

Domestic Irish News

Irish retail sales fall

According to the Irish Central Statistics Office, Irish retail sales fell 1.3% over June, according to preliminary estimates. This is the same rate of decline that was experienced in the previous months. Sales in bars were among the main contributors to this and rose 54.4% in comparison to a month earlier. At the same time, electrical goods sales fell 13.5%.

Global Share Markets

Global share markets rose over the week

According to the MSCI AC World Index, global share markets gained 3.24% over the past week. Markets benefitted from positive earnings reports from major tech companies. So far, investor sentiment has been buoyed by the fact that corporate earnings have been better-than-expected and mixed, rather than overwhelmingly negative.

US Economy

US enters technical recession

According to initial estimates, US GDP contracted by a worse-than-expected 0.9% over the second quarter of 2022. This is the country's second consecutive period of economic contraction, meaning that it has entered a technical recession. Fed chair Jerome Powell, however, is not using this traditional definition of recession, claiming the US is not in a recession due to some strong economic indicators such as the labour market.

Eurozone Economy

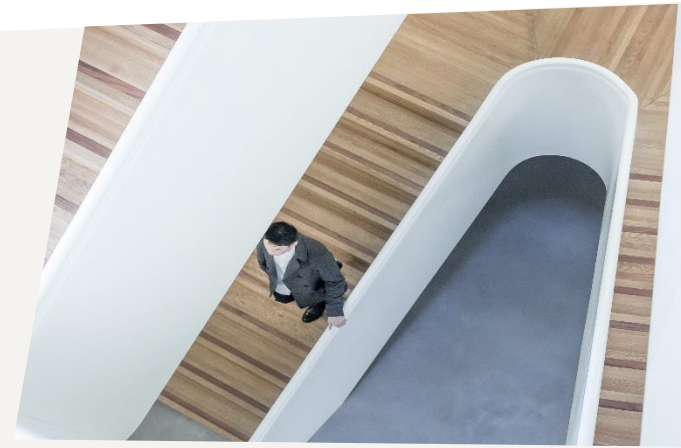
European economy expands, inflation accelerates

Flash estimates showed that the Eurozone economy expanded by a better-than-expected 0.7% over the second quarter of 2022. The region benefitted from easing Covid-19 restrictions and summer tourism. Meanwhile, the Eurozone's annual consumer price inflation rate was reported to have risen to a new record high of 8.9% during July.

US Federal Reserve (Fed)

Fed raises interest rates

Following its July meeting, the Fed announced that it would raise the target range for its Fed funds rate from 1.50-1.75% to 2.25-2.50%, in line with market expectations. This is the central bank's fourth consecutive interest rate hike and represents the highest rate of US borrowing costs since 2019. The Fed also announced that more interest rate hikes will be appropriate at its next few meetings.



**“The greater our knowledge increases
the more our ignorance unfolds.”**

JOHN F KENNEDY

The Story of the Week

Scientists have produced carbon-neutral jet fuel

Scientists in Madrid, Spain have managed to synthesise kerosene using solar power and water. The process uses energy from the sun to convert water and carbon dioxide into kerosene. As the amount of carbon emitted from burning the kerosene is equal to the carbon captured in producing the fuel, it is carbon neutral. As air travel is a major contributor to climate change, this is a major step in the right direction.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (29/07)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-11.7
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	2.7
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-11.3
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-12.6
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-20.5
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-2.3
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-13.4

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (29/07)
ECB	0.00	0.00	0.00	0.00	0.00	0.00	0.5
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	2.5

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (29/07)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	2.6
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	0.8
UK	1.3	1.3	1.3	0.8	0.2	1.0	1.9
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	1.5
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	3.0
Portugal	3.8	1.9	1.7	0.4	0.0	0.0	1.9
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 (29/07)
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	0.8
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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