Trinity Student Managed Fund
Research Team

Bi-Weekly Markets Update

NOVEMBER 13TH, 2024

TRINITY SMF
STUDENT MANAGED FUND

Table of Contents

Disclaimer

The content presented in this publication is for informational purposes only and should not be considered as investment advice. The Trinity Student Managed Fund does not endorse, recommend, or provide any warranties regarding the accuracy, completeness, or reliability of the information provided herein. All opinions expressed in this publication are those of the respective authors and do not necessarily reflect the views of the Trinity Student Managed Fund.

Readers are strongly advised to conduct their own research and consult with qualified financial professionals before making any investment decisions. The Trinity Student Managed Fund disclaims any liability for any financial loss or damage arising from reliance on the information contained in this publication.

Past Weeks in Review

- BoE and Fed cut interest rates to 4.75%
- US added 12,000 jobs
- Germany CPI 0.4% (MoM)

The Next Two Weeks

- UK GDP data
- US services PMI
- US CPI data

EURO/USD Plunges to 7-Month Low

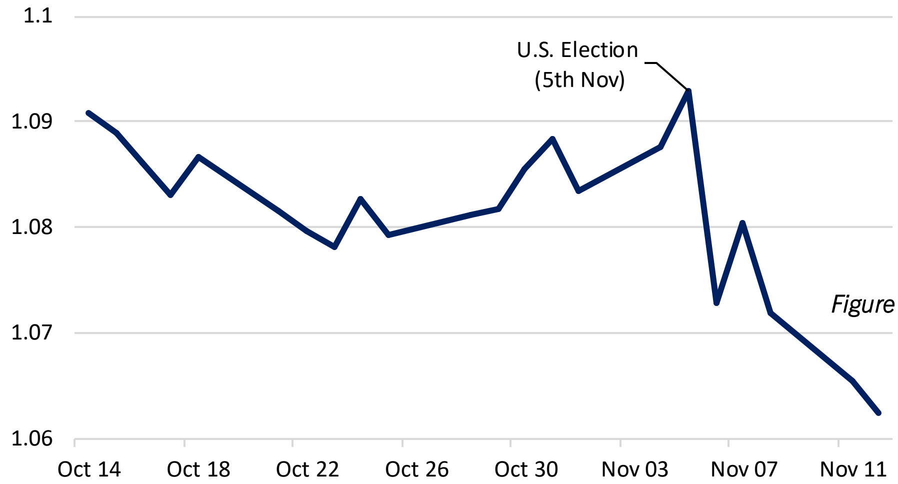
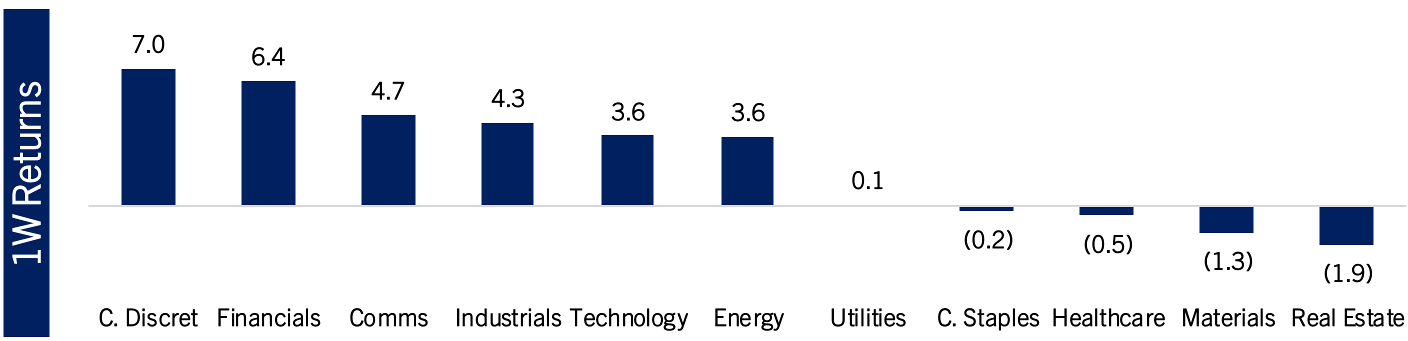
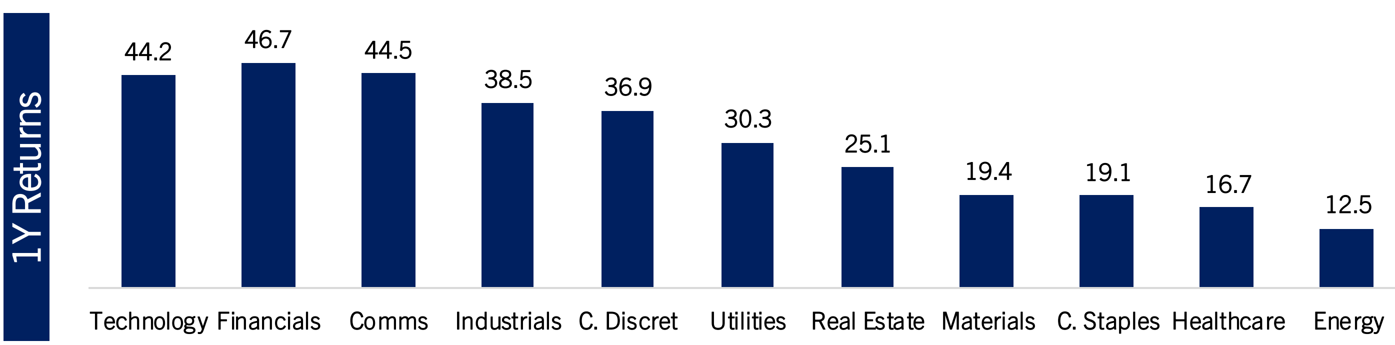


Figure 1:

Index Returns (%)						
Equities	Level	1 M	YTD	1 Year	3 Year	5 Year
MSCI	3795	1.1	19.8	30.7	17.7	67.2
S&P 500	5984	2.1	26.2	35.6	27.8	93.5
Dow Jones 30	43911	2.0	16.4	27.9	21.7	58.1
Russell 2000	2392	6.7	18.8	40.2	(0.4)	50.5
Russell 1000 Growth	4013	3.9	33.5	41.6	31.6	138.8
Russell 1000 Value	1917	1.1	17.2	29.7	16.6	47.1
NASDAQ	19281	4.2	30.6	40.1	21.6	127.3

Levels (%)						
Key Rates	13/11/24	31/10/24	31/08/24	31/05/24	29/02/24	31/10/23
2Y U.S. Treasuries	4.4	4.2	3.9	4.9	4.6	5.1
10Y U.S. Treasuries	4.3	4.3	3.9	4.6	4.3	4.9
30Y U.S. Treasuries	4.6	4.5	4.2	4.7	4.4	5.1
10Y German Bund	2.4	2.4	2.3	2.7	2.4	2.8
10Y Japanese Gov Bond	1	0.9	0.9	1.1	0.7	1
10Y U.K. Gilt	4.5	4.4	4	4.3	4.2	4.5
SOFR	4.6	4.9	5.3	5.3	5.3	5.4





How Did Markets React to a Trump Victory?

