

# Market finish flat in choppy trading week

The choppy trading conditions evident so far in 2022 were also on display last week, as volatility remained elevated with the VIX reaching its highest level since the early part of the pandemic. The Federal Reserve has all but confirmed an interest rate hike at its mid-March meeting. On the geopolitical front, the UK warned over the weekend that it is now 'highly likely' that Russia will invade Ukraine, as the topic looks set to dominate today's meeting of the UN Security Council. Energy stocks rallied as the tensions put upward pressure on the price oil. In the US bond market, the wrangling between the bulls and the bears continues with the disconnect between what the Fed is forecasting and what the market is pricing in growing.

US GDP data surprised to the upside in the last quarter of 2021, delivering an annualised return of 6.9%, well above a consensus forecast of 5.5%. Overall, the calendar year GDP rate was 5.7%, the best growth rate since 1984. Leading indicators showed some signs of slowing with the composite PMI falling to 50.8 – its lowest level in 18 months.

Eurozone data was mixed as a number of surveys from early January pointing toward softening economic growth in 2022. However, it is worth noting the shift in attitude to the Omicron variant since the Christmas period. The eurozone services PMI fell more than expected to 51.2, but remains in expansion territory, whilst the manufacturing metric increased to 59.0. Eurozone economic and industrial confidence both slipped as German Q4 GDP came in at -0.7% over the quarter. In the UK, PMI data also suggests a slow start to 2022, with both the manufacturing and services metrics declining to 56.9 and 53.3, respectively.

**Our regular market information continues on the next page.**

## Snapshot



World Equities  
Copper



Corporate Bonds  
Sovereign Bonds  
Gold  
Oil

## The week ahead

2 Feb

The most recent Eurozone inflation reading goes to print.

3 Feb

The ECB and the BoE meets for their latest respective interest rate decision.

4 Feb

The hotly anticipated US non-farm payrolls report is published.



	1 Week Return 24.01.22 to 31.01.22		Year to Date Return 01.01.22 to 31.01.2022	
	Local Currency	Euro	Local Currency	Euro
World	0.0%	1.3%	-6.9%	-5.2%
U.S.	0.3%	1.6%	-7.6%	-5.9%
Europe	1.7%	1.7%	-5.8%	-5.8%
Ireland	3.3%	3.3%	-6.5%	-6.5%
U.K.	2.4%	3.3%	2.0%	2.9%
Japan	-2.7%	-2.5%	-5.9%	-4.2%
Hong Kong	-4.5%	-3.3%	1.0%	2.9%
Corporate Bonds	-0.6%	-0.6%	-1.6%	-1.6%
Sovereign Bonds	-0.4%	-0.4%	-1.1%	-1.1%

### Equities

- Global stocks were up last week by 1.3% in euro terms and 0.0% in local terms.
- Year-to-date global markets are down -5.2% in euro terms and -6.9% in local terms.
- The U.S market, the largest in the world, was up 1.6% in euro terms and up 0.3% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 1.79% last week. The German equivalent finished at -0.01%. The Irish 10-year bond yield finished at 0.51% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP finished at 0.83.

### Commodities

- Oil finished the week at \$87 per barrel and is up 18.3% year-to-date in euro terms.
- Gold finished the week at \$1,790 per troy ounce and is up -0.4% year-to-date in euro terms.
- Copper finished the week at \$9,557 per tonne.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated 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](http://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

