

Domestic Irish News

Annual inflation rate eases

Ireland's annual inflation rate decreased slightly to 8.9% in November, from 9.2% (a 38-year high) in October, data on Thursday showed. Housing and utilities prices eased, as well as transport, but prices rose for restaurants and hotels and food and non-alcoholic beverages. Some market participants believe inflation across the Eurozone may have peaked.

Global Share Markets

MSCI AC World Index ends the week lower

Global share markets ended the week markedly lower. This comes alongside investor concerns that there may be an oncoming global recession, forecasted for 2023. Amid high levels of inflation, large interest rate increases from central banks, slowing economic growth and ongoing geopolitical tensions, global share markets are suffering.

China announces loosening of strict zero-Covid policies

Zero-Covid policies in China are set to loosen, with changes to quarantine and lockdowns

On Wednesday, China announced a reversal of some of its strict zero-Covid policies, which have been the cause of recent, widespread protests in the country; its people are unhappy with President Xi Jinping's ongoing hard measures after years of virus-related restrictions. The relaxed policies will include smaller-scale lockdowns, within individual buildings, and isolating at home rather than in hospital.

Bank of England (BoE)

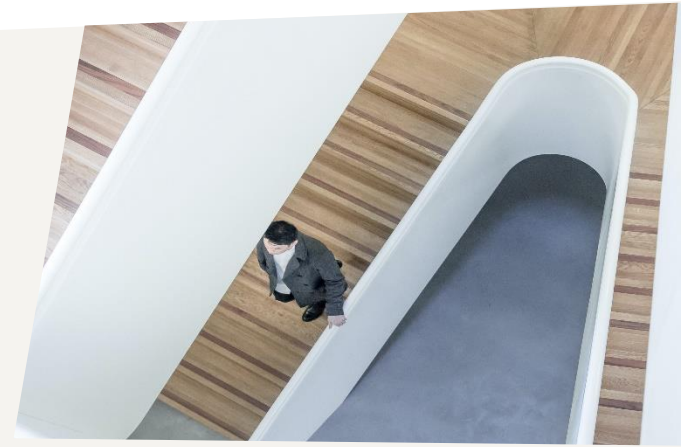
Performance rating for the BoE at all-time low

Amid the BoE's ongoing efforts to tackle high inflation – that is currently at 11.1%, a 41-year high – public satisfaction has decreased, a recent BoE survey has found. According to the results, people are unsatisfied at increased prices (particularly food and energy) and the ongoing cost-of-living crisis, causing many households to cut spending. Investors believe the economy is heading for a recession.

US Federal Reserve (Fed)

Stocks suffer as Fed expected to hike rates

Stocks suffered their worst week since September amid recessionary fears as the Fed is anticipated to raise interest rates by 0.5% at its meeting next week. This would follow four 0.75% rate increases, and could contribute to a recession in the US in 2023. Investors also await next week's consumer price inflation print.



“Begin, be bold, and venture to be wise.”

HORACE

The Story of the Week

Mark, the last “restaurant bear”, freed from captivity

Mark, a 24 year old brown bear, has been relocated to an animal sanctuary in Austria, after more than 20 years in captivity, kept in extremely poor conditions. The animal rescue group, Four Paws, began its initiative “Saddest Bears” in 2016, aimed at relocating and rehoming the animals deemed “restaurant bears”. The name comes from bears that are kept captive in small cages close to restaurants and hotels and used as a tourist attraction. Fortunately, Mark is thought to be the last “restaurant bear” in Austria and reached his new home on Friday.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2016	2017	2018	2019	2020	2021	2022 YTD (09/12)
MSCI AC World (Gross TR)	11.7	9.5	-4.3	29.6	7.2	21.4	-13.5
ISEQ Overall Return	-2.7	9.5	-20.8	33.6	4.2	15.7	-12.8
Euro Stoxx 50 TR	4.7	10.0	-11.2	29.3	-2.6	24.1	-5.2
S&P 500 TR	15.3	7.0	0.4	33.9	8.6	28.7	-16.2
Nasdaq Composite	12.1	13.9	2.1	39.2	32.9	22.2	-29.1
Nikkei 225	8.8	10.3	-3.2	24.1	14.2	6.7	-1.1
MSCI Emerging Markets	14.9	21.0	-9.9	21.1	8.9	0.1	-13.2
Eurozone Government Bonds 1–5 yr	0.9	-0.2	0.0	1.1	0.6	-0.9	-5.8

Central Bank Rates (%)	2016	2017	2018	2019	2020	2021	2022 (09/12)
ECB	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Bank of England	0.25	0.25	0.75	0.75	0.10	0.25	3.00
U.S. Federal Reserve	0.75	1.50	2.50	1.75	0.25	0.25	4.00

Sovereign 10yr Bond Yields (%)	2016	2017	2018	2019	2020	2021	2022 YTD (09/12)
U.S.	2.5	2.4	2.7	1.9	0.9	1.5	3.6
German	0.2	0.5	0.2	-0.2	-0.6	-0.2	1.9
UK	1.3	1.3	1.3	0.8	0.2	1.0	3.2
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	3.8
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	2.9

Foreign Exchange Rates	2016	2017	2018	2019	2020	2021	2022 (09/12)
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	1.23

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Sources: Factset / Bloomberg / Moneymate / MSCI

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