BOND MARKETS

Following Trump's election victory, investors immediately adapted to the new administration's potential economic policies. Trump's proposed tax cuts and heightened trade tariffs led to a strong sell-off in bonds, reflecting market expectations that these policies will likely be inflationary and negatively impact the Fed's progress towards achieving a 'soft landing'. (1)
As bond prices dropped, yields on the 30-year Treasury bond surged to 4.67%, marking a 0.16 percentage point increase in a single day—the largest move in two years. (2) Despite the sell-off, the U.S. Treasury attracted strong demand for $25 billion in new 30-year bonds, though at a higher interest cost than previously, adding over $1 billion to the Treasury's total interest obligations. (2) The outlook for bond prices remains uncertain as investors weigh the likelihood of increased U.S. borrowing costs in the future and await more clarity on the incoming president's policies. However, yields did not soar past 5%, indicating that some bondholders believed Trump's more extreme campaign promises on tariffs and taxes might not fully materialise. European bond markets reacted to concerns over slower economic growth within the region due to growing anxieties that Trump's proposed tariffs could harm European exporters, particularly if the U.S. were to impose a 10% tariff on all imports. Robert Dishner of Neuberger Berman suggested that such policies could further hinder Europe's already fragile growth, potentially pushing the ECB to diverge in policy from the Federal Reserve. (2) The divergence from the U.S.'s surge in bond yields, with German and UK yields initially falling, indicated the market's view of growth shifting geographically, with tariffs and fiscal policies redirecting economic momentum to the U.S. While European growth might slow, some economists believe it would likely be offset by ECB rate cuts, largely keeping severe recession fears at bay. (3)

Like European bonds, Turkish assets found themselves impacted by Trump's election, though in Turkey's case, the response was markedly positive. Turkey anticipates a favourable shift in U.S. trade policy under Trump, particularly through reduced tariffs on Turkish steel and textile exports. (4)

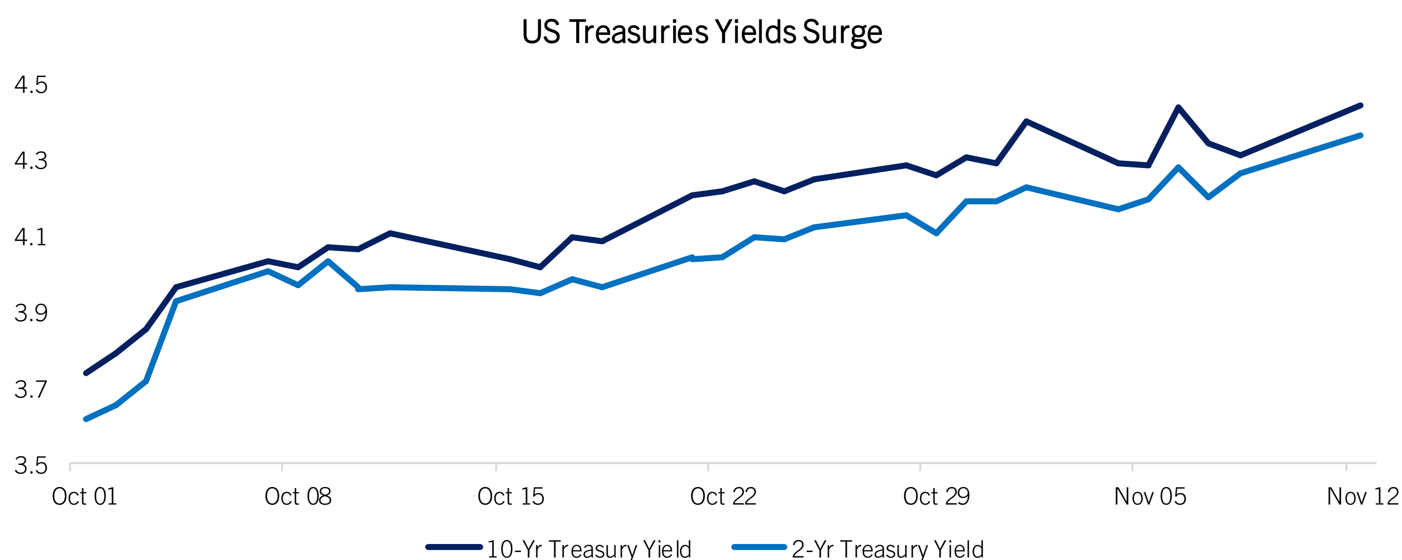


Figure 2:

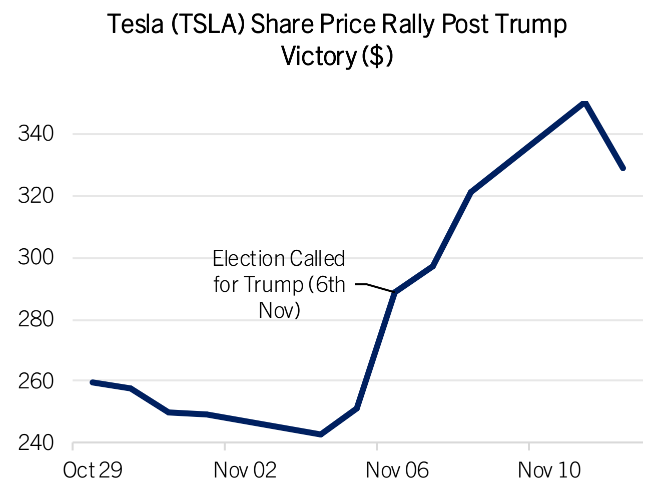
This optimism has bolstered Turkish assets, with the lira rallying up to 0.4% against the dollar, reaching its strongest point since mid-October. Turkish bonds joined the rally, with the yield on 10-year lira bonds dropping 13 basis points to 31%, while the benchmark stock index rose by as much as 3.2%. (5)

Analysts believe that Trump's trade and immigration policies may leave Turkey relatively unaffected compared to other emerging markets like Brazil, Mexico, and China, boosting Turkey's appeal within global emerging markets. (4) Blaise Antin from TCW described Turkey as a "relative outperformer" in this context, benefitting from Trump's victory. On the day of Trump's win, Turkey's lira stood out as the only emerging-market currency to gain against the dollar, supported by significant backing from state-run banks that encouraged foreign investment. According to traders familiar with the transactions, these banks sold over $500 million to stabilise the lira when other emerging-market currencies declined. (5) Hedge funds also joined the rally, drawn by Turkey's high "carry trade" appeal, which leverages the country's high interest rates to attract foreign investment. The lira's stability makes it an attractive currency despite the broader volatility in emerging markets.

EQUITY MARKETS

Shares in Tesla surged nearly 15% as CEO Elon Musk, one of Trump's vocal backers, gained a boost in both net worth and influence. (6) The stock surge boosted Musk's net worth by around $15 billion as he pledged substantial support to pro-Republican efforts. U.S. bank stocks similarly jumped, anticipating a more lenient regulatory environment and higher interest rates. The KBW Nasdaq Bank index rose 10.7%, with major banks like JPMorgan, Bank of America, and Citigroup seeing increases of 11.7%, 8.4%, and 8.5%, respectively. Goldman Sachs and Morgan Stanley also experienced gains of over 11%. Private equity giants like Apollo Global and KKR rose over 10%, with investors projecting a revival in M&A to benefit the buyout industry, which had recently faced declining performance fees and challenges in offloading portfolio companies.

