

Stocks rebound on lower inflation

US equities posted a strong week of gains as investors reacted positively to encouraging news from both inflation and economic growth perspectives. Last week's retail sales data indicated that US consumers remain resilient and continue to spend, despite a cooling labour market. Retail sales grew by 1% in July, the highest increase in 18 months, comfortably surpassing the forecasted 0.4%, and rebounding from June's -0.2% figure. The growth was widespread, with 11 of the 13 major categories showing positive gains. Meanwhile, US inflation, measured by the Consumer Price Index (CPI), rose by 0.2% in July, bringing the 12-month inflation rate down to 2.9%. Excluding volatile food and energy prices, core CPI also increased 0.2% monthly and 3.2% annually, in line with expectations. The July CPI report may support the Fed's confidence that inflation is coming down towards its 2% target, potentially setting the stage for an interest rate cut in September.

European equities also closed the week on a positive note. In the UK, headline inflation rose to 2.2% in July from 2.0% in June. However, a slower than expected increase in services prices, a key area of focus for policymakers, led markets to anticipate a greater likelihood of further interest rate cuts later this year. The GBP strengthened on Tuesday after data revealed that the UK's unemployment rate unexpectedly fell to 4.2% in June, down from the 4.4% recorded in May. Despite this, wage growth slowed, with an annual growth in average weekly earnings easing to 5.4% in the three months through June, down from 5.8% in May.

Japanese equities led gains in Asia on Friday, marking their best week in four years, as new economic data from the US alleviated recession concerns. The Yen weakened against the USD, with the pair finishing the week at 147.6, giving a boost to Japan's exporters.

Fact of the Week

Headline CPI in the US hit 2.9% this week, printing below 3% for the first time since March 2021.

Our regular market information continues on the next page.

Snapshot



Corporate Bonds
Sovereign Bonds
World Equities
Copper
Gold



Oil

The week ahead

20 Aug

Eurozone CPI is released.

22 Aug

US and eurozone PMIs go to print.

23 Aug

The Jackson Hole Symposium continues.



	1 Week Return 09.08.24 to 16.08.24		Year to Date Return 31.12.23 to 16.08.24	
	Local Currency	Euro	Local Currency	Euro
World	4.0%	3.4%	14.2%	14.8%
U.S.	4.0%	3.4%	16.8%	17.4%
Europe	2.5%	2.5%	8.2%	8.2%
Ireland	3.4%	3.4%	26.5%	26.5%
U.K.	2.1%	2.5%	10.7%	12.5%
Japan	8.3%	6.6%	15.4%	10.5%
Hong Kong	0.6%	0.0%	-9.2%	-8.6%
Corporate Bonds	0.1%	0.1%	0.4%	0.4%
Sovereign Bonds	0.0%	0.0%	0.4%	0.4%

Equities

- Global stocks were up last week finishing at 3.4% in euro terms and 4.0% local terms.
- Year-to-date global markets are up by 14.8% in euro terms and by 14.2% in local terms.
- The U.S market, the largest in the world, finished at 3.4% in euro terms and 4.0% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.9% last week. The German equivalent finished at 2.2%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.10, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at \$77 per barrel and is up 7.1% year-to-date in euro terms.
- Gold finished the week at \$2,508 per troy ounce and is up 21.7% year-to-date in euro terms.
- Copper finished the week at \$9,006 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

