

Domestic Irish News

Irish consumer confidence falls

Largely hindered by tensions between Russia and Ukraine, KBC Bank's consumer sentiment index fell from 81.9 in January to 77.0 for February. Inflation, which was reported at a 20-year high of 5.5% for December, also weighed on confidence. Meanwhile, in January, Irish wholesale prices rose 3.5% compared to the same month in 2021.

Global Share Markets

Global share markets fell over the week

Global share markets fell 0.34% over the past week according to the MSCI AC World Index. Inspired by the Russian invasion of Ukraine, global markets fell for most of the week. However, optimism around a perceived more minor impact on the US economy and the opportunity to buy stocks at an apparent discount drove a rally towards the end of the week.

Russia/Ukraine Tensions

Tensions turn to an all out war in Ukraine

On Thursday 24th February, the tensions between Russia and Ukraine turned into an all-out war; Russia's president, Vladimir Putin, ordered Russia's armed forces to invade. Countries have since imposed sanctions on the Russian economy, which contributed to a crash in the Russian ruble. The benchmark MOEX Index fell sharply on the announcement of the invasion.

US Economy

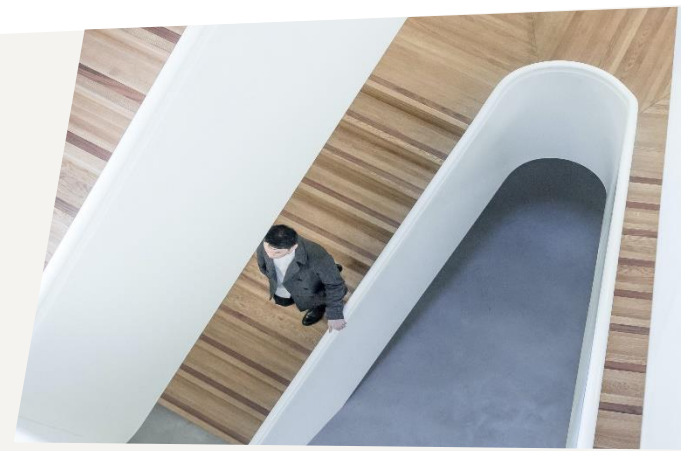
US economy GDP growth revised higher

Second estimates show that the US economy expanded by an upwardly revised 7% over the fourth quarter of 2021, compared with a 6.9% expansion in initial estimates. Mainly driven by a 23.6% expansion in exports, this is the fastest rate of US economic growth since the record 33.8% expansion during the third quarter of 2020.

Commodities

Fossil fuel prices climb

On news of Russia's invasion of Ukraine, West Texas Intermediate Crude Oil prices briefly rose above \$100 on Thursday for the first time since 2014. Natural gas prices also surged. Russia is a major exporter of oil and gas to continental Europe; the outbreak of war and the expectation of brutal sanctions against Russia sparked fears of a new fuel shortage.



“It’s a victory when the weapons fall silent and the people speak up.”

VOLODYMYR ZELENSKY

The Story of the Week

Magpies outsmart scientists

Australian ornithologists attached small, backpack-like tracking devices to five magpies. But, recognising the tracking devices as a kind of parasite, other magpies removed the devices attached to their friends. Magpies live in groups of 12 and, although they often demonstrate defensive behaviours and shared child rearing, this is the first time the birds have demonstrated this type of social behaviour.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (25/02)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-7.0
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-7.6
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-7.4
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-7.8
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-12.4
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-8.0
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-4.6
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-1.1

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (25/02)
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 (25/02)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	2.0
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	1.5
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 (25/02)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.12
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	1.34

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.