

Powell placates market participants as stocks go higher

There was an optimistic start to the week, as the FDA in the U.S. announced full approval for the Pfizer vaccine which could see a wider take up which in turn would help contribute to economic activity. Market participants were left relieved, and perhaps somewhat disappointed following Fed Chair Jerome Powell's speech at Jackson Hole. Powell did not make any significant comments, and markets reacted in a muted fashion to the lack of deviation from previous official Fed comments.

U.S. economic data was generally positive with existing home sales rising 2% throughout the month of July. GDP growth for the second quarter was also revised upwards to an annual rate of 6.6%, from the previous reading of 6.5%. Eurozone PMIs moderated from last month's reading, but the composite score still came in at a healthy 59.5 (a reading above 50 indicates an expansion). Eurozone stocks were also helped by policymaker comments that labelled inflation pressures as 'temporary'. In contrast to the eurozone reading, PMIs in the UK showed a more visible reduction. Services dropped to 55.1 (the lowest since February) whilst manufacturing came in at 60.1. Whilst still in expansion mode, future readings will be closely watched to see if this was an outlier or the start of a trend.

A terrorist attack on Thursday in Kabul airport led to the loss of nearly 100 lives (at current estimates), including a number of U.S. servicemen which will once again heighten the pressure on President Biden following the botched withdrawal from Afghanistan. Whether this spills over into current economic negotiations on Capitol Hill remains to be seen.

Our regular market information continues on the next page.

Snapshot



World Equities
Oil
Gold
Copper



Sovereign Bonds
Corporate Bonds

The week ahead

31 Aug	Chinese PMI and Eurozone inflation data are both published.
1 Sept	U.S. manufacturing PMI readings are released.
3 Sept	U.S. non-farm payrolls for August go to print.



	1 Week Return 23.08.21 to 30.08.21		Year to Date Return 01.01.21 to 30.08.21	
	Local Currency	Euro	Local Currency	Euro
World	0.7%	0.3%	17.6%	22.1%
U.S.	0.7%	0.4%	20.4%	25.0%
Europe	0.0%	0.0%	20.5%	20.5%
Ireland	2.0%	2.0%	20.9%	20.9%
U.K.	0.6%	0.4%	14.2%	19.2%
Japan	0.6%	0.0%	7.9%	5.2%
Hong Kong	-0.1%	-0.4%	6.6%	10.2%
Corporate Bonds	-0.4%	-0.4%	-0.2%	-0.2%
Sovereign Bonds	-1.1%	-1.1%	-2.1%	-2.1%

Equities

- Global stocks were up last week by 0.3% in euro terms and 0.7% in local terms.
- Year-to-date global markets are up 22.1% in euro terms and 17.6% in local terms.
- The U.S market, the largest in the world, was up 0.4% in euro terms and 0.7% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.30% last week, up from 1.26% a week earlier. The German equivalent finished at -0.42%. The Irish 10-year bond yield finished in negative territory at -0.04%.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$68 per barrel and is up 45.3% year-to-date in euro terms.
- Gold finished the week at \$1,815 per troy ounce and is down -1.0% year-to-date in euro terms.
- Copper finished the week at \$9,424 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

