Markets take a breather, as economy plays catch up

Global stocks were lower last week, after being pulled down by the likes of Japan, the U.K, and the eurozone. US equities were positive, but a weakening dollar reduced returns for Irish investors. Stocks saw choppy trading in general throughout the week, with no individual theme dominating the headlines. President Biden marked his first 100 days in office, which has been dominated by the COVID vaccine rollout. However, in recent weeks he has been able to focus on other areas. For example, stocks were lower on Thursday following an announcement to double the long term CGT rate for wealthy Americans – a move that would have to navigate robust opposition to get through Congress.

Housing data in the US remains extremely positive with, new home sales surging over 20% in March from a year earlier. Weekly unemployment claims in the US came in lower than expected, dropping to the lowest level since the pandemic began. Some market participants are increasingly turning to this sort of 'real time' economic data given the volatility in some metrics. 'Year-on-year' numbers for many indicators are showing record numbers, given the extreme lows seen into Q2 2020. For example, the consensus is for this week's GDP releases to contain some eye-catching numbers.

The ECB kept policy unchanged last week, as expected. The pace of asset purchases will continue unabated as the meeting commentary set a firmly 'dovish' tone. Eurozone PMI data released on Friday showed a record reading for the manufacturing component, with the services side moving back into expansion territory with a result of 50.3. This helped to push the composite figure to a 9 month high. Eurozone services data continues to lag the likes of the U.S and U.K, with continued restrictions as a result of a slower vaccine rollout being identified as the main cause.

Our regular market information continues on the next page.

Snapshot

Copper

World Equities

Corporate Bonds

Sovereign Bonds

Oil

Gold

The week ahead

28 Apr	The FOMC meets for the latest US rate decision
29 Apr	The first estimate of Q1 US GDP growth goes to print.
30 Apr	Eurozone inflation and GDP figures, along with Chinese PMIs are released.

	1 Week Return 19.04.21 to 26.04.21		Year to Date Return 01.01.21 to 26.04.21	
	Local Currency	Euro	Local Currency	Euro
World	0.1%	-0.2%	10.0%	11.7%
U.S.	0.5%	0.3%	11.2%	12.9%
Europe	-0.2%	-0.2%	10.7%	10.7%
Ireland	-1.3%	-1.3%	9.4%	9.4%
U.K.	-0.9%	-2.2%	8.8%	11.9%
Japan	-2.0%	-2.3%	6.8%	3.6%
Hong Kong	0.4%	0.3%	11.1%	12.7%
Corporate Bonds	0.0%	0.0%	-1.1%	-1.1%
Sovereign Bonds	-0.1%	-0.1%	-4.0%	-4.0%

Equities

- Global stocks decreased last week, and were down -0.2% in euro terms.
- Year-to-date global markets are up 11.7% in euro terms and 10.0% in local terms.
- The U.S market, the largest in the world, was down 0.3% in euro terms, and 0.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.58% last week, up from 1.56% a week earlier. The German equivalent finished at -0.25%. The Irish 10-year bond yield finished at 0.11%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.21, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at $62 per barrel and is up 28.1% year-to-date in euro terms.
- Gold finished the week at $1,777 per troy ounce.
- Copper finished the week at $9,582 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.

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: 5685 Print Ref: ZL ISA 5685 0121

ZURICH