

US Stocks Rise on Strong Economic Data

Last week saw US stocks reach their highest level in 2023 as economic indicators surprised to the upside. On Friday, data from the US Labour Department showed that non-farm payrolls increased by 339,000 in May. This came despite economists' expectations of a 190,000 figure. The report displayed a surprisingly strong labour market in the US, with many investors taking the news positively although there were some reservations in terms of interest rate expectations. US economic strength makes it more likely for the Federal Reserve to continue its rate hiking policy to curb inflation. The benchmark US 10 Year Treasury yield finished the week at 3.68%.

After weeks of negotiations and uncertainty in Washington, last week also saw the passage of a deal between Republicans and Democrats to raise the debt ceiling. The agreement which suspends the US debt limit until 2025, and curbs government spending, was passed in the US House of Representatives and the Senate last week. President Joe Biden subsequently signed the Bill on Saturday.

In the Eurozone, stocks were down slightly, returning -0.3% for the week. Last Wednesday saw the release of May Consumer Price Index data from Eurostat. The report showed that inflation in the 20-member bloc is now at its lowest level since early 2022. The figure for May came in at 6.1% down from 7.0% the previous month. Investor sentiment was positive as a result, however the European Central Bank continued to signal that inflation remained too high, and more rate rises were likely.

Stocks in the Asia Pacific region also benefitted from news of a US debt ceiling agreement however weaker than expected Chinese Purchasing Managers Index and a slower than expected post covid recovery in the region has seen muted returns in 2023.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold
Copper



Oil

The week ahead

7 June	Japanese GDP figure is released.
8 June	US Initial Jobs Report is released.
9 June	Chinese CPI Report is issued



	1 Week Return 29.05.23 to 06.06.23		Year to Date Return 31.12.22 to 06.06.23	
	Local Currency	Euro	Local Currency	Euro
World	1.5%	1.4%	11.2%	10.8%
U.S.	1.8%	1.7%	12.1%	11.7%
Europe	-0.3%	-0.3%	11.7%	11.7%
Ireland	0.0%	0.0%	21.8%	21.8%
U.K.	-0.4%	0.1%	3.5%	6.4%
Japan	3.0%	3.5%	20.0%	13.0%
Hong Kong	2.6%	2.5%	-6.1%	-6.8%
Corporate Bonds	0.3%	0.3%	1.0%	1.0%
Sovereign Bonds	2.8%	2.8%	3.1%	3.1%

Equities

- Global stocks were up slightly last week by 1.4% in euro terms and up 1.5% in local terms.
- Year-to-date global markets are up 10.8% in euro terms and 11.2% in local terms.
- The U.S. market, the largest in the world, finished at 1.7% in euro terms and 1.8% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.68% last week. The German equivalent finished at 2.38%. The Irish 10-year bond yield finished at 2.82%.
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$72 per barrel and is down -10.2% year-to-date in euro terms.
- Gold finished the week at \$1,962 per troy ounce and is up 7.5% year-to-date in euro terms.
- Copper finished the week at \$8,331 per tonne.

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Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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