

Weekly Market Review

Financial Headlines

United States

Donald Trump is the new President of the United States, with one of the tightest races in US history turning out to be a routine affair in the end. Trump and his Republican Party (GOP) won the crucial battleground states of Georgia and North Carolina early on Tuesday night, before winning the pivotal state of Pennsylvania. This state had been seen as the key to either a Democratic or Republican victory, with both candidates campaigning heavily there. The Republicans also regained control of the Senate, which they lost in 2020, and maintained their control of the House of Representatives, meaning all three levers of power in the country are now in GOP hands. Elsewhere, with most focused on political affairs, the Federal Reserve cut interest rates by 25bps, leaving the US rate at 4.75%.

Europe & UK

In Europe, final October manufacturing and services PMI's were released for the Euro Area last week. While the flash estimates released two weeks ago showed a slight fall in services activity, the final figure showed an increase from 51.4 in September to 51.6 in October. Manufacturing PMI's were also revised higher to 46, however this still means as a whole, manufacturing activity is in contractionary territory within the Bloc.

In the UK, the Bank of England (BoE) cut interest rates for the second time this year, with a further 25bps cut bringing the base rate down to 4.75%. The decision comes as the UK's rate of inflation continues to stay below 2%, having been nearly 10% in January 2023. The BoE is now focused on services inflation which has remained sticky in the wake of a wider slowdown in inflation.

Ireland

New research from renewable energy company Statkraft has found that over half of Irish businesses who took part in their recent survey use electricity from renewable sources. While 80% of the respondents in the survey stated they would be willing to relocate their operations near a renewable energy power source or energy park. A further 60% also disclosed that they are currently planning on installing solar panels. Elsewhere, Taoiseach Simon Harris announced that a General Election will take place on November 29th, with Parliament dissolved last Friday.

Asia-Pacific

China recorded its largest trade surplus since June of this year, with a surplus of \$95.27bn in October. This data comes in the same week as the US Presidential election, where the victor, Donald Trump has repeatedly made tariffs against China one of his key aims upon taking office. Looking at the export data, sales increased by 12.7% compared to the same period in 2023, and well ahead of sales forecasts of 5%. One of the reasons for this dramatic increase in sales came from manufacturers in China fulfilling orders early to maximise revenues before the election took place and in the event of a Trump victory. China also has a trade surplus with the United States, which widened to \$33.50bn in October, and for the first ten months of 2024 the trade surplus with the US stood at \$785bn.

Market Movers

Equity Indices	Value	Weekly Change	YTD Change
S&P 500	5,995.54	+4.68%	+25.70%
NASDAQ	19,286.78	+5.90%	+28.48%
EuroStoxx50	4,802.76	-1.51%	+6.22%
EuroStoxx600	506.63	-0.84%	+5.77%
FTSE 100	8,072.39	-1.73%	+4.39%
ISEQ	9,800.54	+0.16%	+11.87%

Interest Rate	Current Rate	Direction	Rate Change
FED	4.75%	↓	-0.25
ECB	3.65%	—	0
BOE	4.75%	↓	-0.25

Fixed Income	Yield	Weekly Change	YTD Change
US 10YR	4.305	-1.82%	+11.36%
US 2YR	4.250	+0.96%	0.00%
German 10YR	2.3640	-1.64%	+16.57%
UK 10YR	4.4315	-0.25%	+25.22%
Irish 10YR	2.638	-3.05%	+10.65%

FX	Value	Weekly Change	YTD Change
EUR/USD	1.0718	-1.45%	-2.95%
EUR/GBP	0.8292	-1.05%	-4.40%
GBP/USD	1.2921	-0.46%	+1.56%

Equities

In the US, equity markets closed lower to start an historic week last Monday, with the S&P 500 down 0.28% and the NASDAQ down 0.33%. In corporates, Palantir Technologies shares rose 13% due to strong earnings results. Tuesday was Election day in the US, and markets were cautiously optimistic, so much so that the S&P 500 and NASDAQ gained 1.2% and 1.3% respectively. Semiconductor firms rose the most, with NVIDIA and Intel up nearly 3% due to positive earnings from Astera Labs, an AI data centre firm. After Donald Trump's victory on Tuesday night, stock markets rallied to all time highs on Wednesday, with the S&P 500 up 2.6% and the NASDAQ up 3%. Investors hoped that less regulation and more pro business measures will be high on the list for the incoming President, driving markets higher. Financials increased the most, with JP Morgan and Wells Fargo up over 10% each. The rally continued on Thursday, with the S&P 500 and NASDAQ hitting new record highs. Markets also reacted positively to the Fed rate cut, with Jerome Powell stating labour market conditions were easing, with inflation continuing to decline even if it remains somewhat elevated above 2%. For the week, the S&P 500 and NASDAQ closed 4.68% and 5.90% higher respectively.

In Europe, on Monday caution abounded as investors braced for a volatile week of trading. The Eurostoxx50 fell 0.6%, while the STOXX600 fell by 0.3%, with technology stocks leading the decline. In the UK, the FTSE 100 rose slightly, by just 0.1%, with markets there anticipating not just the US election but the Bank of England rate decision. European markets were higher on Tuesday, with the Eurostoxx50 up 0.5% and the STOXX600 up 0.1%, with markets awaiting the outcome of the US election. In the UK, the FTSE 100 was flat on Tuesday, ahead of both the election result and a Bank of England rate decision on Thursday. European markets were initially higher on Wednesday after Trump's win, however reversed their gains towards the end of the session. The Eurostoxx50 closed 1.5% lower while the STOXX600 fell 0.5%, as markets in Europe were apprehensive about possible trade tariffs, which have been core to the Trump campaign. The FTSE 100 closed above the flatline, with more optimism in the UK after the election result. European markets rose on Thursday, while the FTSE 100 fell 0.3% after the rate cut, due to projected higher inflation after the recent Budget. For the week, European and UK markets closed lower, down between -0.84% and -1.73% overall.

Bonds

Global bond yields fell last week, with the US 10yr yield hitting a four month high on the back of the US election result. Donald Trump's policies, particularly around lowering taxes and implementing tariffs, could potentially accelerate the US rate of inflation which in turn could slow the Federal Reserve rate cut cycle. However, the Federal Reserve rate cut on Thursday brought yields lower. In the UK, the 10yr Gilt yield tracked the declines in the US, and was impacted by the Bank of England rate cut.

Commodities

Crude oil prices rose slightly last week, with markets assessing how a Trump Presidency will impact oil prices. Potential tariffs with China could slow growth, while increasing crude oil production in the US could lower prices. However, potential US sanctions on oil producers such as Venezuela boosted prices. Brent closed at \$73.87, while WTI closed at \$70.38. In metals, Gold prices stood at \$2,684 after the Fed cut interest rates and stated inflation remained elevated.

Key Events

- 13/11/2024 - US Inflation Data
- 14/11/2024 - UK GDP Data
- 11/11/2024 - COP29



Data Insight of the Week

Seaspray Private is delighted to present the next video in our new series of Data Insights. This particular insight focuses on the potential impact of interest rate cuts on US equity markets. To view this financial insight, please click the link below.

<https://www.youtube.com/watch?v=Ti-Rqrf9kzw>



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