



02 May – Market Update

- **US and Ukraine sign resources deal** that grants the US access to new investment projects to develop Ukraine’s natural resources including aluminium, graphite, oil and gas. This outcome also signals the US administration’s commitment to a free sovereign Ukraine.
- **The Bank of Japan** kept its key interest rate at 0.5% on 01.05.25 and indicated it expects Japanese inflation to be at its 2% target level by the second half of its outlook period (between late 2026 and early 2027). This triggered a fall in the value of the Yen and in 10-year Japanese bond yields* as bond prices rose.
- **Strong US tech earnings**, especially from Meta and Microsoft, continued to give US markets a much-needed boost yesterday.
- **China & US tariff talks** – markets were further lifted by a report that the US has been pro-actively reaching out to China to start tariff talks. On Friday morning (02.05.25), China’s commerce ministry said it is evaluating the possibility of talks, urging Washington to show sincerity toward China.

* Yield is the income a bond generates over a specific period, typically expressed as a percentage of the bond’s value.

Performance to 01.05.25 (in euros)

Asset class	1 day	Month to date	YTD
Global equities	+0.96%	+0.96%	-8.4%
US - S&P 500	+1.21%	+1.21%	-12.31%
US – Magnificent 7 ⁺	+3.38%	+3.38%	-20.38%
Europe – Stoxx 600	+0.03%	+0.03%	+5.44%
Japan – Topix	-0.85%	-0.85%	-3.14%
UK – FTSE 100	+0.11%	+0.11%	+2.52%
Global Bonds	-0.8%	-0.8%	+1.51%
Europe – Sovereigns	+0.01%	+0.01%	+0.63%
Europe – Corporates	+0.01%	+0.01%	+1.04%

Source: Bloomberg/Bank of Ireland Investment Markets 02.05.25. ⁺ Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA, and Tesla.

Key talking points

- Volatility as we have seen recently is part of the investing process and experience.
- Long-term investors will have made significant gains in the past couple of years and there are losses to be faced so far in 2025.
- In the long run, in general, funds are designed to manage through this uncertainty. Investment managers are working to de-risk, where it is appropriate, particularly in our risk managed range of funds.
- The role of bonds and cash is important in times like this. Bonds have made gains in recent days which will help offset equity losses somewhat.
- Markets can stage relief rallies, as we have seen occur at different points over the last few weeks, and why staying invested and waiting for potential recovery is advised where time and risk appetite allows.

Warning: Past performance is not a reliable guide to future performance.

For the most up to date fund performance information visit our new and improved



Table 1: 5 year historic performances

	2020	2021	2022	2023	2024
Global equities	6.7%	27.5%	-13.0%	18.1%	25.3%
US equities (S&P 500)	8.7%	38.2%	-13.0%	22.2%	33.6%
European equities (Stoxx 600)	-1.4%	25.8%	-9.9%	16.6%	9.6%
Emerging market equities	9.1%	4.9%	-14.9%	6.6%	15.4%
Global bonds	4.9%	-2.6%	-15.1%	4.5%	0.9%
US government bonds	8.3%	-2.0%	-12.5%	5.8%	0.3%
European government bonds	4.3%	-3.7%	-18.4%	7.2%	1.9%
Emerging market debt	-3.4%	6.4%	-9.8%	5.4%	15.1%
Broad commodities	-13.1%	37.0%	20.7%	-10.9%	7.0%
US corporate bonds	7.8%	-1.9%	-17.1%	5.8%	2.1%
European corporate bonds	2.4%	-1.2%	-14.0%	8.4%	4.6%
German government bond aggregate	3.0%	-2.7%	-17.8%	5.6%	0.6%
Magnificent 7**	102.2%	62.7%	-41.9%	100.4%	78.9%
Japanese equities (Topix)	3.3%	9.8%	-9.4%	15.5%	14.9%

Source: Bloomberg 08.04.25. All returns expressed in euros. **Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA, and Tesla.

Disclaimers

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

Warning: If you invest in these funds you may lose some or all of your investment.

Warning: These funds may be affected by changes in currency exchange rates.

While great care has been taken in its preparation, this document is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. If any conflict arises between this document and the policy conditions, the policy conditions will prevail. Bank of Ireland Investment Markets (BOIIM) believes any information contained in this document to be accurate, but BOIIM does not warrant its accuracy and accepts no responsibility whatsoever for any loss or damage caused by any act or omission made as a result of the information contained in this document. Any investment, trading or hedging decision of a party will be based on their own judgment and not upon any views expressed by BOIIM. You should obtain independent professional advice before making any investment decision.

Any expression of opinion reflects current opinions of Bank of Ireland Investment Markets as at March 2025. Any opinion expressed (including estimates and forecasts) may be subject to change without notice. This publication is based on information available as at April 2025. Not to be reproduced in whole or in part without prior permission.

Index providers do not sponsor, advise, recommend, endorse or promote any Bank of Ireland funds and has no liability whatsoever to any person arising out of their investment in these funds.

Bank of Ireland – The Governor and Company of the Bank of Ireland, incorporated by charter in Ireland with Limited Liability. Bank of Ireland is regulated by the Central Bank of Ireland. Bank of Ireland trading as Bank of Ireland Investment Markets is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group. Bank of Ireland also operates under other trading names that will be detailed in the terms and conditions that concern the relevant product or service.

Bank of Ireland is a member of the Bank of Ireland Group. Bank of Ireland is regulated by the Central Bank of Ireland. Registered Number C-1. Registered Office and Head Office: Bank of Ireland, 2 College Green, Dublin, D02 VR66.