Chairman Powell stays the course at Jackson Hole

Friday closed out a mixed week for equities as investors digested comments from this year's Jackson Hole Symposium. As markets now begin to show increased activity after the historically slow month of August, the Federal Reserve's annual Jackson Hole symposium often portends the current thinking of major monetary policymakers. This year's speech from Fed Chair Jerome Powell outlined that inflation must be brought down to its target of 2% and that the Fed are prepared to continue to raise rates if needs be. However, Powell's speech was more moderate than previous iterations, most notably in 2022 which saw hopes for a halt to hikes quashed, causing a broad sell-off in markets.

Preceding the conference, US stocks rose, and bond yields fell as investors viewed slowing economic data as evidence for central banks having to halt rate increases. One such data point was the release of the US manufacturing and services Purchasing Managers Indexes (PMIs), which measures the rate of business activity in the US. The Manufacturing PMI for August declined to 47.0, down from 49.0 in July, whilst Services declined to 51.0, down from 52.2. Figures below 50 indicate a contraction in their sector of the economy. Despite the decline in economic growth, investors took the news positively as in recent weeks' strong economic data has aided the case for higher interest rates which in turn negatively affected risk assets.

In Europe, investors were encouraged by similar PMIs for Manufacturing and Services. Both the European Manufacturing and European Services PMIs were in contractionary territory in August, leading to optimism in terms of a potential monetary policy shift. Disappointing signs from China however highlighted that whilst lower leading indicators may lead to more dovish monetary policy it does still represent a slowing economy. Signs of deflation and high youth unemployment in the country last week saw investors pessimistic about any resurgence in the Chinese economy. Chinese officials continue to grapple with these issues as they try to stimulate long awaited growth following a prolonged period of covid lockdowns.

Our regular market information continues on the next page.

Snapshot

Corporate Bonds

World Equities

Gold

Copper

Oil

The week ahead	
30 Aug	Chinese Manufacturing and Services PMIs released.
31 Aug	Eurozone CPI figures go to print.
01 Sep	US Non-Farm Payrolls are issued.

	1 Week Return 14.08.23 to 21.08.23		Year to Date Return 31.12.22 to 21.08.23	
	Local Currency	Euro	Local Currency	Euro
World	0.1%	1.2%	13.2%	12.2%
U.S.	0.1%	1.2%	15.9%	14.8%
Europe	0.6%	0.6%	10.4%	10.4%
Ireland	2.8%	2.8%	26.0%	26.0%
U.K.	1.1%	0.8%	0.8%	4.2%
Japan	1.0%	1.9%	21.7%	8.5%
Hong Kong	1.1%	2.2%	-15.6%	-16.8%
Corporate Bonds	0.6%	0.6%	0.8%	0.8%

Equities

- Global stocks were up last week by 1.2% in euro terms and 0.1% in local terms.
- Year-to-date global markets are up 12.2% in euro terms and 13.2% in local terms.
- The U.S market, the largest in the world, finished at 1.2% in euro terms and 0.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.22% last week. The German equivalent finished at 2.57%. The Irish 10-year bond yield finished at 2.96%
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at $80 per barrel and is down -1.1% year-to-date in euro terms.
- Gold finished the week at $1,917 per troy ounce and is up 3.9 % year-to-date in euro terms.
- Copper finished the week at $8,319 per tonne.

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

GR: 5685 Print Ref: ZL ISA 5685 0121

ZURICH