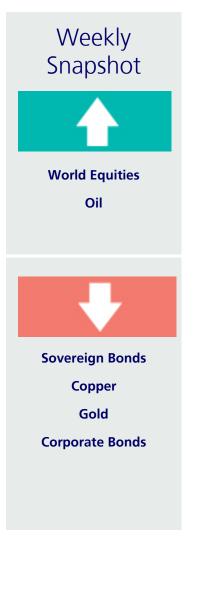


Strong start to the year with record highs for equities



The **global index** in euro terms was up a solid 2.3% last week, in what was a strong start to the year. Japan led the way, up nearly 3% in euro terms. **Oil** continued its recent strength with another positive week, and is now above the \$60/barrel mark.

Week in Review

- The **Dow, S&P 500, and NASDAQ all hit record highs** last week, with the Dow crossing 25,000 points for the first time ever on Thursday as the impact of **higher economic growth** and **US tax cuts** continue to be digested.
- December payroll data for the US disappointed, with 148,000 jobs created versus an expectation of 193,000. The underwhelming data was attributed to lower than expected retail jobs over the festive period, as online sales continue to take a grip on the market.
- However, markets took the miss in their stride as participants remain positive on the economy. The odds of another US rate rise in March currently stands at close to 80%, from just 10% four months ago. US ten year yields rose (yields move inversely to price) as the demand for lower risk assets declined throughout the week.

	1 Week Return 29.12.14 to 05.01.18		Year to Date Return 31.12.17 to 05.01.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	2.3%	2.3%	2.3%	2.3%
US	2.6%	2.4%	2.6%	2.4%
Europe	2.7%	2.7%	2.7%	2.7%
Ireland	1.9%	1.9%	1.9%	1.9%
UK	0.5%	0.7%	0.4%	0.6%
Japan	3.5%	2.9%	3.5%	2.7%
Hong Kong	3.0%	2.7%	3.0%	2.7%
Bonds	-0.5%	-0.5%	0.1%	0.1%

Copper closed down just over 2% for the week whilst gold was up 1.25%.

The **ten year US bond yield** finished the week at 2.48% as interest rate expectations ticket up. The **10 year** **German equivalent** was at 0.44% from 0.42%.

The **EUR/USD** rate closed the period at 1.20, whilst **EUR/GBP** was at 0.89.

The Week Ahead

Tuesday 9 January	Thursday 11 January	Friday 12 January
Eurozone unemployment data for November is released, where the rate is expected to tick up slightly to 8.9% from 8.8%.	The minutes from the latest ECB meeting are released. No changes to the current policy are envisaged but the text is always closely watched for indications of future policy.	US retail sales data for December goes to print where the consensus estimates a growth rate of 0.4% (month-on-month). Inflation data is also released, where a monthly increase of 0.1% is forecast.

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 Life Assurance plc 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.

