

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.

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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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GR: 5685 Print Ref: ZL ISA 5685 0121

