Stocks hold up amidst bank sector uncertainty

Last week saw the Federal Reserve move forward with a quarter-point (0.25%) interest rate rise, despite speculation that recent instability in the banking sector would cause the Fed to pull back on its current policy trajectory. The March meeting of the FOMC (Federal Open Market Committee) did however signal that an aggressive rate rising policy was likely to end soon. Fed Chair, Jay Powell, reiterated his assurances to depositors that their savings remained safe despite the banking sector uncertainty. Investors remain cautious towards the banking sector but appeared to show a positive sentiment towards equities, with only the Financials and Consumer Discretionary sectors having a negative week in the US. In the world's largest market, equities finished the week up 0.1% in euro terms. Conversely, bond markets have seen higher volatility. The resultant uncertainty of future interest rates has seen volatility in US bond prices and wild swings in yields. The benchmark US 10 Year Treasury yield finished the week at 3.42%.

In Europe, the March Purchasing Managers Index indicated an expansion of economic activity within the Eurozone. The survey, released on Friday, which measures both manufacturing and service activity, displayed the highest results in over 10 months. The March figure came in at 54.1, above economists' expectations of 51.9. Despite the positive sentiment, the report did indicate some uncertainty about the Banking Sector amongst Europe's purchasing managers. Eurozone stocks ended the week up 0.2%, with many investors hoping the worst of the Banking sector turmoil has ended following the rushed rescue of Credit Suisse the previous week.

The best performing major market last week was Hong Kong, returning 3.2% in Euro terms. Much of the performance occurred following the US FOMC's Thursday meeting, where members discussed the pausing their aggressive rate rising policy. Asia Pacific equities have been heavily reliant on the reopening of China in recent weeks, however poorer Chinese economic indicators and a separation of US-China economic relations has seen growth in the region be slower than expected.

Our regular market information continues on the next page.

Snapshot

World Equities
Corporate Bonds
Soverign Bonds
Copper

Gold
Oil

The week ahead	
28 Mar	US CB Consumer Confidence report is released.
30 Mar	US GDP figure for Q4 goes to print.
31 Mar	US Core PCE Price Index is issued.

	1 Week Return 20.03.23 to 27.03.23		Year to Date Return 30.12.22 to 27.03.23	
	Local Currency	Euro	Local Currency	Euro
World	0.6%	0.2%	3.8%	3.0%
U.S.	0.5%	0.1%	3.9%	3.0%
Europe	0.2%	0.2%	5.4%	5.4%
Ireland	-2.2%	-2.2%	13.8%	13.8%
U.K.	0.2%	-0.4%	0.2%	1.0%
Japan	1.3%	1.7%	3.4%	3.6%
Hong Kong	3.7%	3.2%	-2.8%	-4.2%
Corporate Bonds	0.4%	0.4%	0.8%	0.8%
Soverign Bonds	0.1%	0.1%	4.4%	4.4%

Equities

- Global stocks were up last week by 0.2% in euro terms and 0.6% In local terms.
- Year-to-date global markets were up 3.0% in euro terms and 3.8% in local terms.
- The U.S market, the largest in the world, finished at 0.1% in euro terms and 0.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.42% last week. The German equivalent finished at 2.19%. The Irish 10-year bond yield finished at 2.61%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.88.

Commodities

- Oil finished the week at $70 per barrel and is down -10.9% year-to-date in euro terms.
- Gold finished the week at $1,970 per troy ounce and is up 5.9% year-to-date in euro terms.
- Copper finished the week at $8,912 per tonne.

Figures are calculated using Total Returns Indices.

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Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie
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