

UK inflation hits 2% target for the first time since 2021

In the US, equities posted modest gains during a trading week shortened by the Juneteenth holiday. The Composite PMI index inched up to 54.6 in June from 54.5 in May, indicating that business activity in the US private sector continues to grow at a healthy rate. Both the Manufacturing and Services PMI indices also increased in June, surpassing expectations. Other data released this week showed that high mortgage rates are impacting the US housing market, with sales of existing homes declining by 0.7% in May. The national median sales price climbed to a record high, up 5.8% from a year earlier.

European equities closed the week higher following the release of inflation data. On Tuesday, the Eurozone's CPI data went to print, showing a year-on-year increase of 2.6% in May, up from 2.4% in April. Core CPI, which excludes volatile energy and food prices, rose to 2.9% from 2.7% the previous month, with services being the largest contributor to the annual inflation rate.

In the UK, the overall inflation rate fell to 2% year-on-year in May, reaching the Bank of England's target for the first time since July 2021, just before the bank's June meeting. Excluding volatile food and energy prices, core inflation was 3.5% for the 12 months to May, down from 3.9% in April, aligning with market expectations. The UK's May inflation report did not significantly affect the market, and as anticipated, the BoE maintained its key interest rate at a 16-year high of 5.25%. Following the data release, the GBP rose modestly against the dollar and the Euro, but British government bonds underperformed as investors speculated that the BoE would delay following the ECB's earlier rate cut this month.

Fact of the Week

In the six weeks leading up to June 5th, Nvidia gained over \$1 trillion in market cap (more than all of Berkshire Hathaway).

Our regular market information continues on the next page.

Snapshot



World Equities
Corporate Bonds
Oil



Sovereign Bonds
Gold
Copper

The week ahead

| | |
|---------|--|
| 25 June | Canadian CPI is published. |
| 27 June | Eurozone Consumer Confidence data is released. |
| 28 June | US PCE Price Index goes to print. |



| | 1 Week Return 14.06.24 to 21.06.24 | | Year to Date Return 31.12.23 to 21.06.24 | |
|-----------------|---------------------------------------|-------|---|-------|
| | Local Currency | Euro | Local Currency | Euro |
| World | 0.5% | 0.5% | 11.6% | 15.4% |
| U.S. | 0.6% | 0.7% | 14.6% | 18.6% |
| Europe | 0.7% | 0.7% | 9.3% | 9.3% |
| Ireland | 0.7% | 0.7% | 19.0% | 19.0% |
| U.K. | 1.3% | 1.0% | 8.8% | 11.4% |
| Japan | -0.8% | -2.1% | 17.2% | 7.1% |
| Hong Kong | -1.2% | -1.0% | -8.7% | -5.6% |
| Corporate Bonds | 0.0% | 0.0% | -1.5% | -1.5% |
| Sovereign Bonds | -0.3% | -0.3% | -2.2% | -2.2% |

Equities

- Global stocks were up last week by 0.5% in euro terms and 0.0% in local terms.
- Year-to-date global markets are up by 15.4% in euro terms and by 11.6% in local terms.
- The U.S market, the largest in the world, finished at 0.7% in euro terms and 0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 2.4%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.07, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$76 per barrel and is up 16.3% year-to-date in euro terms.
- Gold finished the week at \$2,322 per troy ounce and is up 16.2% year-to-date in euro terms.
- Copper finished the week at \$9,548 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

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

