

Domestic Irish News

Irish inflation accelerates

The Irish Central Statistics Office announced that the country's annual inflation rate rose from 6.7% in March to 7% during April. Housing and utilities costs were among the biggest contributors to this. At the same time, transportation costs climbed 18.9% due to surging fuel costs and airfares. This is Ireland's fastest rate of inflation since September 1984.

Global Share Markets

Global share markets continue their fall

According to the MSCI AC World Index, global share markets fell 2.25% over the past week. Investors remain concerned that the US Federal Reserve's interest rate hikes in response to inflation may push the country into a recession. Adding to the uncertainty, global supply chain issues persist and the war in Ukraine looks unlikely to end in the near term, driving concerns of an energy crisis in Europe.

Cryptocurrencies

Bitcoin falls below \$30,000

On Wednesday, Bitcoin fell below the \$30,000 level for the first time since July last year. The token, which has fallen more than 50% since November, hit a low of \$26,284 on Thursday. The crypto market has been hit with turmoil recently as investors become more risk-averse on the back of interest rate hikes from major central banks. The Luna cryptocurrency last week collapsed to virtually zero, vapourising billions of dollars and sending shockwaves through the whole market.

US Inflation

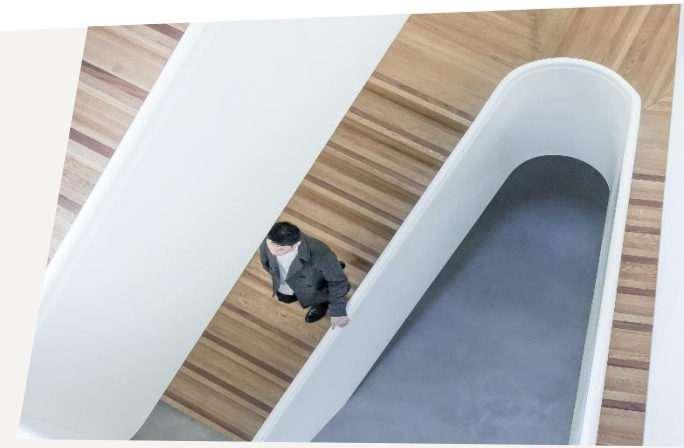
US inflation slows slightly

The US's annual inflation rate was reported to have fallen from a 41-year high of 8.5% in March to 8.3% during April. But this was above market expectations. Energy prices rose 30.3% in the year to April, though this is below a 32% increase in the year to March. Fuel prices climbed a massive 80.5% in the year to April, with the war in Ukraine adding to supply and demand imbalances.

UK Economy

UK economy expands

According to preliminary estimates, the UK's economy expanded by a slightly worse-than-expected 0.8% over the first quarter of 2022. This brings UK GDP 0.7% below its pre-pandemic level. The information and communication, accommodation and food, and transportations and storage industries were among the main contributors to this expansion in the UK's economy.



“Research is creating new knowledge.”

NEIL ARMSTRONG

The Story of the Week

Untrained passenger lands plane

In Florida, an untrained passenger landed a small plane after the pilot passed out. Darren Harrison, the passenger, was helped by an air traffic controller called Robert Morgan, who also trains new pilots. The aircraft was flying from the Bahamas to Florida when the pilot passed out on the controls, pushing the plane into a nosedive. Harrison safely landed the plane at Palm Beach airport and all three people onboard were uninjured.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (13/05)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-13.6
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-14.9
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-12.0
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-15.1
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-24.3
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-7.4
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-14.4
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-2.7

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (13/05)
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 (13/05)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	2.9
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	1.0
UK	1.3	1.3	1.3	0.8	0.2	1.0	1.8
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	1.6
Italy	1.8	2.0	2.7	1.4	0.5	1.2	2.9
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	2.1
Spain	1.3	1.5	1.4	0.5	0.0	0.6	2.0

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (13/05)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.04
Euro/Sterling (€/£)	0.85	0.89	0.90	0.85	0.90	0.84	0.85
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.22

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.