Figure 3:



Trump's commitment to expanding U.S. energy production was well-received by oil and gas stocks, with ExxonMobil gaining 2%, Chevron 2.8%, and NextDecade, an LNG terminal developer, experiencing a 15% jump. Expectations of less restrictive environmental regulations and support for domestic oil and gas production boosted sentiment across the sector. Similarly, Fannie Mae and Freddie Mac experienced significant increases of over 37% on speculation that Trump's administration would push for the full privatisation of two groups that purchase the majority of mortgages issued by banks in the U.S.

Conversely, renewable energy stocks took a hit amid fears that Trump's win could dismantle Biden-era tax incentives and subsidies. The world's largest offshore wind developer, Ørsted, and Danish turbine maker Vestas fell over 14% and 13%, respectively. In the U.S., clean energy stocks also suffered, with the S&P Global Clean.

Energy index down about 6% as investors braced for possible regulatory rollbacks impacting green energy initiatives.

European stocks generally experienced a decline, with the Stoxx Europe 600 index closing down 0.5% amid concerns about the outlook for regional exporters. Despite flat German 10-year yields, sectors like defence and aerospace saw gains, driven by expectations for increased European defence spending. However, auto stocks suffered, with major car makers like Porsche, BMW, and Volkswagen dropping between 5.4% and 7.7% due to fears of potential U.S. tariffs. Global shipping stocks, including AP Møller-Maersk and Hapag-Lloyd, also saw sharp declines, down nearly 8% and 9%, respectively. Shares in Maersk, the world's second-largest container shipping group, fell 7.6% while Hapag-Lloyd was down by 5.8%. (7) Concerns about new tariffs and a potential trade war between the U.S. and China, as well as a reduced demand for shipping, pressured the sector. Chinese technology stocks listed in Hong Kong also took significant hits. The Hang Seng China Enterprises Index, a barometer for foreign investor sentiment towards Chinese companies, fell by 2.6%. (8) Shares of major Chinese e-commerce platforms such as JD.com and Alibaba each dropped by 4%. In anticipation of a tougher U.S.-China trade stance, shares of Geely Automotive and BYD Co dropped by 2.61% and 3.32%, respectively, while EV competitors Nio and Xpeng declined 2.86% and 1.42%. (9) With Trump's administration historically vocal against China's technological rise, EV companies, which are heavily reliant on global supply chains and exports, could face barriers in accessing American markets and vital technology components. In contrast to sectors tied closely to U.S. trade, the Beijing Stock Exchange 50 Index reached record highs, with gains of over 30% year-to-date. (10) The growth-oriented ChiNext Index similarly saw a year-to-date gain of 24%, though it experienced a recent pullback from October highs. Supported by China's domestic rate cuts and stimulus policies, these indices benefited from government efforts to drive consumption and bolster domestic growth.

BITCOIN

The election of Donald Trump to the White House is being hailed as a new era for Bitcoin. The price of the world's largest cryptocurrency surged on Wednesday, reaching an all-time high of

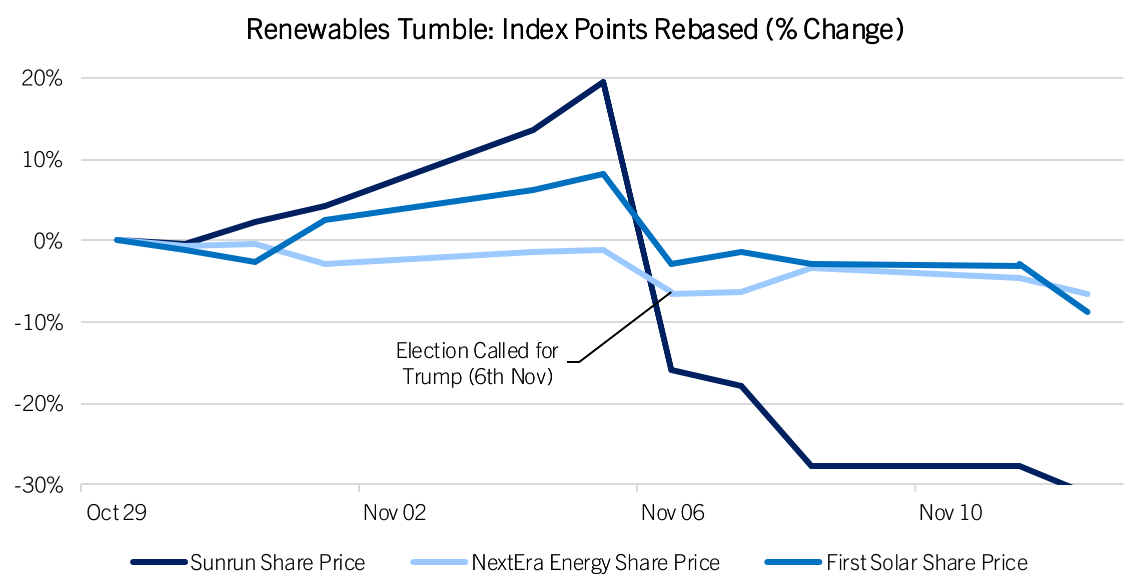
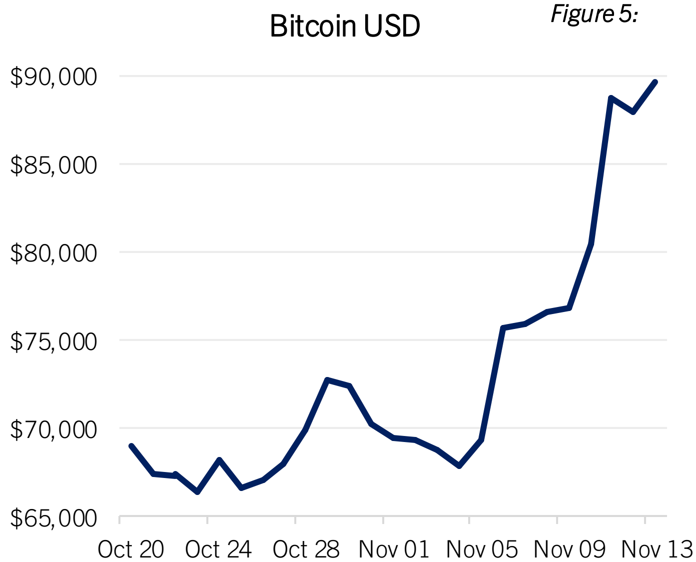


Figure 4:

$75,639.08. (11) At the 2024 Bitcoin conference in July, Trump promised to support Bitcoin and make America "the Bitcoin superpower of the world." Investors have reacted positively to several campaign promises, including building a U.S. Bitcoin strategic reserve and removing Securities and Exchange Commission chair Garry Gensler. (12) While the House of Representatives is still in contention, investors hope a Trump White House and Republican majority Senate will lead to more supportive policy and a looser regulatory stance on digital assets. (13) This comes as the industry has endured a barrage of fines and lawsuits launched by the SEC over the past few years. Bitcoins rally was further propelled by a wave of new investment from crypto ETFs. The market leader, Blackrock's iShares Bitcoin Trust (IBIT), has recorded over $2.4bn in inflows just this week, increasing its assets under management to over $33.1bn. (14) Professed to be the first "Crypto" president, investors are betting that the incoming administration will turn the page and unleash a golden age for Crypto.

