

From conflict to confidence

Global stock markets delivered another strong performance last week, with major US indexes closing at record highs as investors responded positively to easing geopolitical concerns, lower energy prices, and continued enthusiasm around artificial intelligence. The rally was initially sparked by reports that the US and Iran were moving toward a 60-day extension of their ceasefire arrangement, alongside discussions aimed at restoring shipping activity through the Strait of Hormuz. The prospect of smoother energy flows helped push oil prices lower, boosting investor confidence and supporting demand for equities. Although later reports indicated fresh US military strikes against Iranian targets, markets remained resilient amid growing expectations that a broader agreement was close to receiving final approval.

On the economic front, inflation data provided a mixed signal. The US Personal Consumption Expenditures (PCE) Price Index rose 0.4% in April, down from 0.7% in March. However, annual inflation accelerated to 3.8%, compared with 3.5% the previous month, marking the highest reading since May 2023. Core PCE, which excludes food and energy prices, increased by 0.2% during the month, slowing from March's 0.3% rise. On an annual basis, core inflation edged up to 3.3%, its strongest level since November 2023. First-quarter US GDP growth was adjusted down to an annualised rate of 1.6% from an earlier estimate of 2.0%, reflecting weaker investment and consumer spending. Despite the downgrade, growth remained stronger than the 0.5% pace recorded in the final quarter of 2025.

Japanese stocks surged to fresh highs, helped by hopes of greater stability in the Middle East. Technology and semiconductor companies led gains as investors continued to back AI-related industries. Meanwhile, Tokyo's core inflation rate slowed to 1.3% in May from 1.5% in April, falling below expectations and remaining under the Bank of Japan's 2% target for a fourth consecutive month.

European markets also advanced as investors welcomed signs of progress between Washington and Tehran. Inflation readings surprised on the downside in several major economies, with annual rates reaching 2.8% in France, 3.6% in Spain, 3.3% in Italy, and 2.7% in Germany. The figures strengthened expectations that inflation pressures across the region are rising at a lower-than-expected rate, even as overall price growth remains elevated.



Fact of the week

Japan's Nikkei 225, reached 67,000 for the first time in history after decades of trading below its 1989 bubble-era peak.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Copper



- Gold
- Oil

The week ahead

1 June	Eurozone manufacturing PMI and unemployment rate data is reported.
2 June	Eurozone CPI indices go to print.
5 June	US Nonfarm payrolls data is released.



	1 Week Return 22.05.26 to 29.05.26		Year to Date Return 31.12.25 to 29.05.26	
	Local Currency	Euro	Local Currency	Euro
World	1.3%	0.7%	10.5%	11.2%
U.S.	1.5%	0.8%	10.9%	11.6%
Europe	0.5%	0.5%	7.4%	7.4%
Ireland	1.4%	1.4%	0.7%	0.7%
U.K.	-0.5%	-0.8%	6.8%	7.7%
Japan	1.9%	1.2%	18.0%	16.9%
Hong Kong	-2.3%	-2.9%	9.0%	9.0%
Corporate Bonds	0.6%	0.6%	0.2%	0.2%
Sovereign Bonds	1.2%	1.2%	1.2%	1.2%

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.

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.

Equities

- Global stocks finished up 0.7% in euro terms and up 1.3% in local terms last week.
- Year-to-date global markets are up by 11.2% in euro terms and up by 10.5% in local terms.
- The U.S. market, the largest in the world, finished up at 0.8% in euro terms and at 1.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% last week. The German equivalent finished at 3.0%. The Irish 10-year bond yield finished at 3.2%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$92 per barrel and is up 62.1% year-to-date in euro terms.
- Gold finished the week at \$4,485 per troy ounce and is up 4.9% year-to-date in euro terms.
- Copper finished the week at \$13,808 per tonne and is up 12.0% year-to-date in euro terms.