

Stocks rally for second consecutive week

Snapshot



World Equities
Corporate Bonds
Oil
Copper



Sovereign Bonds
Gold

The week ahead

17
Nov

U.S. retail sales for October are set to rise.

18
Nov

U.K. inflation figures go to print

20
Nov

U.K. Retail Sales and eurozone consumer confidence data released.

Stocks rallied for the second consecutive period last week, as most major indexes saw decent gains. Optimism over the perceived conclusion of the U.S. Presidential Election was stoked further early on Monday by positive news on a vaccine development. U.S. stocks hit intraday all-time highs on Monday, before slipping back a bit during the middle of the week. The Pfizer announcement indicated that its vaccine candidate was over 90% effective in preventing infections, a rate well ahead of expectations. Value stocks outperformed growth on the expectation that lagging parts of the economy would see a stronger bounce if a viable vaccine emerged and the stock rotation so some 'stay at home' stocks lost out. Government bond yields (which move inversely to price) rose on both sides of the Atlantic on the positive news. However, whilst the news is undoubtedly encouraging the logistics of a widespread roll out remain unclear and, as noted below, much of Europe remains in lockdown.

U.S. economic news was relatively light as consumer prices came in flat for October, despite the Federal Reserve's change in tone on inflation in recent months. U.K. GDP figures for Q3 rebounded sharply, following the positive trend set in the U.S. and the eurozone. However, Brexit negotiations are continuing and are at a critical juncture. Japanese stocks also rallied on the general global sentiment and were also buoyed by positive earnings revisions. To hopefully further boost Japan's economy, Japanese Prime Minister Yoshihide Suga asked his cabinet to provide a proposal for a third stimulus package.

Major eurozone economies look set to maintain a lockdown into December as Chancellor Merkel stated that infection rates 'are still too high'. The U.K. has seen over 1.3 million cases so far and saw a daily record of over 30,000 on Thursday. Amidst the economic uncertainty ECB President Lagarde looks set to extend both the PEPP and TLTRO programmes rather than impose an interest rate cut.

Our regular market information continues on the next page.

	1 Week Return 9.11.20 to 16.11.20		Year to Date Return 01.01.20 to 16.11.20	
	Local Currency	Euro	Local Currency	Euro
World	1.1 %	1.2 %	8.8 %	3.3 %
U.S.	1.0 %	1.0 %	14.0 %	8.2 %
Europe	0.8 %	0.8 %	-2.0 %	-2.0 %
Ireland	3.0 %	3.0 %	5.3 %	5.3 %
U.K.	2.3 %	2.5 %	-15.1 %	-19.9 %
Japan	1.6 %	2.4 %	1.9 %	0.5 %
Hong Kong	2.7 %	2.7 %	-0.6 %	-5.2 %
Corporate Bonds	0.2 %	0.2 %	2.3 %	2.3 %
Sovereign Bonds	-0.4 %	-0.4 %	6.7 %	6.7 %

Equities

- Global markets were up last week up by 1.2% in euro terms and 1.1% in local terms.
- Year to date the U.K. market is down -19.9% in euro terms and -15.1% in local terms.
- The influential U.S. Market was up 1.0% in euro terms and local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.88% last week. The German equivalent finished at -0.56%. The Irish 10-year bond yield finished at -0.24%.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.90.

Commodities

- Oil finished the week at \$41 per barrel.
- Gold finished the week at \$1,894 per troy ounce up 24.8% year to date in local terms and 18.2% year to date in Euro terms.
- Copper finished the week at \$6,966 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



ZURICH[®]