

Domestic Irish News

Manufacturing sector performance declines

Activity in the Irish manufacturing sector in October. This is the first contraction since May 2020. Work backlogs declined at the fastest rate since June 2020 and input price inflation fell to a 21-month low.

Global Share Markets

MSCI AC World Index ends the week higher

Global share markets ended the week higher, following US Federal Reserve (Fed) Chair Jerome Powell's statement on Wednesday about interest rate hikes; Powell indicated that the Fed may begin to slow the rate of hikes in December. At the same time, inflation in the Eurozone eased, surpassing market expectations and buoying sentiment.

Deal reached between EU member states on Russian oil price cap

EU member states agreed a \$60 cap on purchases of Russian oil after Poland joins agreement

Poland recently dropped its objections to a Russian oil price deal designed to hurt Russia's energy revenues. The deal will be implemented before 5 December. The G7 countries, alongside allies, will aim to use this cap to keep the oil supply chain running into China and India while denting Russia's revenues.

Eurozone Inflation

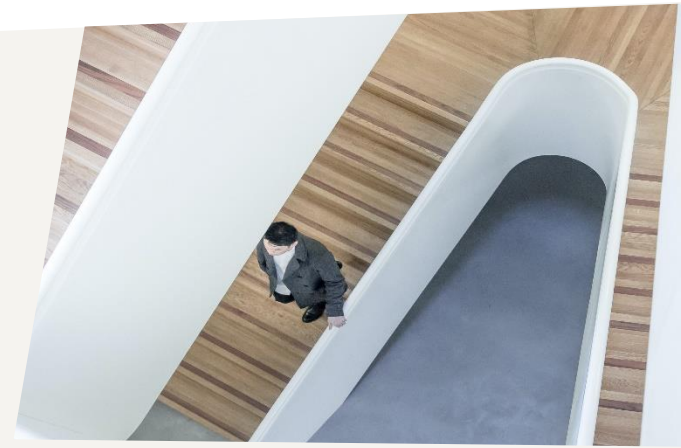
Annual inflation in the Eurozone eases

In November, the Eurozone's annual inflation rate eased to 10% from 10.6% in October. The number beat market forecasts of 10.4%, as energy and services costs slowed. This is the first time that the Eurozone's annual inflation rate has slowed since June 2021; nonetheless, the rate remains well above the European Central Bank's 2% target, so interest rate hikes are likely to continue in the near term.

US Federal Reserve (Fed)

Fed Chair Powell talks of slowing rate hikes

On Wednesday, Fed Chair Jerome Powell stated that the central bank may slow the pace at which it is increasing interest rates, following months of large increases to combat ongoing high levels of inflation. Markets responded well to this reaffirmation of a potential U-turn, pushing the US stock market higher.



“In the midst of chaos, there is also opportunity.”

SUN TZU

The Story of the Week

New Alzheimer's drug trials show promising results

After decades of failed drug trials, a new drug – Lecanemab – has marked a breakthrough in the treatment of Alzheimer's. The drug works during the onset or first stages of the disease; it targets beta amyloid, which builds up in the brain. Alzheimer's Research UK has called the treatment “momentous”, as those with Alzheimer's are currently treated with a range of drugs, none of which can alter the disease as Lecanemab can. Others have said that, after years of failed trials, this presents a turning point in the treatment of Alzheimer's.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (02/12)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-11.5
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-12.2
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-4.4
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-13.3
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-26.2
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-1.5
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-13.8
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-5.8

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (02/12)
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 (02/12)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	3.5
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	1.9
UK	1.3	1.3	1.3	0.8	0.2	1.0	3.1
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	2.3
Italy	1.8	2.0	2.7	1.4	0.5	1.2	3.8
Greece	7.2	4.1	4.4	1.5	0.6	1.3	3.9
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	2.8
Spain	1.3	1.5	1.4	0.5	0.0	0.6	2.9

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (02/12)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.05
Euro/Sterling (€/£)	0.85	0.89	0.90	0.85	0.90	0.84	0.86
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.22

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Sources: Factset / Bloomberg / Moneymate / MSCI

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