

# Clock strikes for TikTok

Much of the business news last week centred around TikTok, which shut down in the US on Sunday, before announcing it was “in the process of restoring service” later the same day. The week started on a sombre note with the S&P 500 dropping to its lowest level since the beginning of November, the gains of the post-election rally all but wiped out. But a melange of fresh economic releases brought renewed hope to the stumbling equity markets. On Tuesday, Producer Price Index (PPI) inflation printed at 3.3% for December, below the expected 3.4%. CPI reporting followed on Wednesday, with the core (excluding food and energy) growth rate dropping to 3.2%, representing a three-year low that was under projections of 3.3%. In response, the three major stock indexes, the S&P 500, the Nasdaq, and the Dow Jones, had their best day since 6<sup>th</sup> November. The stronger-than-anticipated inflation data brought a halt to the bond sell-off, and the 10-year treasury yield fell from 4.8% to 4.6%.

In the UK, headline CPI inflation came in at 2.5% for December, under the 2.6% consensus outlook. Meanwhile, GDP data showed the economy grew by 0.1% MoM in November, missing forecasts of 0.2%. On Friday, retail sales severely undershot expectations for December, falling by 0.3% month on month after having been projected to rise by 0.4%. Data showed that food stores had their worst Christmas in terms of sales volumes since 2013. UK equities rallied, as the combination of falling inflation and weak economic growth hardened the case for rate cuts next month. The FTSE 100 experienced a spike on Friday that pushed it to an all-time high. In China, stimulus measures helped GDP growth to surpass expectations in the fourth quarter of 2024, measuring at 5.4% YoY. The economy met the government’s 5% growth target for the year.

Elsewhere, in commodities, oil continued its strong beginning to 2025 after the US issued new sanctions on Russia’s energy sector, raising the expectation of supply disruptions.



## Fact of the week

The world’s largest bank, JP Morgan, recorded \$58 billion in profit for 2024, the most in American banking history.

Our regular market information continues on the next page.

## Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Oil
- Gold
- Copper

## The week ahead

<b>20 Jan</b>	Inauguration of Donald Trump as US president. US markets closed for MLK Day.
<b>23 Jan</b>	Japan CPI goes to print.
<b>24 Jan</b>	Bank of Japan announce rate decision.



	1 Week Return 10.01.25 to 17.01.25		Year to Date Return 31.12.24 to 17.01.25	
	Local Currency	Euro	Local Currency	Euro
World	2.7%	2.2%	1.9%	2.5%
U.S.	3.0%	2.5%	2.2%	2.7%
Europe	2.4%	2.4%	3.7%	3.7%
Ireland	2.1%	2.1%	0.6%	0.6%
U.K.	3.0%	2.3%	4.1%	1.9%
Japan	-1.4%	-1.0%	-3.9%	-2.7%
Hong Kong	1.7%	1.3%	-2.7%	-2.4%
Corporate Bonds	0.4%	0.4%	-0.5%	-0.5%
Sovereign Bonds	1.0%	1.0%	-1.1%	-1.1%

**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.**

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## Equities

- Global stocks finished at 2.2% in euro terms and 2.7% in local terms last week.
- Year-to-date global markets are up by 2.5% in euro terms and down by 1.9% in local terms.
- The U.S. market, the largest in the world, finished at 2.5% in euro terms and 3.0% local terms.

## Fixed Income & FX

- The U.S. 10-year yield finished at 4.6% last week. The German equivalent finished at 2.5%. The Irish 10-year bond yield finished at 2.8%.
- The Euro/U.S. Dollar exchange rate finished at 1.03, whilst Euro/GBP finished at 0.84.

## Commodities

- Oil finished the week at \$78 per barrel and is up 9.4% year-to-date in euro terms.
- Gold finished the week at \$2,703 per troy ounce and is up 3.8% year-to-date in euro terms.
- Copper finished the week at \$9,082 per tonne.

### Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.

Telephone: 01 283 1301 Fax: 01 283 1578 Website: [www.zurich.ie](http://www.zurich.ie)

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