

Stocks slip from record highs to end week lower

The effects of January stimulus cheques began to be felt as U.S. retail sales blew expectations out of the water. The 5.3% reading was higher than expected by any of the 68 economists surveyed by Bloomberg. Producer prices also increased by 1.3% in January which was the biggest monthly gain since 2009. These price increases stoked inflation fears and led bond yields higher towards the back end of the week. Subsequently growth orientated stocks suffered whilst the likes of financials, who in general benefit from higher rates, outperformed. With further U.S. stimulus expected, market participants are digesting the potential impact on bond yields and inflation expectations.

The other big U.S. news was the impact of winter storms across southern states, with some areas seeing the lowest temperatures in over 30 years. At least 60 people have died in Texas alone, as power grids buckled under the increased demand. From an economic perspective, the Lone Star state is the 2nd largest in the U.S. (behind California) and the fall out may not become clear for several weeks.

International economic data was mixed as Japanese Q4 growth beat expectations with broad increases across most measures. Conversely, the eurozone economy contracted 0.6% in Q4 and early signs from leading indicators suggest it has not yet turned into positive territory as lockdowns persist with the slower than expected vaccine rollout. U.K. data also showed the economy faces significant headwinds with Retail Sales down 8.2% over the month of January. However, there is some optimism on the horizon with Boris Johnson due to fully outline a roadmap to reopening today.

Our regular market information continues on the next page.

Snapshot



Copper



World Equities
Sovereign Bonds
Corporate Bonds
Oil
Gold

The week ahead

23 Feb	U.K. unemployment goes to print.
25 Feb	U.S. durable goods and home sales data is published.
26 Feb	U.S. personal income and spending for January is released.



	1 Week Return 15.02.21 to 22.02.21		Year to Date Return 01.01.21 to 22.02.21	
	Local Currency	Euro	Local Currency	Euro
World	-0.8%	-0.7%	4.5%	5.4%
U.S.	-0.8%	-0.7%	4.6%	5.5%
Europe	-1.0%	-1.0%	3.5%	3.5%
Ireland	-1.1%	-1.1%	-0.5%	-0.5%
U.K.	-1.6%	-0.9%	2.8%	6.4%
Japan	-1.1%	-1.3%	7.5%	6.0%
Hong Kong	1.3%	1.4%	9.3%	10.3%
Corporate Bonds	-0.4%	-0.4%	-1.0%	-1.0%
Sovereign Bonds	-1.5%	-1.5%	-3.0%	-3.0%

Equities

- Global markets were down last week by -0.7% in euro terms and -0.8% in local terms.
- Year to date global markets are up 5.4% in euro terms and 4.5% in local terms.
- The influential U.S. market was down by -0.7% in euro terms and -0.8% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.37% last week. The German equivalent finished at -0.30%. The Irish 10-year bond yield finished at 0.06%.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$60 per barrel.
- Gold finished the week at \$1,794 per troy ounce.
- Copper finished the week at \$8,947 per tonne.

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Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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