Figure 5:



THE DOLLAR

The dollar has surged in recent weeks, reaching a four-month high following the announcement of Trump's victory on Wednesday. The dollar index, which measures the U.S. dollar against six major currencies, rose 1.25%, reaching 105.44. (15) This rally comes as investors anticipate inflationary pressures with the proposed wave of tax cuts, deregulation, and tariffs from the incoming administration. While Trump's policies could potentially boost growth, they may also contribute to a hotter economy and a higher fiscal deficit at a time when the Fed is attempting to curb inflation. (16) Tariffs, in particular, are expected to raise prices on imported goods, driving further inflation. Additionally, expectations that Trump's trade tariffs could reduce the U.S. trade deficit added to the dollar's strength. As prices rise, the Fed is likely to raise interest rates, increasing the dollar's allure to investors who seek better returns and further strengthening its value. (17) While a strong dollar reflects confidence in a strong U.S. economy, it can pose challenges, particularly for U.S. exporters whose goods become more expensive abroad. The surge in the dollar's value captures both the optimism and the potential complexities surrounding Trump's second term.

COMMODITIES

Commodities reacted with apprehension on Wednesday to the victory of Donald Trump in the U.S. election, responding to fears of a new tariff war and a strengthening dollar. Energy, agriculture, and metal commodities all slipped, with industrial metals being the most affected. London copper futures fell 4.1% on Wednesday, and Singapore iron ore futures fell 1.2%. (18) Both are heavily exposed to China, which remains the biggest buyer of iron ore and copper. Demand for these metals may face further pressure as Trump's tariffs could dampen trade with China. Similarly, soybean futures slid 1.9%, reflecting concerns over potential strained trade with China, the world's largest importer. (19)

In the energy sector, Brent Crude fell almost 2.9% as the markets anticipated several factors leading to increasing supply and falling demand. (19) If true, Trump's pledges to expand U.S. oil production and de-escalate conflicts in Ukraine and the Middle East could increase market stability, in turn lowering prices. Additionally, tariffs are expected to hurt crude prices as they would likely slow global trade, leading to weaker economic growth and the risk of higher inflation and interest rates. Gold also saw a drop of 3.1% on Wednesday after hitting an all-time high in October. (18) Gold prices declined amid a surging U.S. dollar and rising bond yields, driven by investor expectations of inflationary policies under a Trump presidency. While gold typically serves as a hedge against inflation, rising interest rates and bond yields make it a less attractive investment due to its low returns. However, the unpredictable nature of a Trump presidency is likely to bring volatility to the geopolitical arena, strengthening demand for gold as a safe haven asset.

How Could a Trump Presidency Impact Ireland?

Donald Trump's second presidential term is forecast to initiate large reforms both across the American economy and political landscape. The most referenced policy changes espoused by Trump during his most recent campaign may also have drastic consequences for global markets, not least the Irish economy.

IRELAND'S UNIQUE POSITION

Ireland is uniquely susceptible to macroeconomic shocks due to its status as a small, open economy. Though Irish GDP per capita is the second highest of the EU member states, sitting at €95,290 in 2023, which represents a total GDP of €492 billion, a substantial portion of this is supported by foreign multinationals. (20, 21) Comprising only 3.2% of businesses in Ireland, these multinationals generated €920.6 billion in turnover in 2022. (22) U.S. companies specifically constitute a large proportion of this contribution, spending c.€30 billion in the Irish economy through wages, goods and services, and capital expenditure each year. (23)

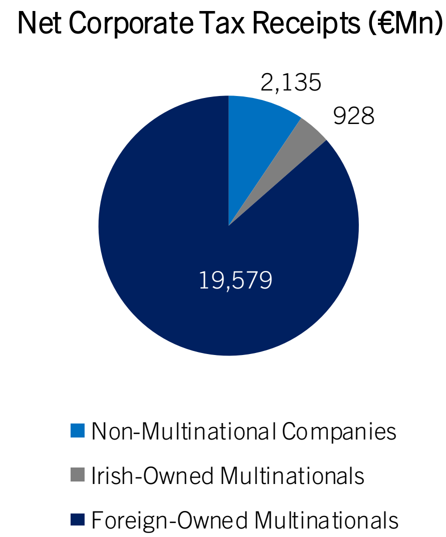


Figure 6:

Perhaps the most attractive incentive for multinationals to relocate to Ireland is the country's low corporate tax rate – 15% for companies whose turnover exceeds €750 million annually and 12.5% otherwise. Coupled with an English-speaking population and geographic position allowing access to European markets, the Irish economy seems an obvious choice. Though the underlying business activity may not even occur in Ireland, current tax practices allow the Irish tax-take to be considerably inflated by multinationals, with significant profit repatriation occurring subsequently. (24) Of the €116.1 billion in government revenue in 2022, €22.6 billion was generated through corporation tax. Staggeringly, €19.58 billion of this was specifically by foreign multinationals. Therefore, foreign multinational tax payments represented 16.8% of Irish government revenue in 2022. (25)

The Irish economy is also highly reliant on international trade as a small, open economy. In 2023, Ireland achieved a trade surplus of €64 billion, with total exports valued at €564 billion. Of these exports, the U.S. is the largest single destination for goods exports, accounting for 28% of total goods exports. (26) Ireland's exports consist primarily of chemical and related products under the Standard International Trade Classification (SITC) system of classification, accounting for approximately €127 billion out of a total €196 billion in exports in 2023 – c. 64.8%. (27) Further investigating this classification of products, medicinal and pharmaceutical products comprised €77 billion, by far the lion's share, with the next largest contributor being organic chemicals at €29.5 billion. The U.S. receives a significant proportion of these specific exports; of the €77 billion in pharmaceuticals exported, c.€20 billion was headed for the U.S. (28)

HOW TRUMP'S POLICIES MIGHT IMPACT IRELAND

The American election of Donald Trump as the 47th President of the United States may disrupt the Irish economy significantly. The key consequence to Ireland lies in Trump's loudest international policy changes, namely cutting the American corporation tax rate from 21% to 15%, and his desire to implement trade protectionist measures, specifically blanket tariffs of between 10%-20% (larger tariffs of up to 60% have been indicated for Chinese goods).

