

U.S. corporate earnings continue to surprise to the upside

Snapshot



Corporate Bonds

Copper



World Equities

Sovereign Bonds

Gold

Oil

Week Ahead

13
FEB

Eurozone Industrial
Production

U.S. Consumer
Price Index (CPI)

14
FEB

Eurozone GDP
Flash

U.S. Jobless
Claims & PPI

15
FEB

U.K. Retail Sales

U.S. Industrial
Production

The recovery in U.S. equities this year remains on track with the markets finishing the week 0.1% higher. Corporate earnings supported the advance. Almost two-thirds of companies have now reported earnings with 71% beating analyst estimates. Volatility, as measured by the VIX index, has also eased. The strong start to January bodes well for the remainder of the year. In 64% of years since 1944, the market has posted a January gain, with 92% of these occasions posting a full year gain. More importantly, though, market strength is supported by solid economic fundamentals in the U.S. The economic data emerging from Europe is not as comforting, however. The European Union reduced its 2019 growth forecasts for the broader region from 1.9% to 1.3%. In Germany, industrial production declined for the fourth month in succession, while manufacturing orders declined 1.6% during the same period.

	1 Week Return 01.02.19 to 08.02.19		Year to Date Return 31.12.18 to 08.02.19	
	Local Currency	Euro	Local Currency	Euro
World	-0.4%	0.8%	7.3%	8.2%
U.S.	0.1%	1.3%	8.3%	9.7%
Europe	-0.8%	-0.8%	5.4%	5.4%
Ireland	0.3%	0.3%	6.8%	6.8%
U.K.	0.7%	0.9%	5.0%	7.9%
Japan	-1.8%	-0.9%	3.1%	4.5%
Hong Kong	1.4%	2.6%	9.3%	10.4%
Corporate Bonds	0.4%	0.4%	1.7%	1.7%
Sovereign Bonds	-0.2%	-0.2%	1.0%	1.0%

Equities

- The MSCI World Index declined 0.4% in local currency terms. Europe and Japan weighed but the U.S. did advance 0.1%.
- Utilities shares performed strongest in the U.S. followed by Industrials and Information Technology.

Fixed Income & FX

- The U.S. 10-year yield fell to 2.63% while the German equivalent yield slumped to 0.09% on economic growth concerns.
- The Euro weakened against the U.S. dollar and GBP pound, declining to 1.132 and 0.874 respectively.

Commodities

- Plans for OPEC cutbacks remain on track but a stronger dollar put pressure on oil prices, which declined to \$52.72.
- Gold declined to \$1,315 per troy ounce but despite Chinese growth concerns, Copper advanced to \$6,191.

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 "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.

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

