

## Weekly Market Review

### Financial Headlines

#### United States

In the US, Kamala Harris has now raised \$540mn since she succeeded Joe Biden as the Democratic candidate for the upcoming Presidential election. This is a new all time record for Presidential campaigns, and comes as Harris once again leads the nationwide polls ahead of Republican candidate Donald Trump. In overall polling, Harris leads Trump by 1.7pts, however in the seven battleground states, Trump leads the way in five, with Harris only leading in Wisconsin and Michigan. Meanwhile, in Canada it was announced last week that the country will impose tariffs of 100% on imported Chinese Electric vehicles (EV's), and a 25% levy on the import of Chinese steel and aluminum. These tariffs are the same as those imposed by the United States, and comes as trade tension between China and the west continues to simmer.

#### Europe & UK

**In Europe**, inflation data for the Euro Area and Germany were released last week, with the annual rate of inflation slowing in both economies for August. For the Euro Area, annual inflation for August slowed to 2.2%, down from 2.6% in July, the lowest rate recorded since July 2021. In Germany the annual rate slowed to 1.9%, the lowest since March 2021.

**In the UK**, Prime Minister Keir Starmer last week met with the German Chancellor Olaf Scholtz, with the PM hoping to agree a new treaty with Germany on market access, energy security and the environment. The negotiations come as the UK attempts to bolster relations with its European neighbours after years of tension following Brexit. Germany is also the UK's second biggest trading partner, accounting for 8.5% of the UK's total trade.

#### Ireland

The latest flash estimate for the EU Harmonised Index of Consumer Prices (HICP) for Ireland showed that prices for consumer goods in Ireland have risen by a rate of 1.1% in the last 12 months, a fall of 0.4% from the July rate of 1.5%. Inflation continues to ease in Ireland, with the flash estimate indicating that energy prices have fallen by 9.5%, while food prices have risen by 2% in the 12 months up to August 2024. Meanwhile, a planning application for the Codling Wind Park will be submitted this week. Located off the Wicklow coast, the site will have enough capacity to power up to 1 million Irish homes if it is approved.

#### Asia-Pacific

China has used a record level of renminbi, its national currency for cross border transactions in 2024 thus far, as the country continues to lower its dependence on the US dollar. In July, China utilised the renminbi in 53% of all cross border trade, which has increased from 40% in July 2021. China has been helped by currency swap lines between themselves and Saudi Arabia, Argentina and Mongolia, countries that produce commodities such as oil and rare earth minerals that China needs for economic growth. While usage of the renminbi has increased, the currency is still far behind the US dollar when used for trade, and only accounts for 4.7% of global payments.

### Market Movers

Equity Indices	Value	Weekly Change	YTD Change
S&P 500	5,648.40	+0.03%	+18.42%
NASDAQ	17,713.62	-1.48%	+18.00%
EuroStoxx50	4,957.98	+1.10%	+9.65%
EuroStoxx600	525.05	+1.31%	+9.62%
FTSE 100	8,376.63	+0.71%	+8.32%
ISEQ	9,779.08	+2.22%	+11.63%

Interest Rate	Current Rate	Direction	Rate Change
FED	5.50%	—	0
ECB	4.25%	—	0
BOE	5.00%	—	0

Fixed Income	Yield	Weekly Change	YTD Change
US 10YR	3.909	+3.00%	+1.11%
US 2YR	3.919	+0.26%	-7.79%
German 10YR	2.2900	+2.92%	+12.92%
UK 10YR	4.0160	+2.61%	+13.48%
Irish 10YR	3.143	+19.28%	+31.84%

FX	Value	Weekly Change	YTD Change
EUR/USD	1.1047	-1.24%	+0.03%
EUR/GBP	0.8411	-0.54%	-3.03%
GBP/USD	1.3126	-0.64%	+3.17%

## Equities

**In the US**, equity indices retreated last Monday, as markets prepared for a busy week of earnings and economic data. On the earnings front, NVIDIA would announce Q2 results, while in economics initial jobless claims and Core PCE prices would be released. The S&P 500 fell 0.32% while the NASDAQ fell 0.85%. Equity markets rose slightly on Tuesday, with gains coming from the technology, financial and real estate sectors. Eli Lilly announced that their weight loss drug Zepbound would be sold at a much cheaper price for individual patients than other competitors. On Wednesday, US equities retreated, with the S&P 500 down 0.6% and the NASDAQ falling by 1.12%. NVIDIA released their Q2 earnings after the bell on Wednesday evening. The firm once again smashed earnings forecasts, with revenues for Q2 of \$30bn. However shares fell in after hours trading as investors felt the earnings didn't live up to the hype. Losses were reversed on Thursday, with the S&P 500 up 0.4% and the NASDAQ up 0.7%, as initial jobless claims were lower than expected, and the sell off in NVIDIA slowed, with the firm down just 2% on the day. For the week, the S&P 500 closed 0.03% higher while the NASDAQ closed -1.48% due to a pullback in NVIDIA shares.

**In Europe & the UK**, markets in Europe were muted on Monday, with the Eurostoxx50 and STOXX600 falling 0.25% and 0.02% respectively. Investors continued to speculate on the level of interest rate cuts in the US, and the impact they would have on European markets. Meanwhile the UK had a Bank Holiday last Monday. European markets once again edged higher on Tuesday, with the Eurostoxx50 rising just above the flatline, while the STOXX600 rose by 0.2%. In economics, the German economy saw consumer sentiment fall to its lowest level since May, due to increased fears around job security and a weakening economy. In the UK, the FTSE 100 rose by 0.2%, with Bunzl shares hitting a new record high, after rising by almost 9% due to upgraded profits forecasts for 2024. European equities rose slightly on Wednesday, boosted by a rise in mega cap ASML, which rose by 0.7% on account of the impending NVIDIA earnings release. Meanwhile the FTSE 100 stalled on Wednesday, also impacted by the NVIDIA earnings which were released at 9:30pm GMT. EU markets gained on Thursday, due to the favourable German and Spanish inflation data. ASML gained over 2% thanks to the NVIDIA earnings, while in the UK Bunzl shares continued to rise after their positive earnings report. For the week, European and UK equities were positive, up between 0.71% and 1.31%.

## Bonds

Global bond yields rose last week, with the US 10yr yield rising to over 3.9% after touching annual lows only a few weeks previous. The increase came as US GDP was revised higher for Q2 2024 to 3%, above estimates of 2.8%, while initial jobless claims fell slightly. Both will give the Fed a more rounded view of the economy as a rate cut cycle draws closer. In the UK, the 10yr Gilt rose to 4.01% in a shortened week, as cautious comments from BoE chair Andrew Bailey tempered rate cut hopes.

## Commodities

Crude oil prices closed lower last week. Prices did rise as the revised US GDP data showed that the US economy grew by more than expected in Q2, suggesting there was little sign of a slowdown through the first six months of the year. However OPEC+ is expected to begin a supply hike in October, pushing prices lower on Friday. Brent crude closed at \$76.93, while WTI closed at \$73.55. In Metals, Gold prices remained above \$2,500 an ounce in anticipation of a rate cut by the Fed in September.

## Key Events

- 06/09/2024 - US Non Farm Payrolls
- 06/09/2024 - US Unemployment Rate



**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 Monday the Climate Change Bond 2, which was available exclusively to clients of Seaspray Private and Seaspray Financial delivered a gross return of 30.00% over 2.5 years. For further information click on the following link:**

<https://seasprayprivate.ie/sips/climate-change-bond-2/>

**Climate Change  
Bond 2**

