ZURICH

Markets oscillate in stand off between economy and pandemic

Snapshot



Corporate Bonds

Sovereign Bonds

Oil



World Equities

Gold

Copper

The week ahead

21 Oct The latest U.K. inflation data is released

22 Oct Eurozone consumer confidence figures for October are published

23 Oct U.S., eurozone, and U.K. PMIs all go to print

Stocks fluctuated between positive and negative territory last week, as investors continue to weigh rising pandemic concerns with encouraging economic data. In the U.S., September retail sales rose as consumer prices also rose for the fourth month in a row following the sharp falls seen in the first half of the year. The optimism was tempered by an unexpected rise in unemployment claims and 'High frequency' data continues to be somewhat erratic as the effects of the economic response to the pandemic continue to be distilled.

Stimulus talks in the U.S. are also ongoing as comments over the weekend raised hopes that there could be a deal agreed prior to the election. However, the highly politicised nature of the negotiations means an agreement may yet prove elusive, as localised outbreaks begin to return across the U.S.

Eurozone stocks fell as the lockdown debates, we are seeing here in Ireland, were echoed across the continent with Italy the latest country to announce measures yesterday. The fears over a winter spike in cases pushed German Bund yields (which move inversely to price) to their lowest levels since March. ECB Chief Economist, Philip Lane, commented that 'the next phase is going to be tougher' in terms of the evolution of the eurozone economy.

For the week ahead, Brexit negotiations are set to continue, over 30 S&P 500 companies are reporting earnings and the final U.S. presidential debate takes place on Thursday.

Our regular market information continues on the next page.

	1 Week Return 12.10.20 to 19.10.20		Year to Date Return 01.01.20 to 19.10.20	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-1.5%	-0.7%	3.5%	-0.9%
U.S.	-1.3%	-0.6%	9.8%	5.1%
Europe	-1.3%	-1.3%	-7.5%	-7.5%
Ireland	-1.1%	-1.1%	0.3%	0.3%
U.K.	-1.5%	-1.5%	-23.2%	-28.1%
Japan	-1.4%	-0.7%	-5.6%	-6.9%
Hong Kong	-2.4%	-1.6%	-10.5%	-14.0%
Corporate Bonds	0.1%	0.1%	1.7%	1.7%
Sovereign Bonds	0.8%	0.8%	7.1%	7.1%

Equities

- Global markets fell last week up by -0.7% in euro terms and -1.5% in local terms.
- Year to date the U.K. market is down -28.1% in euro terms and -23.2% in local terms.
- The influential U.S. Market was down -0.6% in euro terms and -1.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield remained at 0.77% last week. The German equivalent finished at -0.62%. The Irish 10 year bond yield finished at -0.27%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.90.

Commodities

- Oil finished the week at $41 per barrel.
- Gold finished the week at $1,909 per troy ounce up 25.8% year to date in local terms and 20.4% year to date in Euro terms.
- Copper finished the week at $6,724 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®