

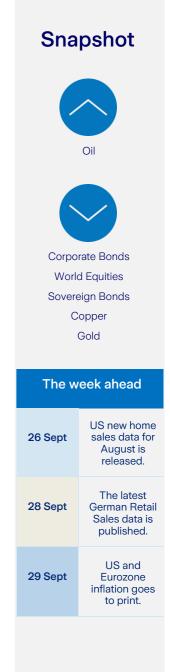
# Markets lower as US rates to be 'higher for longer'

The Federal Reserve kept the key interest rate in the 5.25%-5.50% following their two-day meeting last week. Whilst the move (or lack thereof) was in line with market expectations the post meeting press conference was seen as relatively hawkish by market participants. The Fed also upgraded its economic forecasts and now expects higher growth into 2024. Whilst there are always differences of opinions amongst the FOMC members, the narrative of rates being 'higher for longer' has taken hold on investment markets. Equity markets sold off and the 10-year US treasury yield hit a 16 year high on the back of the commentary. The market is now not expecting a cut in the main Fed funding rate until July 2024.

The Fed meeting dominated the economic calendar last week, and outside of an underwhelming housing starts data release there was not much else from the US. In other central bank news, The Bank of England voted to keep rates at 5.25%, which was a moderate surprise. Inflation has fallen for three consecutive months in the UK and the Monetary Policy Committee were split 5 to 4 in favour of a pause. The Swiss National Bank (SNB) also sprung a moderate surprise by holding rates at 1.75% whilst the Bank of Japan kept policy broadly unchanged.

Eurozone economic activity slipped once again last month, with the composite figure PMI coming in at 47.1 versus 46.7. Whilst there was a marginal improvement the reading is still below 50, signifying a contraction. The manufacturing component continued to be the primary contributor to the overall reduction in output, the service sector also experienced a second consecutive month of decreased activity. European stocks also fell last week as ECB Economist Philip Lane stated that risks are 'tilted to the downside'.

# Our regular market information continues on the next page.





		1 Week Return 18.09.23 to 25.09.23		Year to Date Return 31.12.22 to 25.09.23	
	Local Currency	Euro	Local Currency	Euro	
World	-2.6%	-2.4%	12.1%	12.2%	
U.S.	-3.0%	-2.8%	13.8%	14.0%	
Europe	-0.9%	-0.9%	9.9%	9.9%	
Ireland	-2.0%	-2.0%	19.1%	19.1%	
U.K.	0.5%	-0.2%	6.0%	8.3%	
Japan	-2.3%	-2.4%	27.8%	14.0%	
Hong Kong	0.5%	0.6%	-16.1%	-16.1%	
Corporate Bonds	-0.2%	-0.2%	-0.3%	-0.3%	
Sovereign Bonds	-0.7%	-0.7%	-0.3%	-0.3%	

# **Equities**

- Global stocks were down last week by -2.4% in euro terms and -2.6% in local terms.
- Year-to-date global markets are up 12.2% in euro terms and 12.1% in local terms.
- The U.S market, the largest in the world, finished down -2.8% in euro terms and -3.0% in local terms.

## Fixed Income & FX

- The U.S. 10-year yield finished at 4.48% last week. The German equivalent finished at 2.78%. The Irish 10-year bond yield finished at 3.19%
- The Euro/U.S. Dollar exchange rate finished at 1.06, whilst Euro/GBP finished at 0.87.

# Commodities

- Oil finished the week at \$91 per barrel and is up 13.8% year-to-date in euro terms.
- Gold finished the week at \$1,922 per troy ounce and is up 6.1% year-to-date in euro terms.
- Copper finished the week at \$8,162 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 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 INDICES OR THE INDICES OF THE INDICES ON THE INDICES OF A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDICES 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.