

Domestic Irish News

Irish inflation accelerates

Ireland's annual inflation rate rose from 7% during April to an almost 38-year high of 7.8% in May. Utilities prices (which include housing, water, electricity, gas and other fuels) were the main contributors to inflation over the period and have risen 20.9% over the past year to May, compared with 17.1% in April. At the same time, further upward pressure came from transportation costs.

Global Share Markets

Global equities continue to fall

Global share markets fell 4.44% over the past week, according to the MSCI AC World Index. The announcement that US inflation rose to a more than 40-year high during May weighed heavily on investor sentiment. Investors have grown concerned that the US Federal Reserve will need to pursue a more aggressive tightening of monetary policy to control inflation, which may cause a recession in the US.

US Economy

US consumer confidence falls

The University of Michigan's consumer sentiment index fell to a record low of 50.2 during June 2022. This is far below market expectations, with investors expecting a reading of 58. A large portion of the consumers surveyed for the measure cited inflation as the main weight on their confidence.

European Central Bank (ECB)

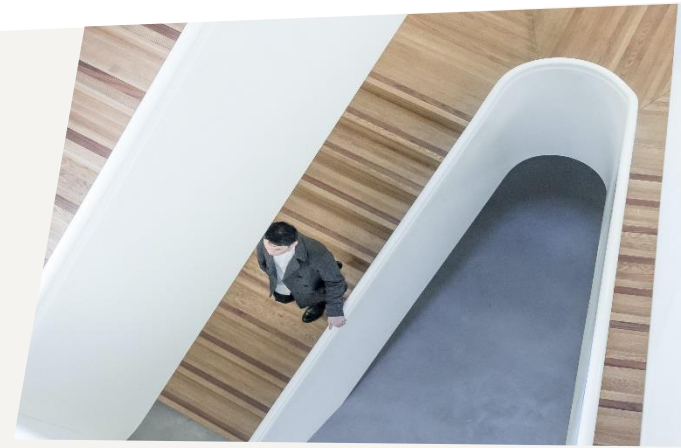
ECB announces monetary policy tightening

In line with market expectations, the ECB left its main interest rate unchanged at 0.00% at its June meeting. However, with no signs of slowing inflation in the eurozone, the bank announced that it would raise interest rates by 0.25% during July. The ECB also announced that it would end net asset purchases under its ongoing Asset Purchase Programme as of 1 July.

US Inflation

US headline inflation accelerates

The US's annual consumer price inflation rate rose from 8.3% during April to a more than 40-year high of 8.6% during May. Energy costs remain a major driver of inflation in the region, with prices posting their fastest 12-month increase since September 2005. Within energy costs, gasoline prices rose by 48.7% over the past year while fuel oil prices climbed 106.7%, the largest increase on record.



“Experience is simply the name we give our mistakes.”

OSCAR WILDE

The Story of the Week

83-year old sets sailing world record

Kenichi Horie, an 83-year old man from Japan has become the oldest person to sail across the Pacific solo. Horie spent more than two months crossing the world's largest body of water and made no port calls on the way. This isn't Horie's first time, however. When he was 23, Horie became the first person in history to make a non-stop journey from Japan to California, across the Pacific. Since his first time, Horie has crossed the ocean on several different vessels, including one made from old beer kegs.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (10/06)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-14.7
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-18.4
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-14.1
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-17.6
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-27.3
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-2.5
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-10.3
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-4.9

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (10/06)
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	0.25	0.25	1.00

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (10/06)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	3.2
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	1.5
UK	1.3	1.3	1.3	0.8	0.2	1.0	2.4
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	2.1
Italy	1.8	2.0	2.7	1.4	0.5	1.2	3.7
Greece	7.2	4.1	4.4	1.5	0.6	1.3	4.4
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	2.7
Spain	1.3	1.5	1.4	0.5	0.0	0.6	2.7

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (10/06)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.05
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	1.23

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Sources: Factset / Bloomberg / Moneymate / MSCI

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