

Domestic Irish News

Ireland not on path to recession, despite ties with UK

Ireland's Tánaiste, Leo Varadkar, stated that he does not believe Ireland is being brought into recession, despite the situation in the UK. However, Varadkar noted the challenges due to Ireland's trade links to the UK, as well as supply chain disruptions in Europe amid the ongoing Russia-Ukraine war.

Global Share Markets

Stocks end the week slightly down

Global share markets ended the week slightly lower, according to the MSCI AC World Index. This comes alongside US Federal Reserve official James Bullard's comments about the strong possibility of more interest rate hikes (despite some positive producer price inflation signs in the US), as well as the UK's Autumn Statement on Thursday.

Muted market reaction to new UK mini-budget amid recession

On Thursday, Chancellor Hunt unveiled the new Autumn Budget

In the wake of the disastrous UK mini-budget announced in September, new Chancellor Jeremy Hunt has announced a new mini-budget, including £55 billion of tax rises and spending cuts. He stated that the measures will make for a "stronger, fairer United Kingdom". Markets reacted modestly to this mini-budget compared to September's announcement, with government bonds weakening slightly and the pound falling slightly against the dollar.

US Producer Price Inflation

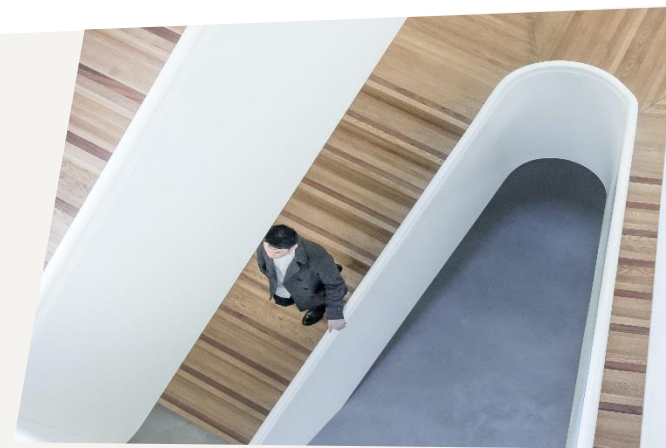
Slower producer price growth in the US

A slower-than-expected growth in US producer prices has improved sentiment surrounding inflation. Services costs fell for the first time since November 2020, as well as wholesale goods (excluding food and energy). Analysts expect that this may allow the US Federal Reserve to slightly slow its pace of interest rate rises, as it signals that inflation may have peaked.

UK annual inflation

UK annual inflation hits 41-year high

The annual inflation rate in the UK rose to 11.1% in October, from 10.1% in September, exceeding market expectations of 10.7%. This is the highest rate of inflation since 1981, and comes primarily from increases in gas and electricity prices. However, analysts note that inflation would have been greater had the government not initiated the Energy Price Guarantee, limiting household energy bills.



“The smallest deed is better than the greatest intention.”

JOHN BURROUGHS

The Story of the Week

NASA launches new rocket to the moon

On Wednesday, NASA successfully launched the Artemis rocket on a path to the Moon. The Artemis I mission will last 26 days and carries the Orion spacecraft. Orion is currently uncrewed, with a manikin to replicate the effects of the journey on humans, but it is hoped that humans will be able to travel to – and even inhabit – the Moon this decade.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (18/11)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-13.6
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-13.1
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-5.8
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-15.6
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-28.2
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-1.1
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-15.6
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-6.0

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (18/11)
ECB	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Bank of England	0.25	0.25	0.75	0.75	0.10	0.25	3.00
U.S. Federal Reserve	0.75	1.50	2.50	1.75	0.25	0.25	4.00

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (18/11)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	3.8
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	2.0
UK	1.3	1.3	1.3	0.8	0.2	1.0	3.2
Japan	0.0	0.0	0.0	0.0	0.0	0.1	0.2
Ireland	0.8	0.7	0.9	0.1	-0.3	-0.3	2.5
Italy	1.8	2.0	2.7	1.4	0.5	1.2	3.9
Greece	7.2	4.1	4.4	1.5	0.6	1.3	4.2
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	2.9
Spain	1.3	1.5	1.4	0.5	0.0	0.6	3.0

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (18/11)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.04
Euro/Sterling (€/£)	0.85	0.89	0.90	0.85	0.90	0.84	0.87
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.19

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Sources: Factset / Bloomberg / Moneymate / MSCI

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