

# Banking Sector failings take the spotlight

US equities had an uneasy week amid speculation about global banking stability. Despite this, the US Index produced gains for investors returning 1.9% in euro terms. The nervousness was broadly contained to the US financials sector as investors showed concern for the health of regional US lenders enduring a liquidity crunch. The events of the last two weeks, including the bankruptcy of Silicon Valley Bank, have caused many investors to reconsider interest rate prospects. The Federal Reserve meets later this week to make an interest rate decision and some investors have begun to argue whether it will indeed continue to raise rates in the face of banking uncertainties. As it stands investors are pricing in a 60% probability that the Federal Reserve will raise rates by 25 basis points (0.25%). Separately, last week also saw the release of the US inflation report. The report showed that consumer prices had risen by 0.4% for the month of February, and 6% on a yearly basis, lower than the previous report's reading of 6.4%. The report was viewed as having no major surprises, however some investors noted inflation remains sticky.

Meanwhile news in Europe was dominated by Credit Suisse. The 167 year old Swiss lender, considered one of the global nine 'bulge-bracket' banks, saw its' share price tumble by a quarter of its value last week as investors and clients lost confidence in its ability to survive withdrawals. As the bank is deemed systematically important, the Swiss central bank agreed to supply considerable liquidity in order to keep it afloat and reassure markets and depositors. Late into the weekend a deal with the bank UBS, its largest Swiss rival, was agreed to acquire Credit Suisse for 3 billion Swiss Francs (€3 billion). On Thursday the ECB raised interest rates by 50 basis points, projecting that inflation would remain above its target 2% level into 2025. This signalled the ECB's commitment to inflation dampening despite potential banking difficulties, the benchmark ECB deposit rate is now at 3%.

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

## Snapshot



World Equities  
Gold



Corporate Bonds  
Oil  
Copper

## The week ahead

21 Mar

US Existing Home Sales report is published.

22 Mar

Federal Reserve set to make interest rate decision.

23 Mar

Global manufacturing and services PMIs are released.



	1 Week Return 10.03.23 to 17.03.23		Year to Date Return 30.12.22 to 17.03.23	
	Local Currency	Euro	Local Currency	Euro
World	0.0%	0.4%	2.4%	2.6%
U.S.	1.5%	1.9%	2.5%	2.7%
Europe	-3.4%	-3.4%	4.2%	4.2%
Ireland	-4.0%	-4.0%	14.1%	14.1%
U.K.	-5.2%	-4.6%	-0.9%	0.3%
Japan	-3.5%	-1.4%	3.6%	3.8%
Hong Kong	0.2%	0.6%	-4.0%	-4.3%
Corporate Bonds	-0.3%	-0.3%	-0.1%	-0.1%

### Equities

- Global stocks were up last week by 0.4% in euro terms and down 0.0% in local terms.
- Year-to-date global markets were up 2.6% in euro terms and 2.4% in local terms.
- The U.S. market, the largest in the world, finished at 1.9% in euro terms and up 1.5% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 3.43% last week. The German equivalent finished at 2.11%. The Irish 10-year bond yield finished at 2.62%.
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.88.

### Commodities

- Oil finished the week at \$67 per barrel and is down -14.1% year-to-date in euro terms.
- Gold finished the week at \$1,989 per troy ounce and is up 7.9% year-to-date in euro terms.
- Copper finished the week at \$8,573 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](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

