



Irish Life Weekly Investment Bulletin

The week that was – WEEK 42 2019 (ending 18/10/2019)

"You can't wait for inspiration. You have to go after it with a club." – Jack London

Irish government revenue up 7.2% and expenditure up 1.1% y-o-y in H1 2019 – In the first 6 months of 2019, government revenue came to €40.3 billion, up 7.2% on H1 2018. This increase was driven by increases in Taxes and Social contributions (+7.3%). Government expenditure was €40.5 billion, up 1.1% on H1 2018.

Irish exports in August show a 2% y-o-y increase – Figures from the Central Statistics Office for August 2019 show that goods exports at €11,824 million, an increase of 2% on August 2018, but exports to the UK were down -4%. Imports for August at €6,554 million were down -10% y-o-y and UK imports were down -5%.

Global stock market up 0.5% for the week, bringing 2019 YTD return to +18.1% – The MSCI AC World TR Index showed a 0.53% return from 11th October to 18th October, following better-than-expected Q3 earnings results. The Vix (or CBOE Volatility Index) closed at 14.25 on Friday, down from 15.58 on the week.

Limited trade deal negotiated by U.S. & China – The U.S. and China negotiated on a limited trade deal in their 'phase one' talks in Washington with the U.S. agreeing to postpone a tariff increase due to take place on 22nd October and China agreeing to increase orders of U.S. farm produce but it still needs to be finalised.

Brexit deal still up in the air after Letwin amendment passed – Question marks on a Brexit deal were still majorly evident despite the EU and the UK agreeing to a withdrawal deal after the Oliver Letwin amendment was passed, which means that Boris Johnson is still some way from getting a yes vote on his Brexit deal.

IMF cuts 2019 global growth forecast to 3% – In the latest half-yearly World Economic Outlook, the International Monetary Fund's latest projections for 2019 global GDP growth are for 3.0%, down from 3.3% in April. They also said the outlook could deteriorate further if U.S. / China trade tensions remain unresolved.

The Story of the week: An 8,000-year-old pearl that archaeologists say is the world's oldest, that was found in the floor of a room discovered during excavations at Marawah Island, off the capital of the United Arab Emirates, will be displayed in Abu Dhabi. "The layers from which the pearl came have been carbon dated to 5800-5600 BC, during the Neolithic period," Abu Dhabi's Department of Culture and Tourism said. The "Abu Dhabi Pearl" will be shown for the first time in the exhibition "10,000 years of Luxury" which is opening on 30th October at the Louvre Abu Dhabi art and civilisation museum.

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Index Performances and Market Data*

Equity and Bond						
Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 18/10)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	18.1
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	20.2
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	10.7
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	22.3
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	21.0
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	21.9
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	12.4
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	7.1
Eurozone Government Bonds 1-5 yr	3.4	1.0	0.9	-0.2	0.0	1.4
Sovereign 10yr Bond						
Yields (%)	2014	2015	2016	2017	2018	2019 YTD
U.S.	2.2	2.2	2.4	2.4	2.7	1.8
German	0.5	0.6	0.2	0.4	0.2	-0.4
UK	1.9	1.9	1.2	1.2	1.3	0.7
Japan	0.3	0.2	0.0	0.0	0.0	-0.1
Ireland	1.3	1.1	0.7	0.7	0.9	0.0
Italy	2.1	1.6	1.8	2.0	2.8	1.0
Greece	9.6	7.9	7.1	4.1	4.4	1.3
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
Central Bank Rates (%)						
	2014	2015	2016	2017	2018	2019 YTD
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	2.0
Foreign Exchange Rates						
	2014	2015	2016	2017	2018	2019 YTD
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.12
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.86
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.29
IPD All Property Return %						
(in Local Currency)	2014	2015	2016	2017	2018	2019 Q2
Ireland	36.1	25.1	12.6	8.1%	9.9%	2.9% (To end of Q2)
U.K.	17.9	13.3	3.6	10.3%	5.2%	0.9% (To end of Q2)
U.S.	11.5	12.5	7.7	7.1%	7.4%	3.1% (To end of Q2)

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