

US stocks pare gains as earnings forecasts slow

Last week saw a more cautious approach to US equities as concern over Federal Reserve policy and discouraging corporate earnings caused equities in the US to retreat from their recent gains. US equities finished the week down slightly, returning 0.0% in euro terms. Large American corporates displayed waning profits, leading some investors to conclude consumer spending is beginning to contract. The ride-sharing service Lyft, headquartered in California, saw stock prices tumble by over 30% following the issuance of weak company guidance. The US Jobless report also came in higher than expected, with unemployment numbers rising for the first time in 6 weeks. The report showed that applications for unemployment benefits rose to 196,000 in the week ending 4th February. Expectations from economists had been set for an increase of 190,000. While the news highlighted a greater recession risk, some investors viewed this as a positive for risk asset prices. As, from the perspective of Federal Reserve policy, the rising jobless claims could lead to lower future levels of interest rates.

European equities remained positive last week continuing to provide gains to investors. The release of German CPI data confirmed investors' hopes of inflation finally beginning to soften in the region. The CPI report showed that Inflation in Europe's largest economy slowed to 9.2% in January, below expectations. The benchmark 10 Year German Bund yield ended the week at 2.35%, up from last week's figure by 0.03%.

Last week saw a strong performance for Japanese equities as Haruhiko Kuroda the Bank of Japan's long serving Governor, prepares to step down. Consensus is that his replacement is likely to be Kazuo Ueda, an academic outsider who was originally an unlikely candidate. This marks a potential turning point in Japanese monetary policy, as Japan has remained to be a global outlier in terms of monetary policy approach, where ultra-loose policy in a period of globally rising rates has been seen by some as controversial. Japanese equities ended the week up 2.0% in euro terms.

Our regular market information continues on the next page.

Snapshot



Oil



Corporate Bonds

World Equities

Gold

Copper

The week ahead

14 Feb	US CPI figures go to print.
15 Feb	UK CPI figures are released.
16 Feb	US Initial Jobless Claims report is issued.



	1 Week Return 07.02.23 to 13.02.23		Year to Date Return 30.12.22 to 13.02.23	
	Local Currency	Euro	Local Currency	Euro
World	-0.3%	0.2%	7.1%	7.0%
U.S.	-0.6%	0.0%	6.9%	6.8%
Europe	-0.3%	-0.3%	8.5%	8.5%
Ireland	-3.0%	-3.0%	10.3%	10.3%
U.K.	1.0%	2.1%	5.8%	6.2%
Japan	0.3%	2.0%	5.6%	6.1%
Hong Kong	0.1%	0.6%	2.4%	1.8%
Corporate Bonds	-0.6%	-0.6%	1.6%	1.6%

Equities

- Global stocks were up last week by 0.2% in euro terms and Down -0.3% in local terms.
- Year-to-date global markets were up 7.0% in euro terms and 7.1% in local terms.
- The U.S market, the largest in the world, finished at 0.0% in euro terms and down -0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.73% last week. The German equivalent finished at 2.35%. The Irish 10-year bond yield finished at 2.80%.
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.89.

Commodities

- Oil finished the week at \$78 per barrel and is up 1.4% year-to-date in euro terms.
- Gold finished the week at \$1,859 per troy ounce and is down -2.0% year-to-date in euro terms.
- Copper finished the week at \$8,829 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

