

# Equities higher as Fed begins tightening monetary policy

Stocks finished the week higher as the Federal Reserve announced its new policy statement which came with a quarter-point interest rate increase, the first rate rise since 2018. This is the first of several more rate hikes expected by investors as inflation expectations become embedded and pose risks to growth. This rate hike comes amid prices climbing at the fastest pace in 40 years and an uncertain geopolitical picture sparked by Russia's invasion of Ukraine. Economic data this week had a limited effect on markets. US retail sales rose 0.3% in February, slightly below economists' forecasts. The modest increase in February largely reflected higher prices rather than volumes. Meanwhile, data on industrial production and housing underscored a similar backdrop across the economy—price pressure remains hot and supply is still hard to come by.

Shares in Europe gained ground for a second consecutive week amid cautious optimism that negotiations between Russia and Ukraine could yield a diplomatic solution. The Moscow stock exchange remained closed during the week of March 18. Russian bonds moved higher on Friday, buoyed by reports that the correspondent bank had processed interest payments on two of the country's sovereign bonds and transferred the funds to the payment agent to disburse to investors.

The world's second largest economy, China reported better-than-expected activity in the January-February period with help from policy easing measures and the easing of power and chip shortages. However, the world's most indebted property developer continues to garner the headlines with trading in Evergrande shares halted this week, pending an announcement by the company. While systemic fallout may be limited, the long-term implications are significant.

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

## Snapshot



World Equities  
Corporate Bonds  
Oil  
Copper



Sovereign Bonds  
Gold

## The week ahead

23 Mar	US EIA crude oil inventory report to be released.
24 Mar	Eurozone, UK and US flash PMI data.
24 Mar	US initial jobless claims for February, expected to fall to 207K



	1 Week Return 14.03.22 to 21.03.22		Year to Date Return 01.01.22 to 21.03.2022	
	Local Currency	Euro	Local Currency	Euro
World	6.5%	5.9%	-6.6%	-3.8%
U.S.	7.4%	6.7%	-6.7%	-4.0%
Europe	4.6%	4.6%	-8.1%	-8.1%
Ireland	7.6%	7.6%	-11.7%	-11.7%
U.K.	2.9%	3.3%	2.7%	2.7%
Japan	5.7%	4.0%	-4.8%	-5.3%
Hong Kong	5.1%	4.6%	-1.4%	1.1%
Corporate Bonds	0.3%	0.3%	-5.4%	-5.4%
Sovereign Bonds	-0.7%	-0.7%	-5.9%	-5.9%

### Equities

- Global stocks were up last week by 5.9% in euro terms and up 6.5% in local terms.
- Year-to-date global markets are down -3.8% in euro terms and -6.6% in local terms.
- The U.S. market, the largest in the world, was up 5.9% in euro terms and 6.5% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 2.18% last week. The German equivalent finished at 0.39%. The Irish 10-year bond yield finished at 0.98% to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP finished at 0.84.

### Commodities

- Oil finished the week at \$109 per barrel and is up 48.8% year-to-date in euro terms.
- Gold finished the week at \$1925 per troy ounce and is up 8.2% year-to-date in euro terms.
- Copper finished the week at \$10,327 per tonne.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated 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.

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](http://www.zurich.ie)

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.

GR: 5685 Print Ref: ZL ISA 5685 0121