THE IMPACT OF TARIFFS

As previously demonstrated, Ireland's international trade relies considerably on American imports of Irish goods. Therefore, the implementation of blanket tariffs such as those espoused by Trump during his campaign could serve a heavy blow to the trade surplus that Ireland has seen over the last four years. Furthermore, the primary export of medicinal and pharmaceutical products may further suffer as Trump has vowed to reinstate his prior executive order requiring that the federal government only buy "essential" medications from U.S. companies. (29) Chief economist at the Institute of European Affairs Dan O'Brien has called the implementation of Trump's tariffs as the ''biggest near-term risk'' to the Irish economy. (30)

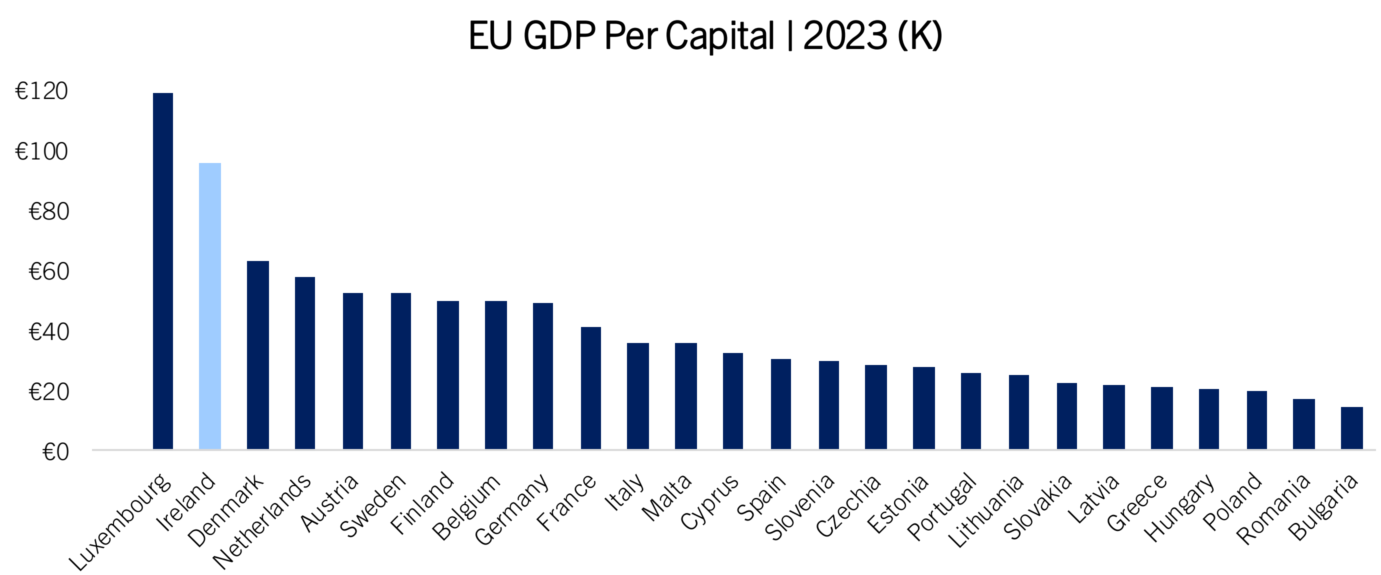


Figure 7:

Within the broader context of the European economy, Trump's tariffs will serve just as costly. European exports to the U.S. are constituted primarily by machinery and vehicles, which accounted for €207.6 billion. (31) Vehicle tariffs of up to 200% have been proposed to apply to the importation of Mexican vehicles, and though no specific number has been floated to apply to European vehicles, Trump has indicated that tariffs on these will increase. Chemicals, similarly to Irish exports, also constitute a large share of European exports at €137.4 billion exported in 2022 as well as other manufactured goods at €103.7 billion. Together, these three categories of European exports to the U.S. comprise ''almost 90% of the bloc's transatlantic exports''. (31) A recent UBS report has estimated that a 10% U.S. blanket tariff on imports could cumulatively impact EU GDP by between 0.5%-1%. (32)

THE IMPACT OF A CORPORATION TAX CUT

The vulnerability of the Irish economy to a potential cut in the American corporation tax rate relates heavily to the country's reliance on CT receipts paid by foreign multinationals, as previously demonstrated. The potential for relocation of said companies poses a risk to government revenue, which will have spill-off effects in most parts of the Irish economy. However, the proposed tax cut from 21% to 15% provides no differential between the U.S. and Ireland. It may not produce a strong enough incentive for well-established firms, particularly those that require a European base, to relocate to the U.S. Ireland's educated workforce, geographic position, and English-speaking population remain strong motivators for large multinationals to stay put. Ireland's low corporate tax not only increases government revenue directly through tax payments but also indirectly by spurring FDI into the Irish economy. The U.S. is by far the greatest contributor to FDI in Ireland, providing €492.48 billion by immediate investors in 2022. When classified by the ultimate investor, however, this figure grows to a staggering €921.13 billion. (33) The greater risk then is the potential reduction in recurring FDI by American investors resulting from Trump's tax cut. A reduction in the 'onshoring' of intellectual property by foreign multinationals in Ireland or other similar 'tax havens' is also very likely, as the incentive to do so is vastly diminished. (24)

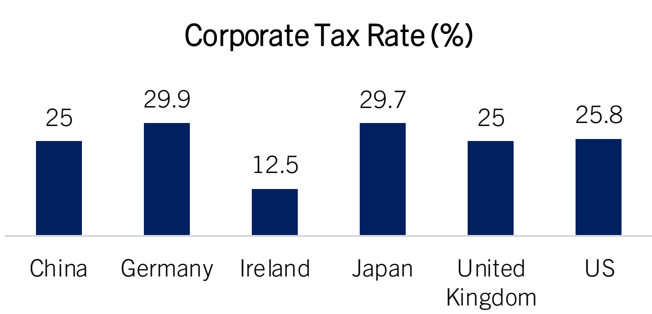


Figure 8:

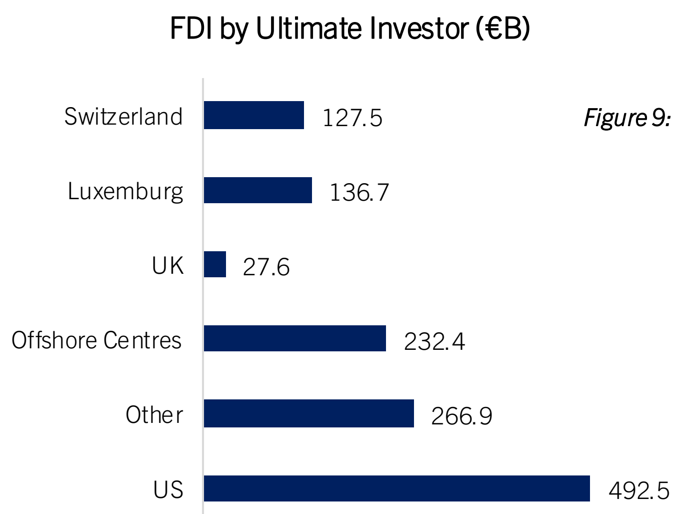


Figure 9:

The implementation of such a tax cut will depend on the composition of the U.S. Congress. Whilst the incoming President may have the jurisdiction to increase tariffs at his own will, as a result of the International Emergency Economic Powers Act, a change in the rate of corporation tax would require approval by both the House and the Senate. It is important to note, however, that both the House and the Senate are currently comprised of a majority of republican candidates and therefore such a proposal may have a higher likelihood of being passed.

