

## Global share markets

### Shares ended the week lower

Global share markets ended the week slightly lower, according to the MSCI AC World Index. Despite some positive growth data, investors were concerned that the US Federal Reserve (Fed) might raise interest rates by more than previously anticipated in response to more persistent inflation.

## US economic data

### US inflation at 6.4%

The US inflation rate, year-over-year to January, came in at a higher-than-expected 6.4%. Month-on-month, consumer prices rose 0.5% in January, versus a 0.1% increase in December. Shelter prices accounted for nearly half of the gain. Retail sales jumped by 3.0% in January, their biggest increase in 10 months. A recovery in consumer spending may add some upward pressure to inflation.

## China tensions

### Chinese markets fall amid geopolitical tensions

Chinese equities fell for a third consecutive week amid concerns over geopolitical tensions with the US. China's foreign ministry announced the country would enact countermeasures following the shooting down of a suspected spy balloon in US territory.

## European share markets

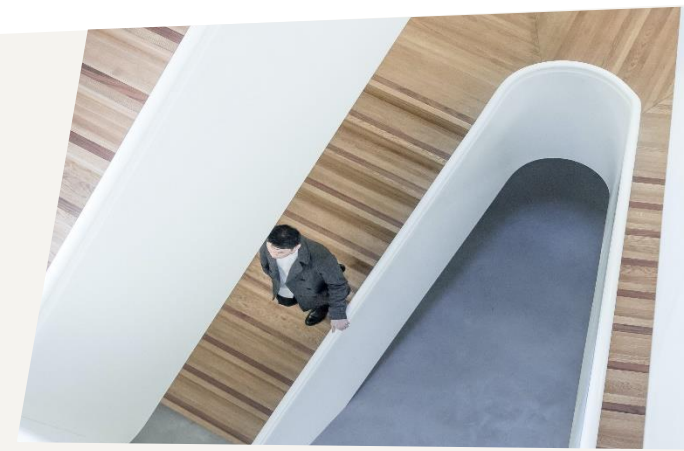
### European equities higher

European equities rose on encouraging corporate results which helped to brush off fears of planned interest rate rises. The FTSE 100 hit an all-time high, supported by the composition of the index – which is relatively highly weighted in natural resource companies and financials – combined with a weaker British pound versus the US dollar.

## European economy

### Mixed economic data

Eurozone unemployment rose to a record high in the fourth quarter of 2022, climbing by 1.5% year-over-year. Eurozone industrial production fell by 1.1% in December. UK inflation slowed for a third consecutive month, to 10.1% year-on-year, which fuelled hopes of a smaller Bank of England interest rate rise in March. The UK jobs market remained tight, however, with unemployment near an all-time low at 3.7% in the fourth quarter of 2022. UK retail sales rose by 0.5% in January, when a decline was expected, although the annual figure was a -5.1% drop.



**“If you were attracted to an asset class at a certain price, and it then falls by half, then that asset should be precisely twice as attractive at half the price.” – RICK RULE**

## The Story of the Week

### Wildcats to be re-introduced to Devon and Cornwall

Wildcats have not been seen in England and Wales for more than a century. There are now only around 200 of the animals left in the wild in northern Scotland, and they are at risk of extinction.

A conservation programme is now aiming to release 40 to 60 European wildcats into the countryside in Devon and Cornwall. They will be released into coastal scrubland and dense forest – the exact locations will remain secret to protect them as they are so rare.

# Index performances and market data

Equity & Bond Markets (%) in Local Currency	2017	2018	2019	2020	2021	2022	2023 YTD (17/02)
MSCI AC World (Gross TR)	9.5	-4.3	29.6	7.2	21.4	-15.6	6.9
ISEQ Overall Return	9.5	-20.8	33.6	4.2	15.7	-14.5	15.7
Euro Stoxx 50 TR	10.0	-11.2	29.3	-2.6	24.1	-8.8	13.0
S&P 500 TR	7.0	0.4	33.9	8.6	28.7	-18.1	6.5
Nasdaq Composite	13.9	2.1	39.2	32.9	22.2	-32.5	12.8
Nikkei 225	10.3	-3.2	24.1	14.2	6.7	-7.3	5.4
MSCI Emerging Markets	21.0	-9.9	21.1	8.9	0.1	-15.2	4.8
Eurozone Government Bonds 1–5 yr	-0.2	0.0	1.1	0.6	-0.9	-7.2	0.2

Sovereign 10yr Bond Yields (%)	2017	2018	2019	2020	2021	2022	2023 YTD (17/02)
U.S.	2.4	2.7	1.9	0.9	1.5	3.9	3.8
German	0.5	0.2	-0.2	-0.6	-0.2	2.5	2.5
UK	1.3	1.3	0.8	0.2	1.0	3.7	3.5
Japan	0.0	0.0	0.0	0.0	0.1	0.4	0.5
Ireland	0.7	0.9	0.1	-0.3	-0.3	-0.3	2.9
Italy	2.0	2.7	1.4	0.5	1.2	4.6	4.3
Greece	4.1	4.4	1.5	0.6	1.3	4.6	4.3
Portugal	1.9	1.7	0.4	0.0	0.0	0.0	3.3
Spain	1.5	1.4	0.5	0.0	0.6	3.6	3.4

Central Bank Rates (%)	2017	2018	2019	2020	2021	2022	2023 (17/02)
ECB	0.00	0.00	0.00	0.00	0.00	2.5	3.0
Bank of England	0.25	0.75	0.75	0.10	0.25	3.5	3.5
U.S. Federal Reserve	1.50	2.50	1.75	0.25	0.25	4.5	4.5

Foreign Exchange Rates	2017	2018	2019	2020	2021	2022	2023 (17/02)
Euro/Dollar (€/\$)	1.20	1.14	1.12	1.22	1.14	1.1	1.07
Euro/Sterling (€/£)	0.89	0.90	0.85	0.90	0.84	0.9	0.89
Sterling/Dollar (£/\$)	1.35	1.27	1.32	1.37	1.35	1.2	1.20

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Sources: Factset / Bloomberg / Moneymate / MSCI

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