

Equities higher on the back of US midterm election results

Weekly Snapshot



World Equities
Corporate Bonds



Sovereign Bonds
Copper
Gold
Oil

Week in Review

- The **S&P 500 recorded its third-best daily gain over the past year** last Wednesday after Democrats took control of the House and Republicans secured the Senate. **Health care** stocks outperformed with **communication services** stocks weighing.
- The **US Fed kept their federal funds target at 2%-2.25%**, citing strength in the labour market and solid economic activity. They also reaffirmed their plans to **continue raising rates gradually**. The ISM Non-Manufacturing PMI fell to 60.3, but general **growth in the services sector remains solid**.
- The European Commission said that Eurozone growth would slow through 2020, pressured by trade worries, high oil prices and uncertainty. **Italian debt came under added pressure** as the EU warned Italy it is poised to breach the EU's budget deficit limit in 2020 if the government continues with its spending plans.

	1 Week Return 02.11.18 to 09.11.2018		Year to Date Return 31.12.17 to 09.11.2018	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	1.3%	1.4%	1.1%	4.9%
US	2.1%	2.6%	4.0%	10.2%
Europe	0.3%	0.3%	-6.4%	-6.4%
Ireland	-0.8%	-0.8%	-12.3%	-12.3%
UK	0.2%	0.6%	-7.6%	-6.0%
Japan	0.9%	0.8%	-8.0%	-3.5%
Hong Kong	-3.3%	-3.2%	-14.4%	-9.5%
Bonds	-0.1%	-0.1%	-0.6%	-0.6%

The **global index** was up 1.4% in euro terms last week, led by large cap stocks in the US.

Oil declined once again and closed at \$60/barrel, predominantly due to

strong supply rather than global demand fears. **Gold** declined to \$1210 per troy ounce, while **Copper** also finished the week lower at \$6,078 per metric tonne as recent weakness resurfaced. The **ten year US bond**

yield was relatively unchanged at 3.18% with midterm election results as expected, while the **German equivalent** declined to 0.41%.

The **EUR/USD** rate was at 1.134.

The Week Ahead

Wednesday 14 November	Wednesday 14 November	Thursday 15 November
Consumer prices in the US are forecast to rise 0.3% in October. Last month, consumer prices rose 0.1%, below the forecast of 0.2%, with energy prices weighing.	Eurozone GDP estimates released in September pointed to growth of 0.2% q-q and 1.7% y-y. These figures are expected to be reaffirmed in this week's update.	Retail sales in the US are forecasted to be 0.4% m-m. They edged up 0.1% in September, below expectations of 0.6%, thanks largely to a drop in spending at restaurants.

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML"), used with permission. BofAML PERMITS USE OF THE BofAML INDICES AND RELATED DATA ON AN "AS IS" BASIS, MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE BofAML INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THE USE OF THE FOREGOING, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES.

**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.**