

# Earnings season opens on positive note

The Q1 earnings season began with some positive surprises for investors last week as US financial companies appeared to beat expectations despite taking a hammering last month. Larger US banks such as JP Morgan Chase saw profits increase by 52% in Q1 as deposits flowed to institutions investors viewed as safer. Last week also saw the release of the US Consumer Price Index, which many investors viewed as encouraging. The report showed that US inflation reduced to 5% in March, down from 6% in February. While the report was reassuring for many investors, core inflation, which strips out the volatile food and energy sectors, increased by 0.4% to give a figure of 5.6% for the month of March. Inflation moderation has helped markets in recent weeks as the prospect of softer monetary policy from the Federal Reserve feeds investor appetite. The strong core element however has kept investors grounded in their outlook for future monetary policy. Federal Reserve officials on Friday maintained this message, causing US equities to fall towards the tail end of the week. US equities ended the week down -0.8% in Euro terms.

Across the Atlantic, European stocks ended the week in positive territory up 2.0% as the region benefits from a Chinese reopening along with lower inflation expectations. The European STOXX 50 index, made up of Europe's top blue chip companies, reached a 22 year high on Friday, displaying European stocks regional outperformance. Much of Europe's success has also been attributed to its luxury goods market which has benefitted significantly from increased Chinese trade in recent months.

Asia Pacific equities however did not fare as well, with Hong Kong equities down -1.1% in Euro terms. This came as Chinese economic data suggested the world's largest manufacturing economy has not reached its target output level yet. China's consumer inflation, released last week, fell below 1% in March, an indication that demand is still weak. Investors await Chinese GDP figures which are released later today.

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

## Snapshot



Gold  
Oil  
Copper



World Equities  
Corporate Bonds  
Sovereign Bonds

## The week ahead

19 Apr	Eurozone CPI figures are released.
20 Apr	US Initial Jobless Claims report goes to print.
21 Apr	Global Manufacturing and Services PMIs are released.



	1 Week Return 10.04.23 to 17.04.23		Year to Date Return 31.12.22 to 17.04.23	
	Local Currency	Euro	Local Currency	Euro
World	1.4%	-0.1%	9.1%	5.8%
U.S.	0.7%	-0.8%	8.2%	4.9%
Europe	2.0%	2.0%	12.2%	12.2%
Ireland	2.7%	2.7%	19.2%	19.2%
U.K.	1.7%	0.9%	6.9%	7.2%
Japan	2.2%	0.9%	8.0%	3.5%
Hong Kong	0.4%	-1.1%	-0.5%	-4.1%
Corporate Bonds	-0.9%	-0.9%	0.8%	0.8%
Sovereign Bonds	-2.4%	-2.4%	1.5%	1.5%

### Equities

- Global stocks were down slightly last week by -0.1% in euro terms and up 1.4% in local terms.
- Year-to-date global markets were up 5.8% in euro terms and 9.1% in local terms.
- The U.S. market, the largest in the world, finished at -0.8% in euro terms and 0.7% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 3.5% last week. The German equivalent finished at 2.4%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.1, whilst Euro/GBP finished at 0.9.

### Commodities

- Oil finished the week at \$82 per barrel and is up 7.5% year-to-date in euro terms.
- Gold finished the week at \$2,012 per troy ounce and is up 0.9% year-to-date in euro terms.
- Copper finished the week at \$9,030 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

