March Madness

There were several major developments in the eurozone last week, the largest being the ECB Governing Council's decision to cut the three key interest rates by 25bps. It was a move that was widely anticipated, but the language used in the decision signified a notably hawkish shift. At the beginning of the week, flash estimates revealed that Eurozone inflation for February is expected to have fallen to 2.4% from 2.5% in January. Meanwhile, the incoming German Chancellor Friedrich Merz announced plans for a slew of fiscal reforms which aim to boost spending on defence infrastructure. The news helped to carry the euro into its best week in 16 years, and having started Monday around the 1.04 level, EUR/USD finished the week close to 1.08.

Further tariff trepidation stifled US equities again last week. On Monday, US President Trump confirmed at a press conference that tariffs against Canada, Mexico, and China would go into full effect on Tuesday, finally answering the "will he-won't he" questions. It didn't last long, however. On Thursday, Trump announced that the levies on goods from Canada and Mexico would be largely lifted and delayed until 2nd April. Trump insisted the reprieve had "nothing to do" with the recent volatility of the US stock market, adding: "I'm not even looking at the market, because long term, the United States will be very strong with what's happening here".

Amid all the uncertainty, there was additional pressure on the jobs report on Friday to re-establish some confidence in the US economy. US non-farm payrolls data showed that 151,000 jobs were created in February, below projections of 160,000, while the unemployment rate rose to 4.1%, higher than consensus estimates of 4%.

The S&P 500 had fallen more than 3% by market close on Friday. Meanwhile, the dollar experienced its worst week since November 2022.

Fact of the week

The US trade gap grew by 34% in January to an all-time high of $131.4 billion. Imports grew by 10% as companies looked to stock up before the imposition of tariffs.

Our regular market information continues on the next page.

Snapshot

Up:
- Copper

Down:
- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold
- Oil

The week ahead	
12 Mar	US CPI inflation data is released.
13 Mar	US producer price index (PPI) data goes to print.
14 Mar	UK GDP figures are reported.

	1 Week Return 28.02.25 to 07.03.25		Year to Date Return 31.12.24 to 07.03.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-1.7%	-5.9%	1.1%	-3.7%
U.S.	-3.2%	-7.4%	-1.9%	-6.5%
Europe	-0.2%	-0.2%	10.6%	10.6%
Ireland	3.3%	3.3%	21.6%	21.6%
U.K.	-1.0%	-2.8%	7.2%	5.4%
Japan	0.6%	-1.6%	-3.3%	-1.9%
Hong Kong	4.7%	0.2%	9.4%	4.2%
Corporate Bonds	-1.4%	-1.4%	-0.5%	-0.5%
Sovereign Bonds	-3.8%	-3.8%	-3.3%	-3.3%

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.

Equities

- Global stocks finished at -5.9% in euro terms and -1.7% in local terms last week.
- Year-to-date global markets are down by -3.7% in euro terms and up by 1.1% in local terms.
- The U.S. market, the largest in the world, finished at -7.4% in euro terms and -3.2% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 2.8%. The Irish 10-year bond yield finished at 3.1%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $67 per barrel and is down -10.7% year-to-date in euro terms.
- Gold finished the week at $2,909 per troy ounce and is up 5.9% year-to-date in euro terms.
- Copper finished the week at $9,609 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
Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland. | GR: 9083