

# Choppy trading as markets shift focus from inflation to growth

Last week saw somewhat of a variable week for equities as several indicators proved to shift investor sentiment. US stocks lost -0.6% last week in euro terms. The announcement of wide-ranging layoffs in large US tech companies such as Microsoft and Alphabet contributed to last week's shifting sentiment as conflicting economic indicators suggested the US labour market is still tight. This was supported by the US weekly Jobless claims report which was released on Thursday. Initial claims for state unemployment benefits dropped to 190,000 despite expectations of 214,000 claims. This is the lowest level observed since September of last year. Earlier in the week US stocks reacted negatively as the US retail sales report for December was released and displayed a decrease of -1.1%, below expectations of -0.8%. Investors have viewed this as an indication of a slowing economy, with consumers beginning to reduce their spending in the face of tighter financial conditions.

Elsewhere Eurozone equities ended the week down -0.7% amid hawkish comments made by ECB President Christine Lagarde at the World Economic Forum which was held last week in Davos. Hopes of lower inflation have been prevalent within Europe as of late and were boosted on Wednesday as figures released by the EU statistics office Eurostat, showed a decline in consumer prices in December of -0.4% month on month. Eurozone yields decreased last week on the back of more positive sentiment in the Bloc, with the Benchmark 10 Year German Bund Yield ending the week at 2.18%, the previous week's close had seen the yield at 2.21%.

In Asia, equities continue to post weekly gains as China rolls back its strict covid restrictions which have been in place for almost 3 years. Hong Kong equities returned 0.1% in local terms last week.

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

## Snapshot



Corporate Bonds  
Sovereign Bonds  
Copper  
Gold  
Oil



World Equities

## The week ahead

24 Jan

Manufacturing and Services PMIs released for the US and Europe.

26 Jan

US GDP figures go to print.

27 Jan

US Core Personal Consumption Expenditure (PCE) Price Index is published.



	1 Week Return 16.01.23 to 23.01.23		Year to Date Return 30.12.22 to 23.01.23	
	Local Currency	Euro	Local Currency	Euro
World	-0.4%	-0.4%	4.8%	3.2%
U.S.	-0.6%	-0.6%	3.7%	2.2%
Europe	-0.7%	-0.7%	6.9%	6.9%
Ireland	-0.4%	-0.4%	9.4%	9.4%
U.K.	-1.2%	0.1%	4.1%	4.1%
Japan	2.1%	1.0%	2.2%	2.3%
Hong Kong	0.1%	-0.1%	4.5%	2.7%
Corporate Bonds	0.1%	0.1%	1.9%	1.9%
Sovereign Bonds	0.1%	0.1%	4.3%	4.3%

### Equities

- Global stocks were down last week by -0.4% in euro terms and -0.4% in local terms.
- Year-to-date global markets are up 3.2% in euro terms and 4.8% in local terms.
- The U.S. market, the largest in the world, was down -0.6% in euro terms and -0.6% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 3.50% last week. The German equivalent finished at 2.18%. The Irish 10-year bond yield finished at 2.59%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.89.

### Commodities

- Oil finished the week at \$82 per barrel and is up 0.6% year-to-date in euro terms.
- Gold finished the week at \$1,925 per troy ounce and is up 3.8% year-to-date in euro terms.
- Copper finished the week at \$9,308 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 "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

