

## Global Share Markets

### MSCI AC World Index ends the week higher

Global share markets continued their gains for a second week as investors were more optimistic following the latest inflation numbers from the US. Growth stocks performed particularly well, the NASDAQ index recording a significant year-to-date gain, aided by rebounds in some mega-caps including Amazon and Tesla. Many smaller-cap, beaten down technology stocks also put in big moves to the upside.

## US Economy

### US inflation continues to fall

Thursday's inflation report revealed year-over-year inflation had declined to 6.5% in the US, the lowest level in over a year. Investors reacted positively, with rising hope that the US Federal Reserve (Fed) could manage a "soft landing" for the economy – falling inflation without a severe recession. Weekly jobless claims fell to a three-month low while consumer sentiment jumped to its highest level since April 2022.

## Commodities and bitcoin rally

### Oil, base metals, gold and bitcoin continue higher

Last week saw a significant rally for commodities, including crude oil, copper and iron ore, partly due to expected demand growth in China. Gold continued its run higher as the US dollar declined. Bitcoin recorded a parabolic move up to over \$20,000 by Saturday morning, its highest level since the collapse of the FTX exchange in early November.

## Europe

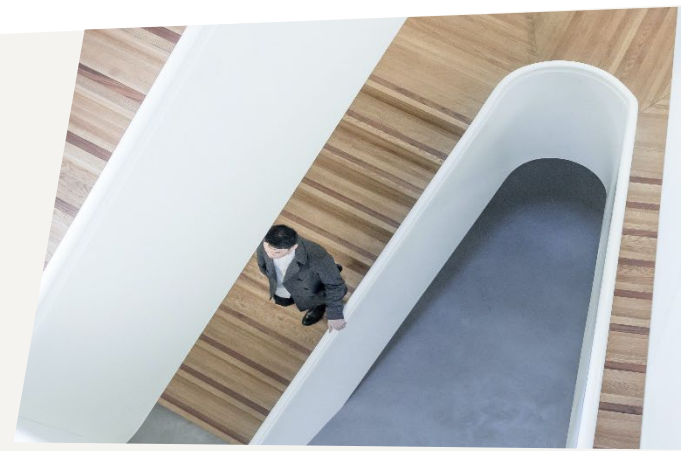
### Shares rise on hopes of shallow recession

European share markets rose on better-than-expected economic data and hopes US interest rates are near their peak. The Eurozone economic sentiment index rose to its highest level since last June, although remained negative. The German economy is expected to have stagnated in the fourth quarter. UK GDP unexpectedly rose by 0.1% in November, giving hope the UK might avoid a recession.

## China reopening

### Chinese shares rise

Chinese share markets rose on optimism on the country's economic reopening. China issued a large quota for crude oil imports in preparation for a surge in energy demand as Covid infections start to wane and economic activity picks up. Economists projected a swift recovery for the country's economy once infections peak.



**“You don't make money when you buy stocks.  
And you don't make money when you sell stocks.  
You make money by waiting.”**

**– MOHNISH PABRAI**

## The Story of the Week

### New telescope image reveals more about how first stars were formed

A new image from the James Webb Space Telescope has revealed more about how stars in the early universe were formed more than 10 billion years ago.

The image shows a cluster of young stars called NGC 346, which are 200,000 light years away from Earth – it is a dwarf galaxy with similar conditions to the early universe.

Observing that the cluster has the building blocks of both stars and planets, some astronomers now believe that rocky planets could have formed earlier than previously thought.

# Index performances and market data

Equity & Bond Markets (%) in Local Currency	2017	2018	2019	2020	2021	2022	2023 YTD (16/01)
MSCI AC World (Gross TR)	9.5	-4.3	29.6	7.2	21.4	-15.6	4.8
ISEQ Overall Return	9.5	-20.8	33.6	4.2	15.7	-14.5	10.0
Euro Stoxx 50 TR	10.0	-11.2	29.3	-2.6	24.1	-8.8	9.5
S&P 500 TR	7.0	0.4	33.9	8.6	28.7	-18.1	4.2
Nasdaq Composite	13.9	2.1	39.2	32.9	22.2	-32.5	5.9
Nikkei 225	10.3	-3.2	24.1	14.2	6.7	-7.3	0.1
MSCI Emerging Markets	21.0	-9.9	21.1	8.9	0.1	-15.2	6.3
Eurozone Government Bonds 1–5 yr	-0.2	0.0	1.1	0.6	-0.9	-7.2	0.9

Central Bank Rates (%)	2017	2018	2019	2020	2021	2022	2023 (16/01)
ECB	0.00	0.00	0.00	0.00	0.00	2.5	2.5
Bank of England	0.25	0.75	0.75	0.10	0.25	3.5	3.5
U.S. Federal Reserve	1.50	2.50	1.75	0.25	0.25	4.5	4.5

Sovereign 10yr Bond Yields (%)	2017	2018	2019	2020	2021	2022	2023 YTD (16/01)
U.S.	2.4	2.7	1.9	0.9	1.5	3.9	3.5
German	0.5	0.2	-0.2	-0.6	-0.2	2.5	2.1
UK	1.3	1.3	0.8	0.2	1.0	3.7	3.3
Japan	0.0	0.0	0.0	0.0	0.1	0.4	0.5
Ireland	0.7	0.9	0.1	-0.3	-0.3	-0.3	2.5
Italy	2.0	2.7	1.4	0.5	1.2	4.6	3.9
Greece	4.1	4.4	1.5	0.6	1.3	4.6	4.1
Portugal	1.9	1.7	0.4	0.0	0.0	0.0	3.0
Spain	1.5	1.4	0.5	0.0	0.6	3.6	3.1

Foreign Exchange Rates	2017	2018	2019	2020	2021	2022	2023 (16/01)
Euro/Dollar (€/\$)	1.20	1.14	1.12	1.22	1.14	1.1	1.1
Euro/Sterling (€/£)	0.89	0.90	0.85	0.90	0.84	0.9	0.9
Sterling/Dollar (£/\$)	1.35	1.27	1.32	1.37	1.35	1.2	1.2

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Sources: Factset / Bloomberg / Moneymate / MSCI

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