

## Equities move higher as earnings season takes hold





World Equities
Sovereign Bonds

Oil

Copper



Corporate Bonds

Gold

## Week in Review

- Equity markets continued to test all-time highs last week as the US Senate approved a \$4 trillion budget measure and should help pave the way for tax reform, which is now a key focus for the administration. Earnings season also picked up pace last week, where over 14% of the S&P 500 has now reported with 70% beating earnings-per-share expectations.
- The yield on the bellwether US 10-year treasury rose over the course of the week; helped by the Senate budget agreement. Markets were also focused on speculation as to who will replace Janet Yellen as Fed Chair, with a decision expected in the first week of November.
- In Europe tensions in Spain deepened as the central government took steps to impose direct rule on Catalonia, as the president of the region refused to back down on his succession demands.

	Index	1 Week Return 13.10.17 to 20.10.17		Year to Date Return 31.12.16 to 20.10.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.7%	0.7%	6.9%	6.9%
US	S&P 500	0.9%	1.2%	15.0%	3.0%
Europe	FTSE Europe Ex. U.K.	-0.1%	-0.1%	11.0%	11.0%
Ireland	ISEQ	-0.7%	-0.7%	4.2%	4.2%
UK	FTSE 100	-0.2%	-0.5%	5.3%	0.7%
Japan	Topix	1.3%	0.1%	14.0%	4.9%
Hong Kong	Hang Seng	0.0%	0.4%	29.5%	15.2%
Bonds	Merrill Lynch Euro over 5	-0.3%	-0.3%	-0.4%	-0.4%

**Oil** was relatively flat over the course of the week, and finished at \$51.50.

The influential **US ten year bond yield** moved to 2.38% from 2.27%. The **German equivalent** stood at 0.45% from 0.40% a week ago, and

has been trading in a tighter trading range recently.

The EUR/USD rate closed at 1.18 whilst EUR/GBP was at 0.89.

The **global index** in euro terms was up 0.7% last week, led by the US and Japan, which was buoyed by the reelection of President Abe.

**Gold** fell nearly 2%, as a more 'riskon' sentiment permeated markets.

## The Week Ahead

## Tuesday 24 October Thursday 26 October Friday 27 October Preliminary GDP data for the US goes Flash eurozone manufacturing PMI data No change in policy is expected is released for October, which will give when the ECB meets for its latest to print, with the Q3 figure forecast to come in at 2.5% (quarter-onan early insight into how the key interest rate decision. However, the economies in the currency bloc commentary will be closely watched quarter). performed last month. for details on any potential QE tapering.

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML"), used with permission. BofAML PERMITS USE OF THE BOFAML INDICES AND RELATED DATA ON AN "AS IS" BASIS, MAKES NO WARRANTIES REGARDING SAME,

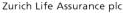
DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE BofAML INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THE USE OF THE FOREGOING, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, 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 House, Frascati Road, Blackrock, Co. Dublin, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurichlife.ie
Zurich Life Assurance plc is regulated by the Central Bank of Ireland.
Intended for distribution within the Republic of Ireland.

