Markets snap losing streak as sentiment becomes extended

Stocks recovered from mid-week lows to finish the week higher. Wednesday's US inflation data weighed most heavily on sentiment as the headline consumer price inflation for the year to the end of March came in at 8.3%. This was lower than the previous month, but crucially more than the consensus forecast of 8.1%. Commentators also took note of the strong rise in the services component of the overall figure as, theoretically, this should not be as influenced by the 'supply chain blockage' narrative. Worries over inflation were also evident in US consumer sentiment readings released on Friday, which hit its lowest level in 13 years.

Within the eurozone, ECB President Lagarde gave the clearest indication yet that eurozone rates are going to move higher. In prepared remarks in Slovenia, she stated that the bond buying programmes would continue to be scaled back and could end 'early in Q3', with a rate rise to potentially materialise 'only a few weeks' later. In the UK, the economy unexpectedly shrank in March which meant the Q1 figure came in at 0.8% vs a consensus forecast of 1.0%.

Whilst macro issues have dominated the narrative in recent weeks, first quarter earnings have continued to come in on both sides of the Atlantic. In Europe, according to Factset, overall EPS grew 42% versus expectations of 20% whilst in the US the comparable figure was 9%, which was 4% ahead of estimates.

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Oil



Gold
Copper

The week ahead	
17 May	The latest eurozone unemployment and GDP readings go to print.
18 May	UK inflation data for April is published.
20 May	Japanese inflation and UK retail sales figures are released.



	1 Week Return 09.05.22 to 16.05.22		Year to Date Return 01.01.22 to 16.05.22	
	Local Currency	Euro	Local Currency	Euro
World	1.2%	2.5%	-15.9%	-7.9%
U.S.	1.0%	2.3%	-16.3%	-8.5%
Europe	4.0%	4.0%	-12.4%	-12.4%
Ireland	5.1%	5.1%	-19.5%	-19.5%
U.K.	2.9%	3.5%	4.4%	3.1%
Japan	-0.8%	1.4%	-6.1%	-8.5%
Hong Kong	-0.1%	1.2%	-8.5%	-0.6%
Corporate Bonds	1.4%	1.4%	-8.6%	-8.6%
Sovereign Bonds	2.1%	2.1%	-12.4%	-12.4%

Equities

- Global stocks were up last week by 2.5% in euro terms and 1.2% in local terms.
- Year-to-date global markets are down -7.9% in euro terms and -15.9% in local terms.
- The U.S market, the largest in the world, was up 2.3% in euro terms and 1.0% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 2.93% last week. The German equivalent finished at 0.99%. The Irish 10-year bond yield finished at 1.64%.
- The Euro/U.S. Dollar exchange rate finished at 1.04, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at $109 per barrel and is up 58.9% year-to-date in euro terms.
- Gold finished the week at $1,794 per troy ounce and is up 7.1% year-to-date in euro terms.
- Copper finished the week at $9,185 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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