

## Domestic Irish News

### Irish inflation climbs

Ireland's annual consumer price index rose from 5.3% in November to 5.5% during December. Transportation-related costs were a major factor in this, with prices rising at a faster rate for diesel, petrol, cars and airfares. Food and non-alcoholic beverage costs also contributed and were driven upwards by bread and cereal prices, among other things.

## Global Share Markets

### Global equities fell over the week

According to the MSCI AC World Index, global share markets depreciated by 4.25% over the past week; the US market posted its third consecutive week of losses. Major tech companies were among the main contributors to this fall, with Amazon, Meta (the new name of Facebook) and Tesla falling over the week. Streaming service Netflix also fell, following a weaker-than-expected earnings forecast.

## UK Energy Sector

### Another UK-based energy supplier fails

Together Energy Retail has gone bust due to record wholesale gas prices. Over the past six months, a supply and demand imbalance has caused wholesale gas prices to surge; this has crippled energy supplier profit margins and, following Together's collapse, has now forced the failure of 27 suppliers.

## Eurozone Economy

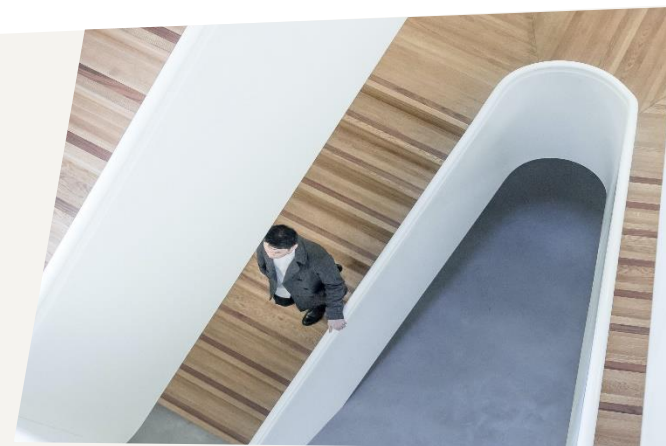
### Eurozone inflation at a record high

The eurozone's annual inflation rate was confirmed at a record high of 5% in the year to December 2021. This is up from 4.9% in November and reflects the eurozone's highest inflation rate on record. Energy costs, which grew by 25.9% over December, continue to be the main driver of inflation within the region; natural gas prices played a big role in this and remain elevated.

## Individual Stocks

### Microsoft agrees to buy Activision Blizzard

In its biggest-ever deal, Microsoft has agreed to buy video game developer Activision Blizzard for \$75 billion. Activision Blizzard owns some of the biggest franchises in gaming, like Call of Duty and World of Warcraft. Microsoft is likely to have pursued this deal to expand its Xbox offerings and gain a new advantage over its main competitor, Sony.



**“Knowledge speaks, but wisdom listens.”**

Jimi Hendrix

## The Story of the Week

### Two schoolboys steer a car to safety

Hari, a 13-year-old schoolboy, steered his mum's car onto the hard shoulder of the UK's M4 motorway after his mum fainted while driving. Hari's friend, Dylan, shouted instructions from the back seat and helped Hari to stop the car on the hard shoulder, turn the hazard lights on, and apply the handbrake. Hari's mother was taken to hospital and has since recovered.

# Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (21/01)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-5.6
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-2.1
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-1.5
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-7.7
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-12.0
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-4.4
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	0.8
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-0.2

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (21/01)
ECB	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of England	0.25	0.25	0.75	0.75	0.10	0.25	0.25
U.S. Federal Reserve	0.75	1.50	2.50	1.75	1.75	0.25	0.25

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (21/01)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	1.8
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	-0.1
UK	1.3	1.3	1.3	0.8	0.2	1.0	1.1
Japan	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Ireland	0.8	0.7	0.9	0.1	-0.3	-0.3	0.4
Italy	1.8	2.0	2.7	1.4	0.5	1.2	1.3
Greece	7.2	4.1	4.4	1.5	0.6	1.3	1.7
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	0.5
Spain	1.3	1.5	1.4	0.5	0.0	0.6	0.6

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (21/01)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.13
Euro/Sterling (€/£)	0.85	0.89	0.90	0.85	0.90	0.84	0.84
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.36

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.

Sources: Factset / Bloomberg / Moneymate / MSCI

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.