



THE WEEK THAT WAS: WEEK 47 – ending 20th NOVEMBER 2020

“Courage is the resistance to fear, mastery of fear, not the absence of fear.” – Mark Twain

Domestic Irish news



Irish Residential Property Prices decreased 0.8% nationally and -1.8% in Dublin, despite the price of new dwellings rising 1.7% in the year to September 2020

Central Statistics Office (CSO) data shows a decrease in residential prices overall. Despite the rising cost of new builds, a price decline of -1.6% for existing properties impacted the result for Q3 '20 when compared to same period in '19. Transaction volumes rose 35.4% vs August but are down 22.2% vs Sept.'19.

Stock markets



The global share market gained 0.4% for the week and is up 9% for the year

Global shares were positive for the week however sentiment was turning slightly negative in the latter days, as concerns regarding the short-term impact of Covid-19 took the focus. While the medium-to-longer term outlook has been given a significant boost by the announcement of vaccines, considerable near-term risks persist. The VIX measure of volatility rose to 23.7

The Story of the week



In further US election news, the tiny town of Rabbit Hash in Kentucky's Boone County, has elected a bulldog of a candidate to be mayor. Despite being a real pit bull, Mayor Brynneth Pawltro has acknowledged the newly appointed mayor's victory. The town looks forward to a peaceful transition to Mayor Wilbur's time in office as the French Bulldog becomes the most recent canine to succeed, continuing the tradition of electing dogs, which started in 1998; exciting 'pawlicies' are expected... *I'll get my coat...*

Bond Markets



Bond markets hold strong despite the traditionally equity friendly 'risk-on' environment

As global share markets have rallied, bond markets have not suffered as they might have been expected to. Typically benefitting from 'risk-off' environments, bonds have bucked historical trends thanks to significant levels of ongoing central banks stimulus, with more expected, along with low levels of inflation forecast for the next 10 years.

Covid-19 Pandemic

Science has placed a bright light at the end of the tunnel for the world's population and economies

The global economic outlook has taken a considerable boost from a slew of positive vaccine news accompanied by upbeat developments regarding experimental treatments which may help patients significantly in the short-term and against a backdrop of rising case counts and hospitalisations.

U.S. Politics



The U.S. Treasury clashed with the U.S. Federal Reserve over differing views on pandemic spending

Led by Steve Mnuchin, the US Treasury has ordered the closure of several lending facilities that were set up by the Federal Reserve at the start of the coronavirus pandemic. Mr. Mnuchin would like to divert over \$455 bn to Congress to be spent elsewhere, a plan Fed Chairman Jerome Powell strongly opposes as he and his team feel that the mere availability of the funds provides significant comfort to markets overall and their removal could cause significant upheaval to bond markets.

This is intended as a general review of investment market conditions. It does not constitute investment advice and has not been prepared based on the financial needs or objectives of any particular person, and does not take account of the specific needs or circumstances of any person. Any comments on specific stocks are intended as an objective, independent view in relation to that stock generally and not in relation to its suitability to any specific person. ILIM may manage investment funds which may have holdings in stocks commented on in this document. Past performance may not be a reliable guide to future performance. Investments may go down as well as up. Funds may be affected by changes in currency exchange rates.

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Index performances and market data

Equity & Bond Markets (%) in Local Currency	2015	2016	2017	2018	2019	2020 YTD (to 20/11)
MSCI AC World (Gross TR)	1.8	9.7	20.4	-7.2	26.9	9.0
ISEQ Overall Return	33.6	-2.7	9.7	-20.5	31.4	0.1
FTSE 100 TR	-1.3	19.1	11.8	-8.5	17.6	-13.1
Euro Stoxx 50 TR	6.4	3.7	9.2	-12.0	29.3	-5.6
S&P 500 TR	1.4	12.0	21.8	-4.4	31.0	11.9
Nasdaq Composite	5.7	7.5	28.2	-3.9	34.5	32.1
Nikkei 225	9.1	0.4	19.1	-10.2	20.0	7.9
MSCI Emerging Markets	-8.0	7.1	27.8	-12.2	13.0	10.6
Eurozone Government Bonds 1–5 yr	1.0	0.9	-0.2	0.0	1.1	0.7

Sovereign 10yr Bond Yields (%)	2015	2016	2017	2018	2019	2020 YTD (to 20/11)
U.S.	2.2	2.4	2.4	2.7	1.9	0.83
German	0.6	0.2	0.4	0.2	-0.3	-0.58
UK	1.9	1.2	1.2	1.3	0.8	0.31
Japan	0.2	0.0	0.0	0.0	0.0	0.00
Ireland	1.1	0.7	0.7	0.9	0.1	-0.27
Italy	1.6	1.8	2.0	2.8	1.4	0.63
Greece	7.9	7.1	4.1	4.4	1.4	0.69
Portugal	2.5	3.8	1.9	1.7	0.4	0.02
Spain	1.7	1.4	1.6	1.4	0.4	0.07

Central Bank Rates (%)	2015	2016	2017	2018	2019	2020 YTD (to 20/11)
ECB	0.05	0.0	0.0	0.0	0.0	0.0
Bank of England	0.50	0.25	0.50	0.75	0.75	0.1
U.S. Federal Reserve	0.50	0.75	1.50	2.50	1.75	0.25

Foreign Exchange Rates	2015	2016	2017	2018	2019	2020 YTD (to 20/11)
Euro/Dollar (€/\$)	1.09	1.04	1.20	1.15	1.11	1.18
Euro/Sterling (€/£)	0.75	0.84	0.89	0.90	0.85	0.89
Sterling/Dollar (£/\$)	1.46	1.24	1.36	1.28	1.30	1.33

IPD All Property Return (%) in Local Currency	2015	2016	2017	2018	2019	2020 (to end Q3)
Ireland	25.2	12.6	8.0	9.6	5.3	-0.8
U.K.	13.3	3.6	10.3	6.2	1.3	-2.9
U.S.	12.5	7.8	7.1	7.5	6.3	0.8

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