

## Weekly Market Review

### Financial Headlines

#### United States

President Elect Donald Trump has begun making key cabinet appointments, after his emphatic win in the recent US election. While the appointments of Elon Musk and Robert Kennedy jnr have been well documented, last week Trump also made appointments to the Commerce department, with Howard Lutnick charged with running the department that could enact the sweeping tariffs which were integral to the Trump campaign. Lutnick is a billionaire in his own right, the head of Cantor Fitzgerald and will lead a department of 50,000 people with a budget of \$11bn. Trump has also shortlisted Marc Rowan, a private equity billionaire, as the top contender to run the Treasury department. Rowan is the CEO of Apollo Global Management, which holds upwards of \$700bn in assets under management.

#### Europe & UK

**In Europe**, wages across the Eurozone have risen at their fastest rate since 1993 in the three months to September, rising by 5.4%. The increase could impact upon the pace of future ECB rate cuts in 2025.

**In the UK**, inflation data was released for October. The annual rate of inflation rose to 2.3%, the highest rate recorded in six months, significantly higher than the 1.7% rate recorded in September. The October rate also exceeded market expectations and the expectations of the Bank of England of 2.2%. In terms of drivers of inflation, prices rose the most in the housing and household services, increasing by 5.5% compared to 3.3% in September. Energy prices also fell less in October compared to September, due to the recent increase in the Ofgem energy price cap.

#### Ireland

October saw a record level of wind generation recorded in Ireland, with 35% of the country's total electricity being provided by wind energy. The figure also means that so far in 2023, a third of Ireland's total electricity usage has been supplied by wind energy. In terms of production by county, the south and west continue to lead the way, with Kerry, Cork and Mayo producing a quarter of Ireland's wind energy in October. Ireland also achieved its highest ever ranking for climate performance, rising 14 places and ranking 29 out of 63 countries covered in a new report from the Cop29.

#### Asia-Pacific

Chinese companies may have to share Intellectual Properties (IP's) and establish factories in Europe if they wish to avail of subsidies worth €1bn to develop batteries in the EU. The proposed criteria would mirror the same type of criteria used in China currently, in which foreign companies can be obligated to share IP's in exchange for accessing the Chinese market. The plans follow recent tariffs implemented by the European Commission on Chinese EV's, and with the recent election of Donald Trump in the US, pressure will mount on the EU to impose more wide ranging tariffs. Elsewhere, the Japanese rate of inflation for October was released last week. The annual rate fell to 2.3%, slowing by 0.2% compared to the September figure of 2.5%. This lower rate was due to a much slower increase in electricity prices of 4%.

### Market Movers

Equity Indices	Value	Weekly Change	YTD Change
S&P 500	5,969.34	+1.62%	+25.15%
NASDAQ	19,003.65	+1.42%	+26.60%
EuroStoxx50	4,789.08	-0.13%	+5.92%
EuroStoxx600	508.47	+1.13%	+6.15%
FTSE 100	8,262.08	+2.38%	+6.84%
ISEQ	9,613.97	-1.00%	+9.74%

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

Fixed Income	Yield	Weekly Change	YTD Change
US 10YR	4.411	-0.75%	+14.10%
US 2YR	4.380	+1.71%	+3.06%
German 10YR	2.2520	-4.11%	+11.05%
UK 10YR	4.3845	-1.91%	+23.89%
Irish 10YR	2.568	-3.11%	+7.72%

FX	Value	Weekly Change	YTD Change
EUR/USD	1.0417	-1.08%	-5.68%
EUR/GBP	0.8311	-0.38%	-4.18%
GBP/USD	1.2617	-0.64%	-1.51%

## Equities

**In the US**, equity markets rose last Monday, having endured a bruising previous week. The S&P 500 and NASDAQ rose by 0.39% and 0.60% respectively, as markets assessed the interest rate cut outlook and President elect Trump's cabinet appointments. NVIDIA earnings were also high on the agenda last week, with the chip maker releasing earnings on Wednesday. Markets continued to rise on Tuesday, with the NVIDIA earnings in the spotlight. The S&P 500 rose 0.4% while the NASDAQ rose over 1%, as shares in NVIDIA gained over 5% on the day. Markets also looked past the increase in tensions between Russia and US, which saw Ukraine use US-made ATACMS missiles for the first time. US markets were mostly flat on Wednesday in anticipation of the NVIDIA earnings, which were released after the closing bell on Wednesday evening. The AI firm once again beat earnings expectations, with \$35bn in revenues for Q3, a 94% year over year increase. However, despite the exceptional earnings the company's stock price fell in after hours trading, as Q4 sales guidance failed to impress investors. US equities rose slightly on Thursday, digesting NVIDIA's earnings and geopolitical affairs. For the week, the S&P 500 and NASDAQ closed higher, up 1.62% and 1.42% respectively.

**In Europe**, Monday saw equity markets fall, with upcoming economic data sets unnerving investors in the region. Confirmed inflation data this coming week for the Euro Area and PMI figures would provide investors and Central Bankers an insight into the bloc's economic stability. The Eurostoxx50 fell by 0.2% while the STOXX600 fell by 0.1%. In the UK, the FTSE 100 rose by 0.6%, bucking the trends seen across Europe, with mining and energy majors leading the gains. On Tuesday, declines in Europe would continue, with the Eurostoxx50 tumbling nearly 1% while the broader STOXX600 fell 0.4%. The increased tensions between Russia and the US reverberated through markets, while EU based earnings failed to impress. Meanwhile in the UK, the FTSE 100 closed just 0.2% lower, as the geopolitical tensions between east and west impacted upon markets there also. Markets in Europe and the UK retreated on Wednesday, with geopolitical tensions pulling markets lower, while in the UK the higher inflation data dampened hopes around a swift rate cut cycle. European and UK equities rebounded on Thursday, helped by AI stocks such as ASML, which benefitted from NVIDIA's strong earnings. For the week, markets were mixed, with the Eurostoxx50 down -0.13% while the STOXX600 and FTSE 100 finished 1.13% and 2.38% higher respectively.

## Bonds

Global bond yields retreated last week, with the US 10yr falling slightly to 4.41%, despite expectations that inflation will remain elevated in 2025 due to the potential policy decisions of incoming President Donald Trump. However, manufacturing PMI's rose to their highest level since 2022, which will impact upon the Federal Reserve's rate cut decision in December. In the UK, the 10yr Gilt fell to 4.38% after poor retail sales and PMI data releases which will be pivotal to the Bank of England's next rate decision.

## Commodities

Crude oil prices rose last week, due to increased geopolitical tensions in the Russian war on Ukraine and in the Middle East. Russia's upgraded nuclear doctrine and Ukraine's use of US and UK armaments significantly increased tensions in the region, as did the US veto on a UN resolution for a ceasefire in Gaza. Brent crude closed at \$75.17, while WTI closed at \$71.18. In metals, Gold prices rose to \$2,715 as investors sought safety amid the increased uncertainty in geopolitical affairs.

## Key Events

- 27/11/2024 - US GDP Growth Rate
- 29/11/2024 - EU Inflation Rates



## Data Insight of the Week

Seaspray Private is delighted to announce the latest release in our Financial Insights Series – Opportunities in Global Equity Valuations, which looks at the value of US equities compared to both European and UK equivalents. This insight is available now to watch and listen to from our website, Spotify, iTunes and YouTube, which you can view by clicking the link below.

<https://www.youtube.com/watch?v=3FCXeVMfIHE>



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