The UK Budget: Its Implications for the UK Economy and How Markets Reacted

On the 30th of October, Chancellor Rachel Reeves introduced her Budget for the UK economy, which included a £40 billion tax increase along with substantial funding for public services. Key measures include raising corporate tax rates, increasing employer contributions for National Insurance, and implementing focused policies to tackle a reported £22 billion fiscal gap inherited from the previous administration. The Office for Budget Responsibility (OBR) projects that the overall tax increases could generate around 1.2% of GDP by the end of the current forecast period, making this one of the largest fiscal shifts in recent years. By increasing borrowing to fund urgent public services while planning for tighter spending limits after 2027, the chancellor aims to balance economic growth with fiscal responsibility. Considering the UK's fragile post-Brexit economic situation, economists and industry experts warn that the substantial tax hikes could hamper economic expansion. The UK's fiscal strategy has undergone a significant change with Reeves' Budget, which underlines the importance of establishing long-term budgetary stability while tackling pressing issues like inflation and wage pressures. (34)

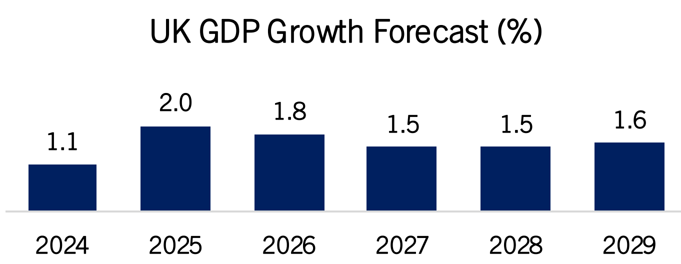


Figure 10:

KEY HIGHLIGHTS OF THE BUDGET

Taxation:

The Budget introduced a record-breaking tax hike of £40 billion, which Reeves has said was necessary to tackle the recurring black hole in the public finances. The biggest tax hike was employers' National Insurance contribution, which jumped from 1.2% to 15%. The Secondary Threshold, the annual wage at which companies begin to pay national insurance for each employee, will drop from £9,100 to £5,000. (35) Measures have also been implemented to close existing inheritance tax loopholes, which are projected to increase tax liabilities on high-value estates, particularly among wealthy households in London. (34) Capital Gains Tax (CGT) increases are also an important part of Reeves' new Budget, with the lower rate for the sale of assets rising from 10% to 18% and the higher rate from 20% to 24%. Nonetheless, the UK's CGT rate remains the lowest among the European G7 economies. Further increases in tax thresholds are also planned for the coming years. (35)

Welfare and Pension Reforms:

The Budget preserves the Triple Lock, which guarantees a 4.1% rise in state pensions, as well as improvements to Carer's Allowance and other welfare initiatives. These measures are expected to increase disposable income for retirees and low-income individuals. (38)

Public Spending:

Significant investment has been allocated to the National Health Service (NHS) to reduce wait times and improve service quality, with 40,000 more weekly appointments planned to ease backlogs. Resource spending is set to increase by £22.6 billion in 25/26. Local governments' core spending power has also been strengthened by an estimated 3.2% in real terms, with at least

£600 million of additional grant funding allocated to social care. Additional housing and education expenditures, as well as increased support for lower-income households, have also been implemented in direct response to the cost-of-living crisis. (36)

Public Sector Net Borrowing Forecast (£bn)

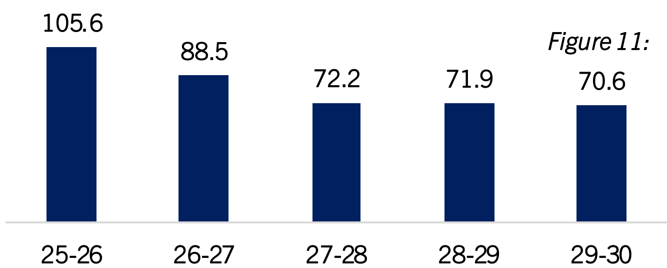


Figure 11:

<u>Fiscal Deficit and Debt Levels:</u>

One of the most important goals for this Budget was to close public finance gaps. Whilst the Budget is expected to generate £40 billion in revenue, two new rules have also been introduced to ensure the main objective of this Budget is met: the stability and the investment rule. The former refers to moving the current Budget into balance so that day-to-day spending is met by revenues. The latter involves reducing net financial debt as a share of the economy. (36) This approach aims to reduce the fiscal deficit while attempting to control inflation through prudent spending on targeted welfare and investment initiatives.

MARKETS' REACTION

The Budget announcement prompted mixed reactions across markets. Following its release, UK equities saw slight volatility as businesses and investors assessed the implications of higher tax burdens and operating costs. UK equity markets fell in early morning trading as traders pared back expectations of rate cuts next year on signs of higher borrowing in the Budget. The mid-cap FTSE 250 was down 0.7 per cent, having climbed 0.5 per cent in the previous session. The benchmark FTSE 100 index was down 0.7 per cent. However, certain budgetary measures were seen as favourable for the Alternative Investment Market (AIM), as the junior AIM All-Share index closed up 4.1 per cent on Wednesday - its best single day since April 2020. (37) The Office for Budget Responsibility warned Reeves' Budget could drive inflation and slow interest rate cuts, causing a sharp rise in gilt yields. The yield on the 10-year gilt spiked to its highest level since Oct 22, as investors adjusted to higher anticipated interest rates and concerns over absorbing more UK debt. This sell-off extended to the pound, which weakened against the dollar, and analysts expressed concern that the market's reaction reflected unease with the unfunded borrowing strategy. (38)

UK Equities Performance Post-Budget Announcement (% Change)

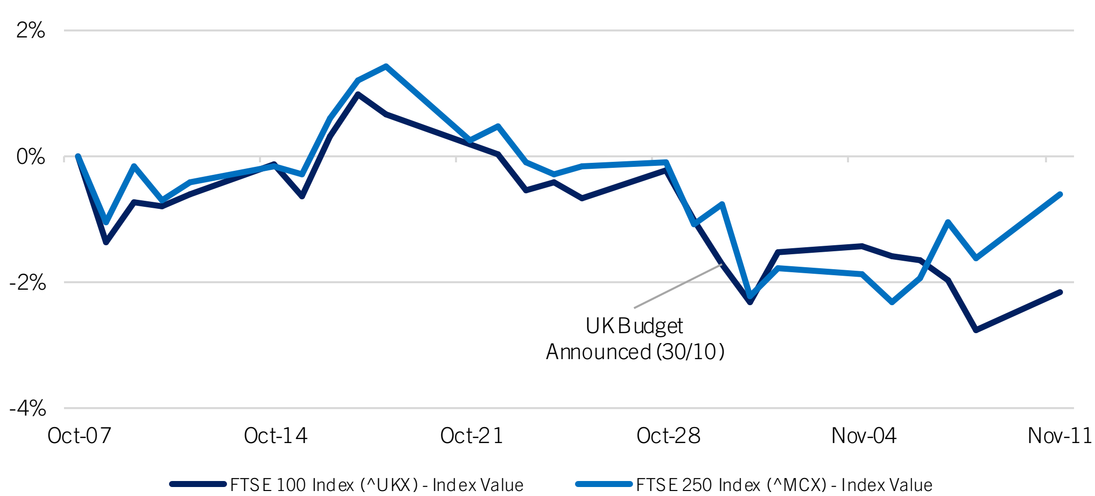


Figure 12:

IMPLICATIONS FOR THE UK ECONOMY

National Insurance contributions rises will strain smaller businesses, particularly in labour-intensive sectors. Higher employment expenses may cause some firms to freeze hiring or reduce workforce size, thus slowing labour market recovery. The Budget's emphasis on skill-building and labour market reforms may mitigate these obstacles in the long run by encouraging higher-quality employment, but short-term labour market pressures are expected to be costly. (39) Higher taxes on businesses may result in increased prices for consumers as companies pass higher operational costs onto customers. The Bank of England may be forced to slow the pace of its interest rate cuts to counter these inflationary pressures, potentially limiting spending and investment. (36)

