



21st December 2015

The week gone by

Global **equities** (in euro terms) rose last week leading up to the expected 0.25% US interest rate rise on Thursday, the first rise in almost a decade, before losing some ground on Friday. Markets had fallen heavily the previous week on the back of steeply declining oil prices. Year-to-date, euro currency weakness has significantly improved returns for eurozone investors (see table below) with many markets underwater in local currency terms.

The global index (in euro terms) rose by 1.3% last week and has given a total return year-to-date of plus 8.1%. Technically, the Index remains just under the critical 200-day moving average and is 9.7% off the 2015 high set on 15th April. Many of the major equity **markets** were up in local currency terms last week although the influential US market was off 0.3%. Defensive stocks, such as utilities and healthcare, clearly outperformed economically sensitive stocks, such as materials, over the week.

Eurozone **bond** prices fell by 0.2% last week. Overall, eurozone bonds have given a total return of plus 2.9% year-to-date. The German 10-year bond yield rose marginally from 0.54% to 0.55% last week. Equivalent US yields rose from 2.13% to 2.20%. **Commodity** prices in general were down by 1.5% (in dollar terms) last week, with oil prices off another 3%, and are now down by a hefty 25.1% so far in 2015.

	Index	1 Week Return 11.12.15 to 18.12.15		Year to Date Return 31.12.14 to 18.12.15	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	1.3	1.3	8.1	8.1
US	S&P 500	-0.3	1.1	-2.6	8.8
Europe	FT/S&P Europe Ex. U.K.	1.8	1.8	7.4	7.4
Ireland	ISEQ	1.8	1.8	29.2	29.2
UK	FTSE 100	1.7	1.0	-7.8	-1.6
Japan	Topix	-0.8	0.1	9.2	20.4
Hong Kong	Hang Seng	1.4	2.8	-7.8	2.9
Australia	S&P/ASX 200	1.5	2.8	-5.6	-7.4
Bonds	Merrill Lynch Euro over 5 year	-0.2	-0.2	2.9	2.9

The week ahead

- It is likely that US Q3 final GDP (Tuesday) will be revised down to 1.9% quarter-on-quarter (last: 2.1%).
- In the UK, it is expected that the final estimate of Q3 GDP (Wednesday) will be confirmed at the initial estimate of 0.5% quarter-on-quarter and 2.3% year-on-year.
- In Japan, it is forecast that November nationwide core CPI (Thursday) was flat year-on-year (last: -0.1%).

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