

Fears over economic growth weigh on markets

Stocks fell last week as economic data releases failed to meet expectations. In the US, the closely watched personal consumption expenditures release showed that consumers were beginning to pull back, with May seeing the first decline of 2022. Consumer sentiment also moved lower, with the June release showing the lowest reading for future expectations in nearly a decade. Resulting equity sector moves were as expected, with consumer discretionary and tech fairing worst, whilst more defensive segments such as utilities and consumer staples held up best.

Government bonds rallied as investors began to worry less about inflation, and more about future economic prospects. However, inflation continues to remain elevated with eurozone annualised inflation coming in at a new record of 8.6%, although the core figure dipped slightly to 3.7%. ECB President Lagarde last week reiterated her preference for a 0.25% interest rate move in July, with another to follow in September. So far, the ECB is not publicly considering a 0.50% move in July.

In Asia, the Bank of Japan’s quarterly corporate survey showed a decline, and the Bank’s continued dovish monetary policy stance is likely to be tested further in the face of persistent inflation strength. We saw further evidence that China continues to recover from COVID induced lockdowns earlier this year as PMIs expanded during June. The manufacturing component was above the key 50-point level for the first time since February.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds



World Equities
Sovereign Bonds
Oil
Gold
Copper

The week ahead

04 July	US markets closed for Independence Day.
06 July	US Services PMI and FOMC minutes go to print.
08 July	US Non-Farm Payrolls for June are released.



	1 Week Return 27.06.22 to 04.07.22		Year to Date Return 01.01.22 to 04.07.22	
	Local Currency	Euro	Local Currency	Euro
World	-2.4%	-0.4%	-20.1%	-12.5%
U.S.	-2.0%	-0.1%	-20.4%	-12.9%
Europe	-1.8%	-1.8%	-17.3%	-17.3%
Ireland	-2.1%	-2.1%	-29.7%	-29.7%
U.K.	-1.1%	-1.6%	1.7%	-1.4%
Japan	-2.4%	-0.4%	-7.3%	-13.5%
Hong Kong	0.5%	2.4%	-2.3%	6.3%
Corporate Bonds	0.9%	0.9%	-12.1%	-12.1%
Sovereign Bonds	-2.1%	-2.1%	-15.7	-15.7%

Equities

- Global stocks were down last week by -0.4% in euro terms and -2.3% in local terms.
- Year-to-date global markets are down -12.5% in euro terms and -20.1% in local terms.
- The U.S market, the largest in the world, was down -0.1% in euro terms and -2.0% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 2.88% last week. The German equivalent finished at 1.32%. The Irish 10-year bond yield finished at 1.96%.
- The Euro/U.S. Dollar exchange rate finished at 1.05, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$108 per barrel and is up 56.3% year-to-date in euro terms.
- Gold finished the week at \$1,804 per troy ounce and is up 7.4% year-to-date in euro terms.
- Copper finished the week at \$8,040 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