The Budget introduced targeted investments and tax relief extensions for industries deemed essential to the economy, including hospitality and aerospace. However, long-term investment for broader industries may be impacted by decreased profitability as a result of higher tax requirements. (40) Another significant change is the removal of the long-standing freeze on fuel duty, which is expected to collect around £6 billion per year while supporting the government's environmental goals. This decision is likely to raise fuel prices, supporting the transition to electric vehicles while potentially straining customers in areas with few public transport alternatives. (34)

About the Authors

JONATHAN LOWE – Head of Research

Jonathan is a third-year Joint Honours Economics and Mathematics student and is Head of Research for the 2024/2025 session. He has previously held the roles of Senior Research Analyst on the Research team and Junior Analyst in the Software sector. Jonathan has completed spring weeks at Lazard, BNP Paribas, and Morgan Stanley, and will be returning to Morgan Stanley next summer. He loves travelling, rugby and sailing.

ADA ODEMENA – Research Analyst

Contributing Article: "How Did Markets React to a Trump Victory? "

Ada is a third-year Economics student and is a Research Analyst for the 2023/24 session. Outside of the fund, Ada has been working as a Research Assistant in Trinity's Department of Economics and has participated in a number of events related to economics, politics, and consulting. Her hobbies include listening to music, thrifting, and learning languages.

OSCAR EMUS – Research Analyst

Contributing Article: "How Did Markets React to a Trump Victory? "

Oscar is a first-year BESS student and research analyst for the 2024/25 session. In his free time, he enjoys sailing, playing football, photography, and hiking.

COLM DEERY – Research Analyst

Contributing Article: "How Could a Trump Presidency Impact Ireland? "

Colm is a third year PPES student majoring in economics. He currently holds the position of research analyst in the SMF research team for the 2024/25 academic year. Colm is currently employed as an operations analyst for the fintech startup JustTip. Beyond his professional life Colm spends his time training in the gym, reading, and is known to enjoy a few pints.

TUSHITA KUMAR– Research Analyst

Contributing Article: "The UK Budget: Its Implications for the UK Economy and How Markets Reacted"

Tushita is a first-year economics and mathematics student. She is also currently working as a finance ambassador for TES and has led various economics projects for her school as the head of the student council. She has also done a course on game theory from the University of Tokyo. Outside of this she enjoys listening to music and watching movies.

References

(1) Martin, K. (2024, November 6). Markets called Trump right — but what do they do now? Financial Times. https://www.ft.com/content/2e204e7c-6a00-412d-9c59-6bb815f0139a

(2) Uddin, R., Hughes, J., Alim, A. N., Smith, I., & Schmitt, W. (2024, November 6). US stocks hit record high and investors dump bonds after Donald Trump clinches victory. Financial Times. https://www.ft.com/content/6804f4d4-3083-47db-a60b-a86f360e9341

(3) Bahceli, Y., & Raitano, L. (2024, November 7). For Europe's markets, Trump's return spells euro pain but bond gains. Reuters. https://www.reuters.com/markets/rates-bonds/europes-markets-trumps-return-spells-euro-pain-bond-gains-2024-11-06/

(4) Erkoyun, E., & Devranoglu, N. (2024, November 7). Turkey hopes for lower US tariffs under Trump, lira rallies. Reuters. https://www.reuters.com/world/middle-east/turkey-expects-lower-us-tariffs-under-trump-lira-rallies-2024-11-07/

(5) Karakaya, K., & Ozsoy, T. (2024, November 6). Hedge Funds Turn to Lira as Haven from Trump Currency Chaos. BNN Bloomberg. https://www.bnnbloomberg.ca/investing/2024/11/06/hedge-funds-turn-to-lira-as-haven-from-trump-currency-chaos/

(6) Uddin, R., & Steer, G. (2024, November 6). Tesla and US bank stocks jump in post-election trades as renewables slump. Financial Times. https://www.ft.com/content/6e323b66-a873-439b-9b32-6a869f54d1b1

(7) Storbeck, O., Mathurin, P., & Fleming, S. (2024, November 6). Global economy prepares for the Trump 'macro shock.' Financial Times. https://www.ft.com/content/d7e6b4e9-7901-43ed-8402-02971be0e549

(8) Zhen, S., & Li, J. (2024, November 6). China's markets drop as Trump presidency looms. Reuters. https://www.reuters.com/markets/asia/chinas-markets-drop-trump-presidency-looms-2024-11-06/

(9) Jie, L. H. (2024, November 7). China's CSI 300 leads gains in Asia-Pacific markets after stronger-than-expected exports data. CNBC. https://www.cnbc.com/2024/11/07/asia-markets.html

(10) Li, C., & Li, C. (2024, November 8). Chinese stocks associated with Tesla jump after Trump's election win. South China Morning Post. https://www.scmp.com/business/markets/article/3285631/chinese-stocks-associated-tesla-jump-after-trumps-election-win?module=perpetual_scroll_0&pgtype=article

(11) BTC-USD Historical Data (no date). https://finance.yahoo.com/quote/BTC-USD/history/.

(12) Asgari, N., Rogers, A. and Hammond, G. (2024) ''The first crypto president': bitcoin fans bet on Donald Trump to change fortunes,' Financial Times, 30 July. https://www.ft.com/content/aa5c0637-98df-4d2b-8343-87e75b3510e9.

(13) Franklin, J., Ring, S. and Stafford, P. (2024) 'Bitcoin hits record high as Trump edges closer to full control of Congress,' Financial Times, 10 November. https://www.ft.com/content/170785ce-68e5-4de5-88bc-168a9a7fa3ed.

References

(14) Asgari, N. and Schmitt, W. (2024) 'Bitcoin hits record above $75,000 as crypto industry celebrates Trump win,' Financial Times, 6 November. https://www.ft.com/content/bdc3311d-3a29-4a3a-82e7-d646bc065dce.

(15) Inman, P., Wearden, G. and Jones, C. (2024) 'Wall Street and bitcoin soar to record highs as Trump wins US election,' The Guardian, 7 November. https://www.theguardian.com/business/2024/nov/06/dollar-soars-as-markets-bet-that-trump-has-won-us-election.

(16) Armstrong, R. and Reiter, A. (2024) 'Deficits, Donald Trump and the dollar,' Financial Times, 30 October. https://www.ft.com/content/adfc4069-6c5c-4c12-a311-9ee3b19b2e32.

(17) Saqib Iqbal Ahmed (2024) Trump's win emboldens dollar bulls as they brace for tariffs. https://www.reuters.com/markets/currencies/trumps-win-emboldens-dollar-bulls-they-brace-tariffs-2024-11-07/.

(18) Russell, C. (2024) Commodities weaken amid heightened risks from Trump's second term. https://www.reuters.com/markets/commodities/commodities-weaken-amid-heightened-risks-trumps-second-term-russell-2024-11-06/.

(19) Vaidyanathan, V. (2024) U.S. soybeans slide as Trump clinches election win | Hellenic Shipping News Worldwide. https://www.hellenicshippingnews.com/u-s-soybeans-slide-as-trump-clinches-election-win/.

