

S&P 500 reaches new highs despite rapidly rising prices

Despite it being a relatively light week for new economic data, the S&P 500 made a significant move on Thursday. A daily gain of 0.5% pushed that index to a new record high, eclipsing a previous high set five weeks earlier.

An index of U.S. consumer prices rose at a 5.0% annual rate in May, the steepest increase since 2008. The latest monthly report highlights that supply continues to have difficulty meeting the robust pace of demand with businesses struggling to source the physical materials and the human resources required to facilitate operations and this is giving way to price pressure across a number of sectors.

It is expected that the Federal Open Market Committee (FOMC) will keep its benchmark interest rate unchanged as policymakers hold a two-day meeting scheduled to end on 16 June. The recent increase in inflation could ensure concerns of future rate hikes remain top of mind for many U.S. Federal Reserve officials. However, the outsized gains in a few select sectors support the Fed's view that the current level of price pressures are temporary.

In the U.K. more evidence of a strong rebound as reports showed April GDP rose 2.3% month-over-month, on top of a large March gain, led by activity in the services sector. The Eurozone economy is also in recovery; the European Central Bank (ECB) held monetary policy steady at last week's meeting, signaling that it is continuing with its accelerated pace of bond purchases for the time being. The ECB kept its Deposit Rate at -0.50% and maintained the size of its Pandemic Emergency Purchase Program (PEPP) at €1.85 trillion, saying that it expects that purchase program to run until at least March 2022.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Oil
Copper



Gold

The week ahead

15 June	U.K. employment data is released.
16 June	FOMC policy rate decision announcement.
18 June	U.K. Retail sales figures for May are released.



	1 Week Return 07.06.21 to 14.06.21		Year to Date Return 01.01.21 to 14.06.21	
	Local Currency	Euro	Local Currency	Euro
World	0.4%	1.0%	12.8%	14.0%
U.S.	0.6%	1.3%	12.9%	14.1%
Europe	0.9%	0.9%	16.0%	16.0%
Ireland	1.3%	1.3%	11.8%	11.8%
U.K.	0.7%	1.0%	12.7%	17.6%
Japan	-0.4%	-0.2%	9.2%	3.8%
Hong Kong	-0.1%	0.5%	10.7%	11.8%
Corporate Bonds	0.4%	0.4%	-0.8%	-0.8%
Sovereign Bonds	0.8%	0.8%	-3.9%	-3.9%

Equities

- Global stocks were up last week, at 1.0% in euro terms and 0.4% in local terms.
- Year-to-date global markets are up 14.0% in euro terms and 12.8% in local terms.
- The U.S market, the largest in the world, was up 1.3% in euro terms and 0.6% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.46% last week, down from 1.55% a week earlier. The German equivalent finished at -0.27%. The Irish 10-year bond yield finished at 0.14%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$71 per barrel and is up 48.5% year-to-date in euro terms.
- Gold finished the week at \$1,861 per troy ounce and is up 0.2% year-to-date in euro terms.
- Copper finished the week at \$9,975 per tonne.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Source ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD PARTY PROVIDERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES.

Figures are calculated using Total Returns Indices.

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: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.

Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 5685 Print Ref: ZL ISA 5685 0121

