

# Markets spooked by tech earnings, as election looms large

## Snapshot



Corporate Bonds  
Sovereign Bonds



World Equities  
Oil  
Gold  
Copper

## The week ahead

3  
Nov

The U.S. election takes place, although the result may not be immediately clear.

5  
Nov

The Federal Reserve and the Bank of England both meet for their latest interest rate decisions.

6  
Nov

US Non-Farm Payrolls go to print.

Q3 earnings released late on Thursday from Apple, Amazon, Alphabet, and Facebook failed to assuage market concerns as stocks were led lower by Tech over the course of the week. Each company beat consensus revenue and earnings forecasts, yet all but Alphabet fell in trading on Friday as investors booked profits and were disappointed by the guidance for the last quarter of the year.

In terms of U.S. data, real GDP jumped 33.1% (annualised) in Q3 and beat expectations and was driven by a large surge in consumer spending. However, it is worth noting that this follows the record fall in Q2 and real GDP is still roughly 3.5% below pre-pandemic levels. Weekly unemployment claims came in at 751,000 for the week, still well above the longer-term average but at their lowest level since mid-March.

Eurozone GDP also beat expectations, but still has not recovered fully to the levels seen earlier in the year. Much of Europe is now under lockdown once again, with some weakness in the services sector gaining attention. Whilst the ECB did not make any changes at its meeting last week, the tone was quite dovish and there is a growing expectation that we will see a loosening of monetary conditions in December.

Positive vaccine news from AstraZeneca was overshadowed by the accelerating case count as Europe enters the winter period. Yields (which move inversely to price) on core eurozone government bonds fell, as France has reintroduced national lockdowns with the U.K. to follow later in this week.

***Our regular market information continues on the next page.***

	1 Week Return 26.10.20 to 2.11.20		Year to Date Return 01.01.20 to 2.11.20	
	Local Currency	Euro	Local Currency	Euro
World	-4.0%	-2.7%	-1.4%	-5.0%
U.S.	-3.9%	-2.5%	4.0%	0.2%
Europe	-4.0%	-4.0%	-12.6%	-12.6%
Ireland	0.5%	0.5%	-2.6%	-2.6%
U.K.	-3.8%	-3.1%	-25.5%	-29.9%
Japan	-2.3%	-0.6%	-6.0%	-5.8%
Hong Kong	-3.4%	-2.1%	-9.8%	-12.7%
Corporate Bonds	0.0%	0.0%	1.5%	1.5%
Sovereign Bonds	0.6%	0.6%	6.9%	6.9%

#### Equities

- Global markets fell last week up by -2.7% in euro terms and -4.0% in local terms.
- Year to date the U.K. market is down -29.9% in euro terms and -25.5% in local terms.
- The influential U.S. Market was down -2.5% in euro terms and -3.9% in local terms.

#### Fixed Income & FX

- The U.S. 10-year yield finished at 0.86% last week. The German equivalent finished at -0.62%. The Irish 10-year bond yield finished at -0.25%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.90.

#### Commodities

- Oil finished the week at \$35 per barrel.
- Gold finished the week at \$1,887 per troy ounce up 24.4% year to date in local terms and 19.8% year to date in Euro terms.
- Copper finished the week at \$6,707 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 "asis" 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 THRD 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.

GR: 3399 Print Ref: ZL ISA 3399 1218



**ZURICH**<sup>®</sup>