

Domestic Irish News

Irish inflation falls

The annual Irish inflation rate fell from 5.5% during December to 5% in January. Transportation-related costs were a major contributor to slowing inflation and rose by 14.1% year-on-year (YoY) in January, compared to 18% YoY in December. Inflation also slowed for restaurants and hotels, and furnishings and household maintenance. Housing and utilities cost rises accelerated.

Global Share Markets

Global equities fell over the week

According to the MSCI AC World Index, global equities fell 1.70% over the past week. Tensions between Russia and Ukraine continue to hinder investor sentiment, with US officials warning that an invasion may be imminent. Following the release of minutes from the Federal Open Markets Committee's last meeting, investor sentiment was also hit by the expectation of a Fed interest rate hike next month.

Russia/Ukraine Tensions

Tensions between Russia and Ukraine grow

Weighing on investor sentiment, concerns of a Russian invasion of Ukraine continue to grow. Late in the week, US President Joe Biden said that he was convinced that Russian President Vladimir Putin had decided to invade Ukraine.

UK Economy

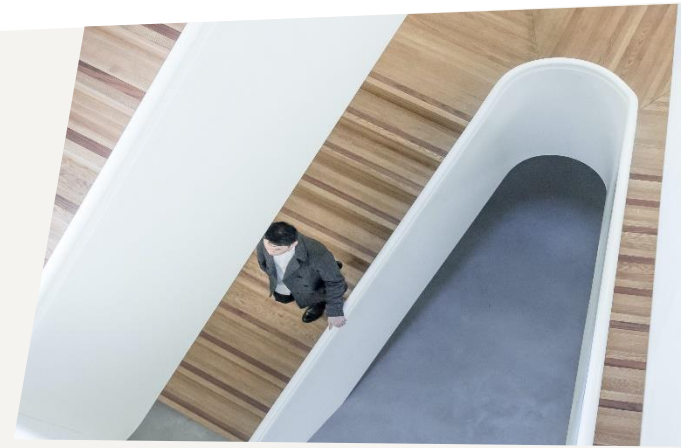
UK inflation accelerates, unemployment unchanged

The UK's annual inflation rate rose slightly from 5.4% in December to 5.5% during January. Energy, housing and utilities costs remain the largest contributors. The UK's Office for National Statistics reported that the country's unemployment rate was unchanged at 4.1% during January. This is the measure's lowest level since the second quarter of 2020.

US Federal Reserve (Fed)

US interest rate rise likely in March

Fed policymakers suggested an interest rate hike is on the horizon. The Fed acknowledged that the decision will depend on economic data and financial developments, but reiterated that, if inflation doesn't slow, it will be appropriate to raise interest rates more quickly.



“The most difficult thing is the decision to act, the rest is merely tenacity.”

Amelia Earhart

The Story of the Week

Big Jet TV takes off

Storm Eunice hit Ireland and the UK on Friday. With it, the storm brought some of the strongest winds England has ever recorded. Despite this, planes continued to land into London's Heathrow airport. YouTube channel Big Jet TV livestreamed aircraft as they approached the runway and gave a commentary on their progress. The livestream captured the public's hearts and, at one point, 215,000 people tuned in simultaneously.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (18/02)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-6.6
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-2.9
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-5.0
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-8.6
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-13.3
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-5.8
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-0.3
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-1.0

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (18/02)
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	0.50
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 (18/02)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	1.9
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	0.2
UK	1.3	1.3	1.3	0.8	0.2	1.0	1.4
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	0.8
Italy	1.8	2.0	2.7	1.4	0.5	1.2	1.8
Greece	7.2	4.1	4.4	1.5	0.6	1.3	2.6
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	1.1
Spain	1.3	1.5	1.4	0.5	0.0	0.6	1.2

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (18/02)
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	0.83
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.36

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Sources: Factset / Bloomberg / Moneymate / MSCI

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