ZURICH

Markets move higher, as positive jobs report shifts rate expectations

Snapshot

World Equities

Sovereign Bonds

Corporate Bonds

Copper

Gold

Oil

Week Ahead

10 July The latest FOMC meeting minutes are released, and Chinese inflation data also goes to market.

11 July US inflation data is released, with prices expected to rise 1.7% (YoY).

12 July The Chinese trade balance along with US purchasing price data goes to print.

Markets began the week strongly, as US markets hit a record high on the back of optimism regarding the US & China trade deal. However, a better than expected jobs report hit hopes of a rate cut in the US, which subsequently pared gains for equity markets for the week. 224,000 jobs were created in the US during June, with the unemployment rate rising slightly to a still low 3.7%. The outlook for the Federal Reserve still remains 'dovish' but the employment numbers have added some ambiguity to the amount of rate cuts we might see stateside throughout 2019. Other economic data was mixed around the globe with factory orders in Germany coming in below expectations, whilst manufacturing data in the US held up better than forecast. Finally, last Monday the current US economic expansion entered its 121st month, marking the longest (although not the strongest) expansion in modern American history.

	1 Week Return 281.06.19 to 05.07.19		Year to Date Return 31.12.18 to 05.07.19	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	0.6%	1.5%	17.1%	19.3%
U.S.	0.9%	1.4%	19.6%	22.1%
Europe	0.6%	0.6%	16.4%	16.4%
Ireland	1.3%	1.3%	18.9%	18.9%
U.K.	0.7%	0.4%	11.7%	12.1%
Japan	0.3%	0.8%	7.1%	10.8%
Hong Kong	2.2%	2.9%	17.0%	20.0%
Corporate Bonds	0.2%	0.2%	6.0%	6.0%
Sovereign Bonds	1.2%	1.2%	10.4%	10.4%

Equities

- Another positive week for equities, which were helped by a weakening euro currency which saw global markets in euro terms up 1.5%.
- Hong Kong led markets higher, up 2.9% for the week in euro terms.

Fixed Income & FX

- The U.S. 10-year yield was up slightly over the week, closing at 2.03% from 2.01%, as the positive jobs report sent yields slightly higher. The German equivalent was down once again at -0.37.
- The Euro/US Dollar exchange rate finished at 1.123, whilst Euro/GBP remained at 0.896.

Commodities

- Oil slipped last week, and finished the week at $57.5 per barrel.
- Gold also finished the week slightly down at $1,405 per troy ounce. Copper finished the week up at $5,890 per tonne.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated 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.

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: 3399 Print Ref: ZL ISA 3399 1218

ZURICH®