

Stocks move lower as economic data disappoints

Snapshot



Sovereign Bonds
Corporate Bonds



World Equities
Gold
Copper
Oil

Week Ahead

8
Oct

Chinese PMIs for September go to print

9
Oct

The minutes are released from the latest FOMC meeting

10
Oct

Key trade talks between the U.S. and China are scheduled to start

Equities fell last week on the back of some poor global economic data. U.S. manufacturing PMIs caught the headlines last Tuesday as the latest release confirmed a continuing contraction in activity within the sector. This was combined with poor US vehicle sales figures and the non-farm payrolls coming in slightly under consensus expectations. Whilst the hiring numbers have been trending lower in the U.S., there was an upward revision for previous months and unemployment (currently 3.5%) remains at a 50 year low. Within the Eurozone, PMIs were also weak and the latest inflation reading came in at 0.9%, well below the ECB's target of 'below, but close to' 2%. U.K. stocks also endured a torrid time, as the probability of a Brexit deal diminishes with each passing day. Elsewhere, Australia and India both cut interest rates, as the trend of lower interest rates (and therefore bond yield and deposit returns) continues globally.

| | 1 Week Return 30.09.19 to 7.10.19 | | Year to Date Return 01.01.19 to 7.10.19 | |
|-----------------|--------------------------------------|-------|--|-------|
| | Local Currency | Euro | Local Currency | Euro |
| World | -1.2% | -1.9% | 14.3% | 19.0% |
| U.S. | -0.8% | -1.5% | 17.9% | 23.1% |
| Europe | -3.0% | -3.0% | 14.5% | 14.5% |
| Ireland | -1.7% | -1.7% | 17.6% | 17.6% |
| U.K. | -3.5% | -4.0% | 5.5% | 6.3% |
| Japan | -1.0% | -0.6% | 6.2% | 14.0% |
| Hong Kong | -0.7% | -1.5% | -0.5% | 3.7% |
| Corporate Bonds | 0.2% | 0.2% | 6.9% | 6.9% |

Equities

- Equities decreased last week, by -1.2% in local terms, and by -1.9% in euro terms.
- Closer to home, Ireland was down -1.7% this week but is still up 17.6% year to date.

Fixed Income & FX

- The U.S. 10-year yield recovered further last week to finish at 1.52%. The German equivalent is now at -0.59%. The Irish 10 year bond yield is at -0.04%.
- The Euro/U.S. Dollar exchange rate finished at 1.10, whilst Euro/GBP was at 0.89.

Commodities

- Oil finished the week at \$53 per barrel.
- Gold finished the week at \$1,505 per troy ounce.
- Copper decreased to \$5,608 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 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
Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 3399 Print Ref: ZL ISA 3399 1218

