



Weekly Market Review

Financial Headlines

United States

In the US last week, revised Gross Domestic Product (GDP) data was released. The US economy grew by a rate of 3.4% in Q4 2023, up from the previously reported 3.2%. This 0.2% increase in growth was attributed to increased consumer spending, which was revised higher to 3.3%, and non residential investment was revised to 3.7%, up from 3.4%. For 2024, the US economy as a whole is expected to grow by 2.1%, up from the previous growth estimate of 1.4%. The other major news in the US last week was the collapse of the Francis Scott Key bridge in Baltimore, Maryland. The Port of Baltimore, now cut off due to the collapse, handled \$80bn worth of goods in 2023 and is the main entry point for imported cars into the US, with more than 847,000 cars and light trucks handled by the port in 2023.

Europe & UK

In Europe, the European Commission last week stated it would be launching official probes into Apple, Alphabet, the parent company of Google, and Meta, utilising the new Digital Markets Act. This Act was passed earlier in March and is the first of its kind, and will be used to reign in the power and dominance of Big Tech firms, also known as "digital gatekeepers". If found in breach of the Act, firms could face fines totaling up to 10% of their total global turnover.

In the UK, the British Broadcasting Corporation (BBC) announced plans to create its very own Artificial Intelligence (AI) model that could be used to help journalists write and research articles. The broadcaster is currently in talks with major tech firms over the sale of the BBC's archives, which could be used to develop the large language AI model.

Ireland

There was a record level of mortgage approvals for first time buyers in February, growing by 14.7% in volume terms and 19.8% in value terms. In total, 3,582 mortgages were approved in February 2024, and first time buyers made up 60.6% of this total. In monetary terms, over €1bn in first time buyer mortgages were approved in February alone, bringing the annualised total to €8.97bn, which is the highest total since records began in 2011. That demand shows no sign of stalling, with over 12,000 Help to Buy applications being submitted in the first two months of 2024 alone.

Asia-Pacific

The growth in the Chinese Electric Vehicle (EV) industry shows no signs of slowing down, as it is anticipated that around 25.3% of EV vehicles sold in the European Union in 2024 will be built either by Chinese companies or other car manufacturers in their Chinese factories. In terms of domestic manufacturers, BYD remains the dominant force, with sales of their EVs expected to account for 8% of the total European EV market. The sharp rise in Chinese imported cars, which could undercut cars made in Europe by existing manufacturers in terms of price, has prompted the EU to look at potential tariffs. It is estimated that a 25% tariff on Chinese EVs could raise €6bn a year for the European Commission.

Market Movers

Equity Indices	Value	Weekly Change	YTD Change
S&P 500	5,254.35	+0.39%	+10.16%
NASDAQ	16,380.36	-0.30%	+9.11%
EuroStoxx 50	5,085.41	+1.13%	+12.47%
EuroStoxx 600	512.92	+0.86%	+7.08%
FTSE 100	7,952.62	+0.88%	+2.84%
ISEQ	9,957.27	+0.74%	+13.66%

Interest Rate	Current Rate	Direction	Rate Change
FED	5.50%	—	0
ECB	4.50%	—	0
BOE	5.25%	—	0

Fixed Income	Yield	Weekly Change	YTD Change
US 10YR	4.210	+0.19%	+8.90%
US 2YR	4.628	+0.71%	+8.90%
German 10YR	2.2925	-1.23%	+13.04%
UK 10YR	3.9800	+0.30%	+12.46%
Irish 10YR	2.737	-0.40%	+14.81%

FX	Value	Weekly Change	YTD Change
EUR/USD	1.0773	-0.34%	-2.45%
EUR/GBP	0.8534	-0.50%	-1.60%
GBP/USD	1.2620	+0.18%	-0.81%

Equities

In the US, equity markets started last week with a negative session. The S&P 500 fell by 0.31%, while the NASDAQ fell by 0.27%. Both indices were impacted by poor performances in industrial and technology stocks. Intel and Microsoft both fell by 1%, with Intel retreating after news broke that China plans to phase out US microchips from its government computers. Indices would stay in negative territory on Tuesday, with the S&P 500 losing 0.3% and the NASDAQ losing 0.4%. Wednesday would see indices rebound after a poor start to the week. The S&P 500 gained 0.8%, outperforming the tech heavy NASDAQ, which gained 0.4% but was held back by a poor trading day from NVIDIA, whose shares fell 2.5%. Thursday would see a raft of data releases, with revised 2023 Q4 GDP coming in higher than previous at 3.4%, while consumer sentiment for March was also revised higher and hit its highest level since July 2021. For the week overall, as equity markets were closed on Friday, the S&P 500 gained 0.39%, while the NASDAQ fell 0.30% due to poor performances from mega cap tech stocks.

In Europe, equity markets had mixed performances on Monday. The Eurostoxx 50 added 0.26%, while the broader STOXX 600 edged down by just 0.03%. BMW shares rose over 2% on Monday, leading the European market. In the UK, the FTSE 100 underperformed on Monday, losing 0.11%. European equities would see gains across the board on Tuesday, with the Eurostoxx 50 and STOXX 600 increasing 0.6% and 0.2% respectively. In the UK, the FTSE 100 reached its highest level in over a year, aided by the more dovish sentiment now emanating from the Bank of England. Wednesday would see the Eurostoxx 50 hit a new 23 year high, while the STOXX 600 also reached a new record high. The UK's FTSE 100 however finished the day flat, having experienced its best rally in almost a year. Thursday saw slight gains for EU indices, with the Eurostoxx 50 adding 0.3% and the STOXX 600 adding 0.1%. The FTSE 100 hit its highest level since February 2023, aided by gains from mining and energy stocks. For the week overall, the Eurostoxx 50, STOXX 600 and FTSE 100 all finished in positive territory, between 0.86% and 1.13%.

Bonds

Global bond yields saw mixed returns in a shortened week due to a holiday on Good Friday, having retreated the week previous due to dovish sentiment from Central Banks regarding interest rate cuts. In the US, the 10 Year Yield remained around the 4.21% level, as bond markets digested comments from Federal Reserve officials. President of the Atlanta Federal Reserve Raphael Bostic stated he expected just one rate cut in 2024, well below the Fed's consensus of three rate cuts. In the UK, the 10 Year Gilt increased to 3.98% last week, as investors continued to assess the Bank of England's outlook on interest rate cuts.

Commodities

In Commodities, crude oil prices continued to increase last week, thanks to the U.S. Energy Information Administration (EIA) report which indicated a smaller than expected weekly increase in crude oil inventories. The EIA stated inventories rose by 3.165mn barrels, far lower than the American Petroleum Institutes reported increase of 9.337mn barrels. Brent Crude closed at a price of \$86.97, while WTI closed at \$83.12. In metals, Gold prices increased to new all time highs last week, surpassing \$2,232, fueled by a concoction of expected interest rate cuts and continued geopolitical tensions.

Key Events

- 02/04/2024 - German Inflation Rate (YoY)
- 03/04/2024 - EU Inflation Rate (YoY)
- 05/04/2024 - US Non Farm Payrolls



Data Insight of the Week



Seaspray Financial is delighted to present the next video in our new Data Insights series. This particular insight focuses on the projected growth of the semiconductor industry, and the sectors that will benefit most from this. You can watch this video and find more information on our data insights by clicking the link below, or by visiting our LinkedIn page.

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