Latest Market Update

02 May 2025

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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.

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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.

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