

Investors cautiously optimistic amid geopolitical concerns

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Copper
Gold
Oil

Week Ahead

- 7 Jan** Second Spanish electoral vote to be held
- 8 Jan** Eurozone Business Confidence data published
- 10 Jan** U.S. non-farm payrolls data released

Normal service resumes across markets this week as tensions between the U.S. and Iran remain high. The main focus for markets following the airstrike has been oil and it could be that crude is in for a very bumpy ride in coming weeks.

Spain's Pedro Sanchez didn't quite get enough votes to win the first parliamentary vote on forming a government but remains on track to get over the line in the second vote due on Tuesday, ending a long period of political stagnation for the country. In the U.K., two more prominent candidates throw their hats in the ring for the Labour Party leadership. Also worth keeping an eye on is the growing budget battle in Portugal and the ousting of Croatia's president.

European bond sales will get back to business in this first full week of the new year against a backdrop of the U.S.-Iran tensions which may help to keep the asset class popular as a haven play.

	1 Week Return 30.12.19 to 06.01.20		Year to Date Return 01.01.20 to 06.01.20	
	Local Currency	Euro	Local Currency	Euro
World	0.4%	0.8%	0.2%	0.7%
U.S.	0.5%	0.5%	0.2%	0.3%
Europe	0.6%	0.6%	0.8%	0.8%
Ireland	0.7%	0.7%	0.9%	0.9%
U.K.	0.5%	0.9%	1.1%	0.5%
Japan	0.0%	0.9%	0.0%	0.8%
Hong Kong	1.2%	1.5%	1.7%	2.1%
Corporate Bonds	0.3%	0.3%	0.3%	0.3%
Sovereign Bonds	0.3%	0.3%	0.9%	0.9%

Equities

- All major equity markets moved up slightly last week with the global index up 0.8% in Euro terms.
- Hong Kong was the strongest market delivering returns of 1.2% in local terms and 1.5% in euro terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.78% last week. The German equivalent finished at -0.29%. The Irish 10 year bond yield finished at 0.05%.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP was at 0.85.

Commodities

- Oil finished the week at \$64 per barrel.
- Gold finished the week at \$1,577 per troy ounce.
- Copper increased to \$6,104 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

