 closing 0.25% lower and the NASDAQ closed 0.79%, with some of the large tech stocks leading declines. For the week, the S&P 500 and NASDAQ closed 0.89% and 0.43% higher respectively.

**In Europe & the UK**, equity markets were mixed at the start of last week. On the continent equities underperformed, as political uncertainty emanating from France continued to dominate market sentiment. The Eurostoxx50 gained 0.5%, however the broader STOXX600 closed just below the flatline. Meanwhile in the UK the FTSE 100 closed 0.06% lower, as markets there awaited the release of UK inflation data and the Bank of England's interest rate decision. On Tuesday, European markets performed well, with the Eurostoxx50 rising 0.8% for its second straight day of gains, while the STOXX600 rebounded from a flat Monday session, closing 0.7% higher. On Wednesday, UK inflation data for May was released, with the rate of inflation slowing to 2%, marking the first time a major Western economy has reached the pivotal 2% inflation target. The FTSE 100 was relatively muted after the announcement, as the inflation rate was not expected to impact the interest rate decision on Thursday. Markets were positive in Europe on Thursday, aided by monetary policy decisions in Switzerland and the UK, where the Bank of England had its rate decision. As anticipated, UK rates did not change but the Monetary Policy Committee did hint at a rate cut at the next meeting in August, depending on the data. For the week, the Eurostoxx50 closed 0.71% higher, while the STOXX600 closed 0.49% higher. Finally, the FTSE100 finished 0.97% ahead, thanks to positive interest rate cut sentiment.

## Bonds

Global bond yields rose slightly last week, with economic data driving the market. In the US, after the release of weaker than expected retail sales data, the US 10 Year yield fell to its lowest level since the end of March, before recovering on Friday to 4.25%. The sales data indicated that customers may be pulling back from purchases due to higher borrowing costs. Meanwhile, in the UK the 10 Year Gilt rose slightly to 4.10%, after the Bank of England maintained rates at their current level.

## Commodities

In Commodities, crude oil prices increased significantly last week, with prices increasing by nearly \$10 a barrel in June. The rise last week was due to the increased geopolitical tensions emanating from the Middle East, after reports that Israel could target Hezbollah in Lebanon. In supply, US crude inventories fell by over 2.5mn barrels, exceeding forecasts. Brent Crude closed at \$85.07, while WTI closed at \$80.59. Meanwhile, Gold prices increased to \$2,334 as global rate cut sentiment increased.

## Key Events

- 27/06/2024 - US GDP Data
- 28/06/2024 - US Core PCE Price Index



**Our investment philosophy at Seaspray Private is the desire to create positive, long term, sustainable and responsible investment solutions and portfolios for our clients. Last Tuesday the European ESG Kick-Out Bond 2, which was available exclusively to clients of Seaspray Private delivered a gross return of 32.00% over 2 years. For further information click on the following link:**

<https://seasprayprivate.ie/sips/european-esg-kick-out-bond-2-32-00-gross-return-for-our-clients-over-2-years-equating-to-16-00-per-annum/>

**European ESG  
Kick-Out Bond 2**