

Weekly market review

16th October 2024.

A look back at the previous week's markets.

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A look back at the markets...

- **Nasdaq Leads, FTSE Lags**
- **Google Breakup on the Table**
- **UK Inflation Eases Sharply**
- **ECB Rate Cut Looms**

Market Recap.

The Nasdaq 100 ETF (+1.45%) led markets for the week, followed closely by the Dow Jones Industrial Average ETF (+1.43%). The S&P 500 ETF (+1.38%) was comfortable in third place whilst the FTSE 100 ETF (-0.51%) lagged behind as it consolidates for the year.

News.

The US Justice Department is weighing a historic breakup of Google. The department told a federal judge it's considering recommending that Google be forced to sell off parts of its operations to alleviate the harm caused by its monopolisation of the online search market. The effort is the most significant move to rein in a major tech company over illegal monopolisation since Washington unsuccessfully sought to break up Microsoft two decades ago.

Inflation.

British inflation slowed sharply last month and key price gauges watched by the Bank of England also fell, bolstering bets on a November interest rate cut and helping finance minister Rachel Reeves before her first budget.

Annual consumer price inflation eased to 1.70% in September from 2.20% in August, the lowest reading since April 2021 and driven down by lower airfares and petrol prices, the Office for National Statistics said.

Central Banks.

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Commodities.

The price of oil lagged for the week, at \$75 per barrel on Friday. Oil is torn between concerns about China's economic outlook and lingering geopolitical risks around the Middle East. Beijing held back on a major fresh stimulus after the nation's return from a week-long holiday, weighing on the prospect for demand from the world's top crude buyer. At the same time, traders remain nervous about an escalation of tensions in the Middle East.

Geopolitics.

China announced the implementation of temporary anti-dumping measures on European brandy imports to safeguard its domestic industry. The announcement follows recent EU tariffs implemented on Chinese electric vehicles. China's commerce ministry said preliminary findings of an investigation had determined that dumping of brandy from the EU threatens "substantial damage" to its own brandy sector.

ESG.

Spain's largest fashion companies, including Zara owner Inditex, H&M, Decathlon, Ikea, and Primark, will start collecting discarded clothes in April next year as part of a voluntary pilot scheme called Re-viste. This initiative aims to manage textile waste ahead of EU regulations set to take effect in 2026.

Re-viste will separate textiles and shoes from other waste collection, with dozens of containers set up across Spain in churches, stores, shopping centers, and streets. The goal is to reuse or recycle discarded clothing, which currently sees only 12% separated from landfill waste. During the year-long trial, companies will bear the cost of managing textile waste.

Week Ahead.

China's GDP figures, US retail sales, and an interest rate decision by the European Central Bank headline the coming week. The ECB is set to deliver another quarter-point rate cut on Thursday. LVMH and ASML - two of Europe's biggest companies - are due to report results in the coming week. In the US, results from big banks including Goldman Sachs and Bank of America, both reporting on Tuesday, could offer further insight into how consumers are faring.

Sources:

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Market recap Data sourced from FE FundInfo & Koyfin. ETFs quoted: iShares Core FTSE 100 UCITS ETF, iShares Core S&P 500 UCITS ETF, iShares Nasdaq 100 UCITS ETF (quoted in Pounds Sterling).
News Nathan Sweeney, Marlborough Group, 12/10/2024
Inflation Plunging UK inflation spurs rate cut bets, offers budget relief for Reeves, By Andy Bruce and William Schomberg, Reuters, 16/10/2024
Central Banks Cooling UK jobs market keeps Bank of England rate cut on track, By Andy Bruce and William Schomberg, Reuters, 15/10/2024
ESG Zara, H&M, Ikea and Primark to Launch Textile Waste Pilot Ahead of EU Regulations, by ESG News, 11/10/24
Geopolitics Nathan Sweeney, Marlborough Group, 12/10/2024
Commodities Nathan Sweeney, Marlborough Group, 12/10/2024
Week ahead Nathan Sweeney, Marlborough Group, 12/10/2024

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