

## Domestic Irish News

### Irish construction sector activity slows

The BNP Paribas Real Estate Construction purchasing managers' index (PMI) fell to a 13-month low of 51.5 during May. This is down from 52.5 in April and marks the third consecutive month of slowing activity in the sector. Although this reading still reflects expansion as it is above 50, the war in Ukraine and Covid-19-related restrictions in China have weighed on sector activity.

## Global Share Markets

### Global equities fell over the last week

According to the MSCI AC World Index, global share markets fell 5.76% over the past week. Stocks posted their biggest weekly loss since 2020 on major central bank interest rate announcements and worse-than-expected economic data. Investors grew concerned that central bank policy decisions in response to inflation levels may push the global economy into further economic hardship.

## UK Economy

### UK GDP growth misses expectations

The UK's economy contracted by 0.3% over April, missing market expectations. This is down from a 0.1% contraction during March. Inflation and global supply chain deficiencies continue to weigh on the UK's economic performance. At the same time, the BoE's monetary policy tightening is weighing further on economic activity.

## Bank of England (BoE)

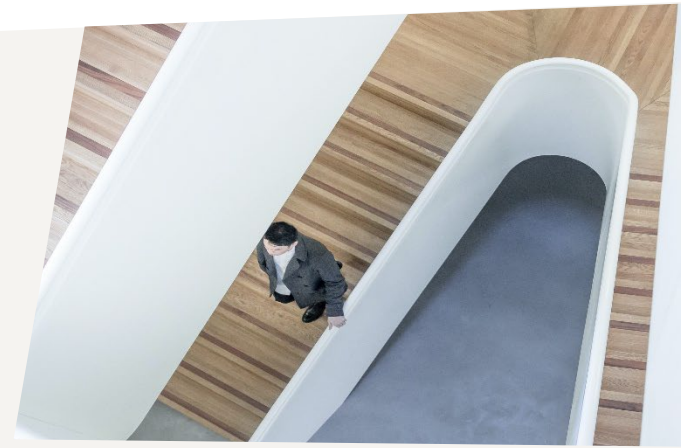
### BoE hikes interest rates

Following its June meeting, the BoE announced that it would raise its key Bank Rate from 1.00% to 1.25% in response to persistently elevated inflation levels. This marks the bank's fifth consecutive rate hike and pushes borrowing costs to their highest level in 13 years. At the meeting, three policymakers voted for a 0.50% increase in interest rates.

## US Federal Reserve (Fed)

### US Fed hikes interest rates

At its June meeting, the Fed raised the target range for its Federal funds rate by 0.75% to 1.50%-1.75%. This was the Fed's largest rate hike since 1994 and policymakers have signalled a similar move could be possible at the bank's next meeting, although 0.75% rises are not expected to be common. Policymakers expect interest rates to hit 3.4% this year, far exceeding earlier expectations. At the same time, economic growth forecasts fell.



“Patience is the companion of wisdom.”

SAINT AUGUSTINE

## The Story of the Week

### Skyscraper aims to provide its own electricity

A high-rise in Melbourne, Australia, will be covered in more than a thousand solar panels. Designers aim for the solar panels to, eventually, power the entire building. The panels have been designed to look like a normal glass façade. Australia has been at the forefront of renewable energy for some time and the climate supports the use of solar power generation.

# Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (17/06)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-19.3
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-21.9
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-17.9
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-22.3
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-30.7
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-9.0
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-13.9
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-5.0

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (17/06)
ECB	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Bank of England	0.25	0.25	0.75	0.75	0.10	0.25	1.3
U.S. Federal Reserve	0.75	1.50	2.50	1.75	0.25	0.25	1.8

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (17/06)
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	1.7
UK	1.3	1.3	1.3	0.8	0.2	1.0	2.5
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	2.4
Italy	1.8	2.0	2.7	1.4	0.5	1.2	3.6
Greece	7.2	4.1	4.4	1.5	0.6	1.3	4.0
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	2.8
Spain	1.3	1.5	1.4	0.5	0.0	0.6	2.8

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (17/06)
Euro/Dollar (€/\$)	1.05	1.20	1.14	1.12	1.22	1.14	1.0
Euro/Sterling (€/£)	0.85	0.89	0.90	0.85	0.90	0.84	0.9
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.2

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Sources: Factset / Bloomberg / Moneymate / MSCI

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