

Stocks higher, as steady inflation paves way for US rate cut

Stocks moved higher last week as the market priced in an interest rate cut from the Federal Reserve with increasing certainty. The NASDAQ led US indexes higher, with the S&P 500 and Russell 2000 also recording gains. Exchanges saw lighter volumes as we move to what is traditionally a quieter time of year from a trading perspective.

Following the Government shutdown, US data releases continue to play catch up. Economic reports for September painted a mixed picture with services performing better than manufacturing. This theme was accentuated by the ISM (a non-governmental report) Services and Manufacturing PMI data for November. Activity in the manufacturing sector contracted for the ninth consecutive month in November, down from 48.7 to 48.2. Input prices also increased for the 14th month in a row. Conversely, the Services figure came in at 52.6, up from 52.4 in October.

The final notable US release of the week saw the personal consumption expenditures (PCE) index rise 0.3% (headline) and 0.2% (core) month-on-month in September. Given this is the Fed's preferred inflation measure, markets interpreted the release as paving the way for the Fed to cut this coming Wednesday.

Elsewhere, headline Consumer Price Index (CPI) data in the Eurozone surprised slightly to the upside, rising 2.2% of the previous 12 months. Inflation has steadied but remains in excess of the targeted 2% level. There is little expectation of an interest rate cut from the European Central Bank (ECB) at upcoming meetings. In Australia, GDP for Q2 came in below expectations, growing 0.4% over the quarter and 2.1% over the previous year.



Fact of the week

Last week Netflix announced the \$83 billion takeover of Warner Bros. If it materialises it would mark, in dollar terms, the biggest takeover of the decade.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Copper
- Gold



- Corporate Bonds
- Sovereign Bonds
- Oil

The week ahead

09 Dec	US Job Openings and Labor Turnover Survey (JOLTS) for October is released.
10 Dec	The Fed meets for its last rate decision of the year.
12 Dec	UK GDP for October goes to print.



	1 Week Return 28.11.25 to 05.12.25		Year to Date Return 31.12.24 to 05.12.25	
	Local Currency	Euro	Local Currency	Euro
World	0.5%	0.1%	20.7%	7.3%
U.S.	0.4%	0.0%	17.8%	4.7%
Europe	0.6%	0.6%	17.1%	17.1%
Ireland	-0.9%	-0.9%	34.1%	34.1%
U.K.	-0.6%	-0.2%	22.4%	15.9%
Japan	-0.2%	0.0%	22.8%	10.5%
Hong Kong	-0.3%	-0.6%	35.4%	20.2%
Corporate Bonds	-0.2%	-0.2%	0.6%	0.6%
Sovereign Bonds	-0.9%	-0.9%	-0.5%	-0.5%

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 up 0.1% in euro terms and up 0.5% in local terms last week.
- Year-to-date global markets are up by 7.3% in euro terms and up by 20.7% in local terms.
- The U.S. market, the largest in the world, finished up at 0.0% in euro terms and up at 0.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.1% last week. The German equivalent finished at 2.8%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$60 per barrel and is down -25.5% year-to-date in euro terms.
- Gold finished the week at \$4,198 per troy ounce and is up 42.3% year-to-date in euro terms.
- Copper finished the week at \$11,644 per tonne and is up 19.7% year-to-date in euro terms.

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.

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.