

Domestic Irish News

Unemployment falls, factory activity growth slows

Ireland's unemployment rate was reported to have fallen from 5.5% in March to 4.8% during April. At the same time, the Irish manufacturing purchasing managers' index, which represents activity in the manufacturing sector, fell slightly to 59.1 during April. Raw material cost inflation, labour shortages and supply chain issues continue to weigh on the sector, but growth remains strong.

Global Share Markets

Global share markets fell over the week

Global equities fell 1.53% over the past week, according to the MSCI AC World Index. Inflation and central bank policy decisions remain a major driver of sentiment. Both the BoE and Fed announced interest rate hikes during the week; investors are beginning to question whether this policy tightening in response to inflation might push major economies, like the US, into recession.

Bank of England (BoE)

BoE hikes interest rates

At its April meeting, the Bank of England's monetary policy committee (MPC) voted to raise its key Bank Rate by 0.25%, from 0.75% to 1.00%. This marks the bank's fourth consecutive interest rate hike and was in line with investor expectations. However, three members of the MPC voted to raise the key Bank Rate by 0.50%.

Eurozone economy

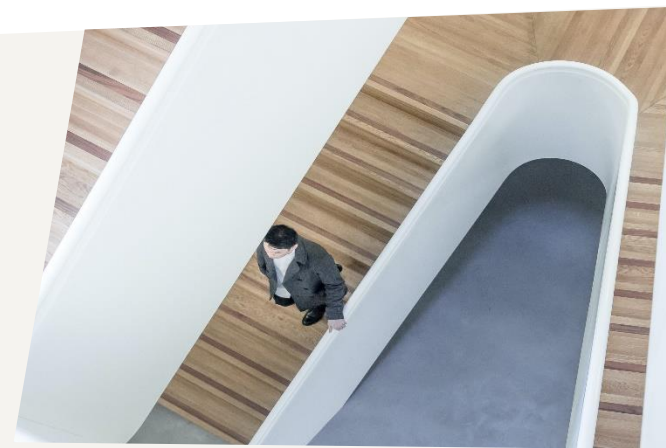
Eurozone unemployment falls

The eurozone's unemployment rate fell from 6.9% during February to a record low of 6.8% in March. Among the biggest declines individually are the German unemployment rate, which fell from 3.0% to 2.9%, and the Italian measure, which fell from 8.5% to 8.3%. At the same time, France's unemployment rate remained unchanged at 7.4%.

US Federal Reserve (Fed)

US Fed raises interest rates

The Fed raised its Fed funds rate by 0.5% to 0.75%-1.00%. This is the bank's second consecutive interest rate hike and represents the Fed's largest rate increase since 2000. The Fed also announced that it would begin to reduce the assets on its \$9 trillion balance sheet from the first of June.



“The secret of getting ahead is getting started.”

MARK TWAIN

The Story of the Week

Woman becomes oldest person to run a Tough Mudder

Mildred Wilson, an 83-year old from Missouri in the US, has become the oldest person ever to finish a Tough Mudder endurance obstacle course. Mildred has now run three Tough Mudder events, the most recent of which was a 5K event based in her hometown of Missouri. Mildred ran the race to raise money for a fresh water well in a rural African village.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (06/05)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-11.9
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-15.6
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-14.0
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-13.1
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-22.2
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-5.3
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-12.6
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-3.5

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (06/05)
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	1.00
U.S. Federal Reserve	0.75	1.50	2.50	1.75	1.75	0.25	1.00

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (06/05)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	3.1
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	1.1
UK	1.3	1.3	1.3	0.8	0.2	1.0	2.0
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	1.8
Italy	1.8	2.0	2.7	1.4	0.5	1.2	3.1
Greece	7.2	4.1	4.4	1.5	0.6	1.3	3.5
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	2.2
Spain	1.3	1.5	1.4	0.5	0.0	0.6	2.2

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (06/05)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.06
Euro/Sterling (€/£)	0.85	0.89	0.90	0.85	0.90	0.84	0.86
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.24

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Sources: Factset / Bloomberg / Moneymate / MSCI

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