



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 36 2019 (ending 06/09/2019)

**“I’d like to take my hat off to Gats. To be an international rugby coach for 12 years, I’ve done six years and it has damn near killed me.” – Joe Schmidt**

**Irish unemployment rate in August drops to 5.2%** – Latest statistics published by the Central Statistics Office show the seasonally adjusted unemployment rate for August was 5.2% (5.4% for males, 5.1% for females but 14.7% for youth). This compares to a rate of 5.3% in July 2019 and 5.5% in August 2018.

**U.S. / China trade talks resumption confirmed for early October** – China’s Vice Premier Liu He, U.S. Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert E. Lighthizer agreed to re-start high-level trade talks in Washington in early October in an effort to resolve their ongoing trade dispute.

**Global stock markets up 1.8% for the week, bringing 2019 YTD return to 17.1%** – The MSCI AC World TR Index showed a 1.79% return from 30th August to 6th September and bond yields rose, boosted by the confirmation of a resumption of U.S. / China trade talks. The Vix (Volatility Index) fell to 15.00 from 18.98.

**U.S. jobs rise of 130,000 in August below expectations** – The Bureau of Labor Statistics reported that non-farm payrolls grew by 130,000 in August, compared to expectations of 160,000 jobs. The unemployment rate remained at 3.7% as expected and year-on-year wage growth, at 3.2%, was slightly better than expectations.

**‘No deal’ chances decrease as PM Johnson’s Brexit plans hamstrung by MP Vote** – The House of Commons passed a bill requiring the Prime Minister to ask the EU for an Article 50 extension until 31st January if a deal is not negotiated before 19th October and also defeated his attempt to hold an election.

**Italy’s president approves new Five Star Movement / Democratic Party coalition government** – Italian President Sergio Mattarella swore in the new coalition government of the anti-establishment 5-Star Movement and the center-left Democratic Party, headed by Giuseppe Conte and is expected to be more EU-friendly.

**The Story of the week:** Maurice the Rooster (who hatched in July 2017) and owner, Corrine Fesseau, from Île d’Oléron, an island in western France were sued in a French court over complaints that his early-morning crowing from 6:30 a.m. each morning was a nuisance to a couple who had a second home on the island. It led to a storm of controversy in France over whether urban citizens with vacation homes had cause to complain over the natural noises of rural areas. In his ruling, the judge ruled that Maurice was situated in his natural surroundings and he and his owner were awarded €1,000 in damages.

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# Index Performances and Market Data\*

<b>Equity and Bond</b>						
<b>Markets % (in Local Currency)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD (to 06/09)</b>
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	17.1
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	12.5
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	12.2
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	19.3
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	20.5
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	22.1
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	5.9
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	6.0
Eurozone Government Bonds 1-5 yr	3.4	1.0	0.9	-0.2	0.0	1.9
<b>Sovereign 10yr Bond</b>						
<b>Yields (%)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
U.S.	2.2	2.2	2.4	2.4	2.7	1.6
German	0.5	0.6	0.2	0.4	0.2	-0.6
UK	1.9	1.9	1.2	1.2	1.3	0.5
Japan	0.3	0.2	0.0	0.0	0.0	-0.2
Ireland	1.3	1.1	0.7	0.7	0.9	-0.1
Italy	2.1	1.6	1.8	2.0	2.8	0.9
Greece	9.6	7.9	7.1	4.1	4.4	1.6
Portugal	2.7	2.5	3.8	1.9	1.7	0.2
Spain	1.6	1.7	1.4	1.6	1.4	0.2
<b>Central Bank Rates (%)</b>						
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.25
<b>Foreign Exchange Rates</b>						
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019 YTD</b>
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.10
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.90
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.23
<b>IPD All Property Return %</b>						
<b>(in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Ireland	12.3	36.1	25.1	12.6	8.1%	9.9% (To end of Q4)
U.K.	10.9	17.9	13.3	3.6	10.3%	5.2% (To end of Q4)
U.S.	11.6	11.5	12.5	7.7	7.1%	7.4% (To end of Q4)

\*Past performance is not a reliable guide to future performance and may fall as well as rise.