

# Mixed returns as trade tariff tensions continue

## Snapshot



World Equities  
Corporate Bonds  
Sovereign Bonds  
Oil



Gold  
Copper

## Week Ahead

21  
May

US existing home sales published

22  
May

US FOMC minutes released, UK CPI numbers published.

23  
May

Eurozone PMIs & European Parliament election voting begins.

Trade tensions between the U.S. and China continued to escalate last week, as China responded to the latest sanctions from the U.S with reciprocal tariffs on \$60bn worth of U.S exports. However, there are reports that President's Xi and Trump will meet at the upcoming G20 summit and that the U.S has also delayed implementation of proposed auto tariffs. Renewed optimism towards the end of the week helped to shave losses. Chinese data also disappointed as industrial production and retail sales both missed expectations to the downside. U.S data, including retail sales and manufacturing output, was also mixed and the week's events has stoked fears of a global economic slowdown. Treasury yields in general fell (price and yield hold an inverse relationship) on the concerns which also leads to growing expectations of a rate cut from the Federal Reserve.

	1 Week Return 10.05.19 to 17.05.19		Year to Date Return 31.12.18 to 17.05.19	
	Local Currency	Euro	Local Currency	Euro
World	-0.5%	0.3%	12.3%	15.1%
U.S.	-0.8%	-0.1%	14.3%	17.5%
Europe	1.4%	1.4%	13.2%	13.2%
Ireland	0.7%	0.7%	16.4%	16.4%
U.K.	2.1%	0.5%	8.7%	11.4%
Japan	0.3%	0.9%	4.6%	7.2%
Hong Kong	-1.7%	-1.1%	11.0%	13.7%
Corporate Bonds	0.3%	0.3%	3.6%	3.6%
Sovereign Bonds	0.7%	0.7%	4.5%	4.5%

### Equities

- The MSCI World held steady, down slightly in local terms but up overall in euro terms.
- Europe and the U.K. were the best performers over the week delivering 1.2% and 0.5% respectively, and the influential US market was down slightly at -0.1% in euro terms.

### Fixed Income & FX

- The U.S. 10-year yield ticked lower again during the week, moving to 2.39% from 2.47%. The German equivalent remained in negative territory at -0.1%.
- The Euro US Dollar exchange rate remained unchanged on the previous week at 1.12, whilst Euro/GBP was at 0.88.

### Commodities

- Oil gained on the previous week, finishing the week higher at almost \$63 per barrel.
- Gold and Copper prices both fell, finishing the week at \$1,277 per troy ounce and \$6,033 per tonne respectively on the back of continued trade tension concerns.

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.

**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: 3399 Print Ref: ZLISA 3399 1218

