

'Goldilocks Gridlock' leads equities higher

Snapshot



World Equities
Corporate Bonds
Oil
Gold
Copper

The week ahead

12
Nov

U.K. GDP & EMU industrial production results are published

12
Nov

U.S. inflation figures for October go to print

13
Nov

The latest U.S. consumer sentiment readings are released

Stocks rallied last week as the market drew positive conclusions from the results of Tuesday's elections. The Democratic 'Blue Wave' did not materialise but it looks like Joe Biden has done enough to become the next President of the United States. However, it is forecast that Republicans will hold onto the Senate which could stall much of any potential domestic agenda from the Democrats. Pollsters were confounded once more, as many states were much tighter than anticipated as voting turnout was the highest in 100 years. Indeed, President Trump garnered over 70 million votes, the second highest tally in history.

Other economic news last week was also positive as non-farm payrolls rose by 638,000 in October and the unemployment rate fell to 6.9%. As expected, there was no change in policy as the Fed met in the wake of the election. Fed Chair Powell highlighted the continued risks from COVID-19 as daily U.S. cases have surged past 100,000 over the last week. The Fed also pointed towards the need for fiscal stimulus once more as Senate Republicans suggested something may be agreed before the inauguration in January.

U.S. manufacturing PMI rose to 59.3 in October, well ahead of expectations and the highest reading since 2018. However, services somewhat disappointed, as the closer contact nature of the industries involved led to a reading of 56.6 which was below consensus estimates. Eurozone shares also rose on the back of U.S. optimism and additional stimulus measures announced in the U.K. Q3 earnings, which draws to a close over the next or so, also buoyed investor sentiment.

Our regular market information continues on the next page.

	1 Week Return 2.11.20 to 9.11.20		Year to Date Return 01.01.20 to 9.11.20	
	Local Currency	Euro	Local Currency	Euro
World	6.4%	4.3%	6.2%	0.4%
U.S.	6.3%	4.2%	11.9%	5.8%
Europe	5.5%	5.5%	-6.3%	-6.3%
Ireland	4.4%	4.4%	2.7%	2.7%
U.K.	4.5%	4.2%	-21.1%	-26.0%
Japan	3.2%	2.6%	-1.1%	-1.7%
Hong Kong	5.6%	3.4%	-4.1%	-8.9%
Corporate Bonds	0.8%	0.8%	2.5%	2.5%

Equities

- Global markets were up last week up by 4.3% in euro terms and 6.4% in local terms.
- Year to date the U.K. market is down -26.0% in euro terms and -21.1% in local terms.
- The influential U.S. Market was up 4.2% in euro terms and 6.3% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.80% last week. The German equivalent finished at -0.64%. The Irish 10-year bond yield finished at -0.30%.
- The Euro/U.S. Dollar exchange rate finished at 1.19, whilst Euro/GBP finished at 0.90.

Commodities

- Oil finished the week at \$38 per barrel.
- Gold finished the week at \$1,958 per troy ounce up 29.1% year to date in local terms and 21.9% year to date in Euro terms.
- Copper finished the week at \$6,935 per tonne.

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 "asis" 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.

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

