

COVID-19 and vaccine concerns weigh on sentiment

Snapshot



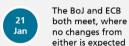
Oil



World Equities
Sovereign Bonds
Corporate Bonds
Gold
Copper

The week ahead







Stocks fell last week as surging COVID-19 cases and worries in relation to vaccine roll outs took hold. Despite hitting intraday record highs on Thursday, stocks were hit on Friday with the start of earnings season. JP Morgan beat both revenue and profit expectations but still saw its price fall at the open, whilst Citi and Wells Fargo also fell as they disappointed versus analysts' expectations. Value shares in general outperformed their growth counterparts, continuing a trend seen (so far) in 2021.

Economic news flow also hit sentiment as a slew of negative US data was released. Retail sales fell 0.7% in December and are now down three months in a row as lockdowns lead to a pullback in spending. Sentiment in general was hit with both consumer and small business gauges dropping back. U.S. inflation was also tepid for December with prices rising 0.4% (1.4% for the year) and core prices only up 0.1%.

The inflation figures continue to be below the Fed target and there is little to no expectation of monetary tightening in 2021. On the fiscal side President-elect Biden (due to be inaugurated this Wednesday) announced a \$1.9 trillion stimulus plan to help combat COVID-19. The announcement was made against the backdrop of the unprecedented second impeachment of President Trump, which comfortably passed through the House of Representatives. Timelines for bringing it to the Senate floor remain unclear at the moment.

In Italian, the ruling coalition is under pressure as ex-Prime Minister Matt Renzi withdrew his party's support in a move that was criticised across the domestic political spectrum. Concerns over vaccine distribution remain, but the pace of inoculation is increasing as investors attempt to look past the current lockdown strife to a more positive economic scenario.

Our regular market information continues on the next page.

	1 Week Return 11.01.21 to 18.01.21		Year to Date Return 01.01.21 to 18.01.21	
	Local Currency	Euro	Local Currency	Euro
World	-0.6%	-0.1%	1.0%	1.0%
U.S.	-0.8%	-0.3%	0.5%	1.7%
Europe	-0.3%	-0.3%	1.6%	1.6%
Ireland	-2.5%	-2.5%	3.3%	3.3%
U.K.	-0.8%	0.4%	4.4%	5.0%
Japan	0.3%	1.1%	3.2%	3.7%
Hong Kong	1.4%	1.9%	4.4%	5.7%
Corporate Bonds	-0.1%	-0.1%	-0.1%	-0.1%
Sovereign Bonds	-0.3%	-0.3%	-0.3%	-0.3%

Equities

- Global markets were down slightly last week by -0.1% in euro terms and -0.6% in local terms.
- The influential U.S. market was down by -0.3% in euro terms and -0.8% in local terms.
- Closer to home, Ireland finished down -2.5%.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.08% last week. The German equivalent finished at -0.54%. The Irish 10-year bond yield finished at -0.23%.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.89.

Commodities

- Oil finished the week at \$52 per barrel.
- Gold finished the week at \$1,834 per troy
- Copper finished the week at \$7,937 per tonne.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any for m 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 HTNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA I NCLUDED 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 INDICES OR THE INDICES ON 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.

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.

