

# Markets welcome future rate cuts

US Stocks ended last week on a high as investors cheered a number of indications from Federal Reserve policymakers that rates would decrease in 2024. On Wednesday, as widely expected, the Fed opted to leave interest rates unchanged in the 5.0% - 5.5% range. Investors focused on Fed Chair Jerome Powell's comments in the ensuing press conference, stating that he was not overly concerned with the recent uptick in inflation data, pointing out recent seasonal effects. Investors also paid particular attention to release of the Fed's Q1 interest rate projections, also known as the 'Dot Plot'. This shows the median interest rate expectation of policymakers and indicated there would be three rate cuts in 2024.

The week also saw the release of some encouraging data for markets. On Thursday, the release of February's existing home sales data, a lagging indicator, saw an unexpected increase. The figures showed sales of 4.38M or an increase of 9.5% MoM. This came despite expectations of a -1.3% decrease. Meanwhile bond yields (which move inversely to price) declined in response to the Fed's rate implications. The benchmark US 10 Year Treasury yield finished the week at 4.2% compared to 4.3% the previous in week.

In other regions, central bank rate decisions remained the dominant theme throughout the week. In Europe, investors saw a surprise decision from the Swiss National Bank, which cut interest rates by 25 basis points to 1.5%, the central bank's first rate cut in nine years. Meanwhile the Bank of England (BoE) elected to hold rates steady at 5.25% for a fifth meeting in a row. The BoE and its Governor Andrew Bailey, did signal more dovish prospects in the coming months. In the Eurozone, the release of S&P Global's composite PMI saw business activity come close to stabilising. The figure of 49.9 for March was higher than both February's 49.2 and expectations of 49.7, however remains below the threshold of 50.0 which represents a contraction in economic activity.

## Fact of the Week

The Bank of Japan raised interest rates to 0.1% on Tuesday, the first-time rates have been above zero in 8 years.

Our regular market information continues on the next page.

## Snapshot



World Equities

Corporate Bonds

Sovereign Bonds

Gold



Oil

Copper

## The week ahead

26 Mar

US CB  
Consumer  
Confidence is  
released.

28 Mar

US GDP  
figures go to  
print.

29 Mar

PCE Price  
Index is  
released.



|                 | 1 Week Return<br>18.03.24 to 25.03.24 |       | Year to Date Return<br>31.12.23 to 25.03.24 |       |
|-----------------|---------------------------------------|-------|---------------------------------------------|-------|
|                 | Local Currency                        | Euro  | Local Currency                              | Euro  |
| World           | 2.0%                                  | 2.6%  | 8.5%                                        | 10.8% |
| U.S.            | 2.3%                                  | 3.0%  | 9.9%                                        | 12.2% |
| Europe          | 0.7%                                  | 0.7%  | 7.6%                                        | 7.6%  |
| Ireland         | 0.6%                                  | 0.6%  | 17.0%                                       | 17.0% |
| U.K.            | 2.7%                                  | 2.3%  | 3.8%                                        | 4.8%  |
| Japan           | 5.7%                                  | 4.9%  | 20.4%                                       | 14.5% |
| Hong Kong       | -3.8%                                 | -3.2% | -9.1                                        | -7.3% |
| Corporate Bonds | 0.7%                                  | 0.7%  | -0.9%                                       | -0.9% |
| Sovereign Bonds | 0.9%                                  | 0.9%  | -0.9%                                       | -0.9% |

### Equities

- Global stocks were up last week by 2.6% in euro terms and up 2.0% in local terms.
- Year-to-date global markets are up by 10.8% in euro terms and by 8.5% in local terms.
- The U.S market, the largest in the world, finished up 3.0% in euro and 2.3% in local terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 4.2% last week. The German equivalent finished at 2.3%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.86.

### Commodities

- Oil finished the week at \$81 per barrel and is up 14.9% year-to-date in euro terms.
- Gold finished the week at \$2,165 per troy ounce and is up 7.2% year-to-date in euro terms.
- Copper finished the week at \$8,756 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](http://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