(20) Statista (2024) GDP per capita in the European Union 2023, by member state. https://www.statista.com/statistics/1373462/gdp-per-capita-eu-member-states-2022/.

(21) CSO (2022) Gross Domestic Product (GDP) - CSO - Central Statistics Office. https://www.cso.ie/en/interactivezone/statisticsexplained/nationalaccountsexplained/grossdomesticproductgdp/.

(22) Martyn, P. (2024) 'How could the US election affect business in Ireland?,' RTE.ie, 27 October. https://www.rte.ie/news/business/2024/1027/1477397-how-could-the-us-election-affect-business-in-ireland/.

(23) McCall, B. (2023) 'US investment: Ireland's economic driver brings enormous benefits,' The Irish Times, 23 November. https://www.irishtimes.com/special-reports/2023/11/23/us-investment-irelands-economic-driver-brings-enormous-benefits/.

(24) Timoney, K. (2023). "Demystifying Ireland's national income: a bottom-up analysis of GNI* and productivity". Irish Fiscal Advisory Council Working Paper Series No. 21. Dublin.

(25) Revenue. (2023). Corporation Tax Analysis 2023. Available at: https://www.revenue.ie/en/corporate/documents/research/ct-analysis-2023.pdf (Accessed: 10 November 2024)

(26) Department of Enterprise, Trade and Employment. (2023). Delivering Value for Ireland: Trade and Investment Report 2023

References

(27) CSO (2024) Goods Exports and Imports December 2023 - Central Statistics Office. https://www.cso.ie/en/releasesandpublications/ep/pgei/goodsexportsandimportsdecember2023/.

(28) TRADING ECONOMICS (no date) Ireland Exports to United States - 2024 Data 2025 forecast 1992-2023 historical. https://tradingeconomics.com/ireland/exports/united-states.

(29) Barrow, B. (2024) A look at what Donald Trump has proposed for his second term | AP News. https://apnews.com/article/donald-trump-wins-second-term-policies-de3dcf0f173b42602b258042fd7aaafb.

(30) Katanich, D. (2024) 'How Trump's Presidency poses the 'biggest near-term risk' to the Irish economy,' Euronews, 7 November. https://www.euronews.com/business/2024/11/06/how-trumps-presidency-poses-the-biggest-near-term-risk-to-the-irish-economy.

(31) How much could Trump's tariffs damage Europe's economy? (no date). https://www.msn.com/en-us/money/markets/how-much-could-trumps-tariffs-damage-europes-economy/ar-AA1tsbCx?ocid=BingNewsSerp.

(32) UBS Editorial team (2024) the-economic-and-investment-implications-of-higher-tariffs. https://www.ubs.com/global/en/wealthmanagement/insights/chief-investment-office/us-elections/2024/the-economic-and-investment-implications-of-higher-tariffs.html.

(33) CSO (2024a) Foreign Direct Investment Annual 2022 - Central Statistics Office. https://www.cso.ie/en/releasesandpublications/ep/p-fdia/foreigndirectinvestmentannual2022/.

(34) Europinion (2024) '2024 UK Budget: major tax overhauls and spending boosts,' Europinion, 31 October. https://www.europinion.uk/post/2024-uk-budget-major-tax-overhauls-and-spending-boosts.

(35) Sky News (2024) Budget 2024: The main announcements in Chancellor Rachel Reeves's speech. https://news.sky.com/story/budget-2024-the-key-announcements-in-chancellor-rachel-reevess-speech-13244521.

(36) Autumn Budget 2024 (HTML) (2024). https://www.gov.uk/government/publications/autumn-budget-2024/autumn-budget-2024-html#departmental-settlements.

(37) Kelly, M., Wheatley, J. and Ralph, O. (2024) 'Budget reaction wrap: a day of fallout after Reeves' speech,' Financial Times, 31 October. https://www.ft.com/content/72ddc7c6-ce15-4341-9eb2-a26229a37cc6.

(38) Kennedy, R. (2024) Autumn Budget 2024: Industry reactions - Accountancy Age. https://www.accountancyage.com/2024/10/30/autumn-budget-2024-industry-reactions/.

(39) Fitzpatrick, K. et al. (2024) 'Autumn Budget 2024: updates and full analysis,' Moneyweekuk, 31 October. https://moneyweek.com/economy/live/autumn-budget-live-updates-and-analysis.

References

(40) Cecil, N. (2024) 'Budget 2024: Key points announced by Labour Chancellor Rachel Reeves in her tax, borrow and spending plans,' The Standard, 4 November. https://www.standard.co.uk/news/politics/budget-key-points-labour-chancellor-rachel-reeves-tax-b1190989.html .

Figure 1:

EUR USD | Euro US Dollar - Investing.com (no date). https://www.investing.com/currencies/eur-usd.

Figure 2:

Journal, W.S. (no date) U.S. 10 year Treasury Note Price & News - WSJ | TMUBMUSD10Y. https://www.wsj.com/market-data/quotes/bond/BX/TMUBMUSD10Y/historical-prices.

Journal, W.S. (no date) U.S. 10 year Treasury Note Price & News - WSJ | TMUBMUSD10Y. https://www.wsj.com/market-data/quotes/bond/BX/TMUBMUSD10Y/historical-prices.

Figure 3:

Chart Builder (no date). https://www.capitaliq.com/CIQDotNet/Charting4/ModernBuilder.aspx.

Figure 4:

Chart Builder (no date). https://www.capitaliq.com/CIQDotNet/Charting4/ModernBuilder.aspx.

Figure 5:

Bitcoin USD (BTC-USD) stock historical prices & data - Yahoo Finance (no date). https://finance.yahoo.com/quote/BTC-USD/history/.

Figure 6:

CSO (2024) Key findings Annual National Accounts 2023 - Central Statistics Office. https://www.cso.ie/en/releasesandpublications/ep/p-ana/annualnationalaccounts2023/keyfindings/.

Figure 7:

Statista (2024) GDP per capita in the European Union 2023, by member state. https://www.statista.com/statistics/1373462/gdp-per-capita-eu-member-states-2022/.

Figure 8:

Enache, C. (2023) Corporate Tax Rates around the World, 2023. https://taxfoundation.org/data/all/global/corporate-tax-rates-by-country-2023/.

Figure 9:

CSO (2024a) Foreign Direct Investment Annual 2022 - Central Statistics Office. https://www.cso.ie/en/releasesandpublications/ep/p-fdia/foreigndirectinvestmentannual2022/.

Figure 10:

References

Figure 10:

Cecil, N. (2024) 'Budget 2024: Key points announced by Labour Chancellor Rachel Reeves in her tax, borrow and spending plans,' The Standard, 4 November. https://www.standard.co.uk/news/politics/budget-key-points-labour-chancellor-rachel-reeves-tax-b1190989.html.

Figure 11:

Cecil, N. (2024) 'Budget 2024: Key points announced by Labour Chancellor Rachel Reeves in her tax, borrow and spending plans,' The Standard, 4 November. https://www.standard.co.uk/news/politics/budget-key-points-labour-chancellor-rachel-reeves-tax-b1190989.html.

Figure 12:

Chart Builder (no date). https://www.capitaliq.com/CIQDotNet/Charting4/ModernBuilder.aspx.