

Domestic Irish News

Irish manufacturing sector activity slows

The Allied Irish Banks Ireland Manufacturing Purchasing Managers' Index (PMI), fell from 56.4 during May to a 16-month low of 53.1 in June. Although this still represents sector expansion, output and new orders fell for the first time since February last year. Meanwhile, export sales fell for the first time in 16-months. Inflation and global supply-chain deficiencies have weighed on activity.

Global Share Markets

Global share markets fell over the past week

According to the MSCI AC World Index, global share markets fell 2.22% over the past week. US stocks (as measured by the S&P 500) posted their worst first half year performance since 1970. Persistently high inflation levels, and central bank policy decisions in response, continue to weigh on investor sentiment. At the same time, corporate profit warnings have also weighed on investor confidence.

US Economy

US manufacturing sector activity at two-year low

Despite an upward revision, the S&P Global Manufacturing PMI was reported at a two-year low of 52.7 for June. This reflects the slowest expansion in manufacturing sector activity since July 2020. Inflation, supply-chain issues and poorer client confidence have all weighed on sector activity.

US Federal Reserve (Fed)

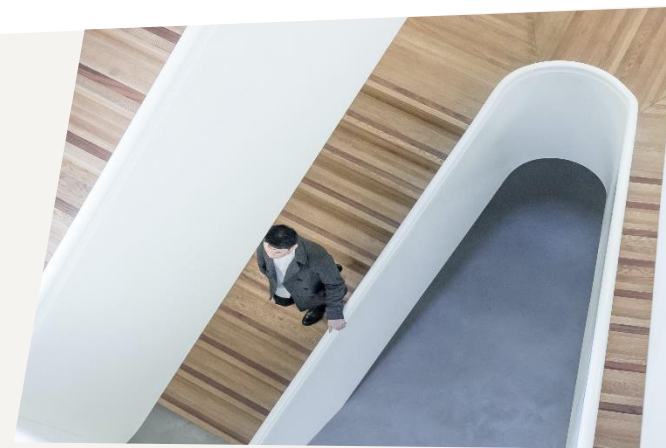
Fed remains committed to controlling inflation

During a speech at the European Central Bank (ECB)'s annual conference, Fed chair Jerome Powell reiterated that the Fed remains committed to controlling inflation. Powell added that the US economy is in good shape and should be well positioned to cope with tighter monetary policy. Powell acknowledged that slowing economic growth is possible, however.

Eurozone Inflation

Eurozone inflation accelerates

The eurozone's headline annual inflation rate was reported at 8.6% during June, according to flash estimates. This is a new record high and is above investor expectations. Energy prices remain a major contributor to inflation within the region, while further upward pressure came from food, alcohol and tobacco prices and non-energy industrial goods costs.



“Believe you can and you’re halfway there.”

THEODORE ROOSEVELT

The Story of the Week

Seven-year-old sets out to ride from London to Paris

Rupert, a seven-year-old boy from Leicestershire in the UK, is set to become one of the youngest cyclists to ride from London to Paris. He plans to begin the 200-mile journey on 6th July. Rupert has raised more than £11,000 for the Children's Bereavement Centre – a charity that helped him following the death of his father. Rupert says that cycling reminds him of his dad, who had been teaching him how to ride before he lost his life in a work accident.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (30/06)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-17.5
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-24.8
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-17.4
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-20.0
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-29.2
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-7.3
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-13.5
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-3.9

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (30/06)
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	1.25
U.S. Federal Reserve	0.75	1.50	2.50	1.75	0.25	0.25	1.75

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (30/06)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	3.0
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	1.4
UK	1.3	1.3	1.3	0.8	0.2	1.0	2.3
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	2.0
Italy	1.8	2.0	2.7	1.4	0.5	1.2	3.3
Greece	7.2	4.1	4.4	1.5	0.6	1.3	3.6
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	2.4
Spain	1.3	1.5	1.4	0.5	0.0	0.6	2.5

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (30/06)
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	0.86
Sterling/Dollar (£/\$)	1.24	1.35	1.27	1.32	1.37	1.35	1.21

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Sources: Factset / Bloomberg / Moneymate / MSCI

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