

Markets move higher as ‘soft landing’ hopes grow

The first week of 2023 ended on a positive note with equities showing gains on the back of optimistic indicators in the US and Europe. US equities finished the week up 2.1% in Euro terms and were aided by the positive reaction to the US Jobs Report for December. US jobs growth slowed as the country added 223,000 jobs in December compared with 256,000 in November.

This was however, above economists’ expectations of 200,000. Wage growth in December slowed in the US, coming in at 4.6% in comparison to 4.8% in November. The reading led many market participants to believe the US Federal Reserve’s interest rate rises have begun to effectively combat inflation. Data on Friday, released from the Institute of Supply Management supported this sentiment further, as it showed a contraction in the services sector for the second month in a row. US Treasury yields moved lower on Friday as investors factored in the likelihood of a slowdown in the US economy. The benchmark US 10 Year Yield shed over 30 basis points last week, finishing the week at 3.56%.

Within Europe, a lower-than-expected inflation reading helped boost equities as positive sentiment around the ECB’s ability to curb inflation strengthened. Eurozone equities finished the week up 4.9% as a result. The flash index for consumer prices showed that inflation had fallen back into single digit territory in December, reading 9.2%, down from 10.1% in November. Some concern remained as the majority of the decrease was put down to a fall in energy prices which remain unpredictable. Core inflation, which excludes volatile food and energy prices increased to 5.2% from a previous month of 5%. On a more positive note, Croatia formally accepted the Euro as its currency on the 1st of January, becoming the 20th member of the Eurozone.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Sovereign Bonds
World Equities
Copper



Oil
Gold

The week ahead

11 Jan	Chinese inflation figure goes to print.
12 Jan	US CPI is released.
13 Jan	UK GDP and Manufacturing figures are published.



	1 Week Return 30.12.22 to 06.01.23		Year to Date Return 30.12.22 to 06.01.23	
	Local Currency	Euro	Local Currency	Euro
World	1.8%	2.5%	1.8%	2.5%
U.S.	1.4%	2.1%	1.4%	2.1%
Europe	4.9%	4.9%	4.9%	4.9%
Ireland	7.4%	7.4%	7.4%	7.4%
U.K.	3.3%	4.1%	3.3%	4.1%
Japan	-0.6%	-0.3%	-0.6%	-0.3%
Hong Kong	2.8%	3.5%	2.8%	3.5%
Corporate Bonds	1.2%	1.2%	1.2%	1.2%
Sovereign Bonds	3.2%	3.2%	3.2%	3.2%

Equities

- Global stocks was up last week by 2.5% in euro terms and 1.8% in local terms.
- Year-to-date global markets are up 2.5% in euro terms and 1.8% in local terms.
- The U.S market, the largest in the world, is up 2.1% in euro terms and 1.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.56% last week. The German equivalent finished at 2.21%. The Irish 10-year bond yield finished at 2.72%.
- The Euro/U.S. Dollar exchange rate finished at 1.06, whilst Euro/GBP finished at 0.88.

Commodities

- Oil finished the week at \$74 per barrel and is down -7.6% year-to-date in euro terms.
- Gold finished the week at \$1,866 per troy ounce and is up 2.9% year-to-date in euro terms.
- Copper finished the week at \$8,570 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

