

Weekly Market Review

Financial Headlines

United States

Outgoing President Joe Biden last week put forward a proposal that would see weight loss drugs such as Novo Nordisk's Wegovy and Eli Lilly's Zepbound made available at a reduced price to Americans who are covered by Medicare and Medicaid insurance programs. Both these insurance programs are backed by the US state, with the expansion of coverage likely to cost billions of dollars but could enable over 7 million additional people to access these drugs at reduced prices. Elsewhere, the US' first ever round the clock stock exchange has been given approval by US regulators. The 24X National Exchange will initially open with regular trading hours before opening nightly sessions between Sunday and Thursday. This would be the first exchange to offer equity trading out of normal hours.

Europe & UK

In Europe, Ursula von der Leyen's new Commission received final approval from MEPs last week, with over half of the incoming commissioners being from centre right parties within the EU's parliament. Von der Leyen will be charged with leading the EU through what could be a challenging five years, with tariffs from US President elect Trump expected to weaken the EU's economy, at the same time as the bloc and China continue their ongoing disputes over areas such as renewables and electric vehicles.

In the UK, the Labour Government gained approval last week to begin public takeovers of British rail companies, ending the age of privatisation which began back in 1994. This means that all Train Operating Companies will be taken into public ownership under a new public body, Great British Railways as their contracts expire.

Ireland

There was no clear winner in the preliminary results from last Friday's General Election. Sinn Féin led by just 0.1% after the exit poll was released last Friday night, with Fine Gael on 21% and Fianna Fáil slightly behind on 19.5%. However, over the weekend it became clear that Fianna Fáil will actually be the largest party, and combined with Fine Gael their numbers are estimated to be over 80, close to the coveted 88 which would secure a majority Government. However it is likely that the two parties will require assistance from Independents or another smaller party.

Asia-Pacific

Huawei, the Chinese technology firm most famous for its smartphones, is close to launching its first ever smartphone that has been built on the company's own operating system and using its own apps. The HarmonyOS Next system, which will run the new Mate 70 smartphone, will lower reliance on existing operating systems, namely Apple's iOS and Google's Android, which Huawei have used previously. The decision to turn to their own internal OS also highlights the rift which has emerged between Chinese and US tech firms, and how Huawei has used the US sanctions surrounding semiconductors to its own advantage. Elsewhere, a recent survey from the Centre for Research on Energy and Clean Air found that most experts believe China's emissions have peaked already or will peak in 2025.

Market Movers

Equity Indices	Value	Weekly Change	YTD Change
S&P 500	6,032.38	+1.12%	+26.47%
NASDAQ	19,218.17	+1.42%	+28.02%
EuroStoxx50	4,804.40	-0.45%	+6.26%
EuroStoxx600	510.25	-0.19%	+6.53%
FTSE 100	8,287.30	-0.14%	+7.16%
ISEQ	9,608.75	-0.90%	+9.68%

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	4.177	-5.30%	+8.04%
US 2YR	4.160	-5.03%	-2.12%
German 10YR	2.0870	-7.33%	+2.91%
UK 10YR	4.2440	-3.20%	+19.92%
Irish 10YR	2.395	-6.19%	+0.46%

FX	Value	Weekly Change	YTD Change
EUR/USD	1.0575	+1.02%	-4.25%
EUR/GBP	0.8301	+0.37%	-4.30%
GBP/USD	1.2737	+1.17%	+0.11%

Equities

In the US, equity markets rose last Monday, helped by President elect Donald Trump's nomination of Scott Bessent as Treasury Secretary. Bessent was a former partner of Soros Fund Management, and is also a billionaire in his own right. Markets cheered the news as more pro business and market friendly policies may be expected with Bessent's appointment. The S&P 500 and NASDAQ both rose by 0.3%. Markets rose once again on Tuesday to record highs, despite Donald Trump's assertion of tariffs for China, Mexico and Canada and cautious Federal Reserve minutes. The S&P 500 rose 0.57% while the NASDAQ rose by 0.63%. The Fed struck a cautious tone in their latest minutes, driven by underlying concerns about the economy. However, officials also conveyed optimism around the pace of inflation which should bode well for further rate cuts. US markets turned negative on Wednesday, with the S&P 500 and NASDAQ both closing lower. Tech stocks such as NVIDIA and Microsoft pulled the wider market lower, as investors reacted to economic data set releases. Core PCE inflation rose by 0.2% month over month, in line with estimates, while durable goods orders rose by 0.2% in October, below forecasts of 0.5%. US GDP for Q3 was also confirmed at 2.8%. US markets were closed on Thursday on account of the Thanksgiving holiday. For the week, the S&P 500 and NASDAQ both closed higher, up +1.12% and +1.42% respectively.

In Europe, markets performed well on Monday, reacting to the Bessent nomination in the US. The Eurostoxx50 rose by 0.3%, while the STOXX600 rose marginally above the flatline. In corporates, luxury goods companies LVMH and Kering led the market higher, up 1.6% and 5% respectively. In the UK, the FTSE 100 rose to its highest level in a month, tracking the US and European gains due to the Bessent news. European equities closed lower on Tuesday, hampered by Donald Trump's threat of tariffs on China, Mexico and Canada, and the overall impact a Trump presidency could have on Europe. The Eurostoxx50 fell 0.8% while the STOXX600 fell by 0.5%. The UK's FTSE100 tracked the losses seen in Europe, also reacting to the tariff threats. EU Equities continued to fall on Wednesday, as tariffs dominated sentiment in the region. There was also reaction to the French political situation, with the Government in stasis over its 2025 Budget. In the UK, the FTSE 100 rose 0.2%, as UK bond yields fell to their lowest level since late October. Both European and UK equities rose on Thursday, with the US markets closed for the Thanksgiving holiday. For the week, European and UK equities closed lower, down between -0.14% and -0.45%.

Bonds

Global bond yields fell last week, with the US 10yr yield falling to 4.17% and a one month low. The fall in yields was due to economic data sets, presenting a mixed picture. PCE inflation data rose by 0.2% in October, which was in line with estimates, while initial jobless claims stood at 213k, lower than the 216k estimated. In the UK, the 10yr Gilt fell to 4.24%, as data sets such as retail sales and manufacturing were weaker than expected, reinforcing the expectation of further cuts from the BoE.

Commodities

Crude oil prices retreated last week, as the ceasefire between Israel and Hezbollah raised hopes that a wider ceasefire between Hamas and Israel can be achieved. The ceasefire has lowered anxiety around possible supply disruptions in Iran, who back Hezbollah. Brent crude closed at \$72.38, while WTI closed at \$68.63. In metals, Gold prices fell last week to \$2,657, as US economic data showed a resilient economy, while the Fed's latest minutes indicated cautious optimism on rate cuts in 2025.

Key Events

- 04/12/2024 - EU PMI's
- 06/12/2024 - US Non Farm Payrolls



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 Transatlantic Water Bond, which was available exclusively to clients of Seaspray Private delivered a gross return of 16.56% over 1.5 years. For further information click on the following link:

<https://seasprayprivate.ie/sips/transatlantic-water-bond-16-56-gross-return-for-our-clients-over-1-5-years-equating-to-11-04-per-annum/>

**Transatlantic Water
Bond**