



Irish Life Weekly Investment Bulletin

The week that was – WEEK 34 2019 (ending 23/08/2019)

“Chance favours the prepared mind.” – Richard Branson

Irish housing starts show a 29% y-o-y increase – Latest figures from the Department of Housing show 24,226 housing starts in the 12 months to June 2019. This is a 29% year-on-year increase – with the Dublin and Mid-East Regions both showing a 21% increase and the Rest of country showing a 41% rise.

Eurozone inflation drops to 1% in July – Eurostat reported that the annual inflation rate in July was 1%, down from 1.3% in June and much lower than the 2.2% in July 2018. The highest rates were recorded in Romania (4.1%) and Hungary (3.3%). The lowest were Portugal (-0.7%), Cyprus (0.1%) and Italy (0.3%).

Global stock markets down -0.6% for the week, bringing 2019 YTD return to +12.5% – The MSCI AC World TR Index showed a -0.59% return from 16th to 23rd August with China imposing additional tariffs on U.S. goods and Trump responding. The Vix (or Volatility Index) ended the week slightly higher at 19.87.

China announces more tariffs in trade row and Trump responds – The Chinese State Council announced a range of new and increased tariffs on U.S. goods including cars, auto parts and agricultural/food products. President Trump then tweeted saying that the U.S. would increase tariffs on €550 billion of Chinese goods.

Fed Chair Powell gives mixed messages at Jackson Hole central bankers' meeting – The U.S. Federal Reserve Chair Jerome Powell said they “will act as appropriate to sustain the U.S. economic expansion” but highlighted the trade conflict as a “complex, turbulent” situation which cannot be resolved by monetary policy.

Johnson commences EU tour to attempt new Brexit deal – The UK Prime Minister, Boris Johnson, commenced his EU tour including meetings with German Chancellor Angela Merkel and French President Emmanuel Macron. Merkel challenged Johnson to come up with an alternative solution in the next 30 days.

The Story of the week: Police officers faced an unusual job after being alerted to a crocodile in a swamp in Devon, which was spotted by a Kingsbridge resident while they were out walking their dogs. Officers attended the scene and it transpired that it was a plastic crocodile. Police dispatcher Lisa Burnett tweeted: "Interesting log of the day. 198, a report of a crocodile in the swamp in #Loddiswell. Officers will have a look & make it snappy. After a deathly struggle @DCPKingsbridge managed to tame the beast of #Loddiswell. Believe the NCALT training package helped."

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Index Performances and Market Data*

Equity and Bond						
Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 23/08)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	12.5
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	6.6
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	9.2
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	13.8
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	15.1
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	16.8
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	3.5
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	2.8
Eurozone Government Bonds 1-5 yr	3.4	1.0	0.9	-0.2	0.0	1.7
Sovereign 10yr Bond						
Yields (%)	2014	2015	2016	2017	2018	2019 YTD
U.S.	2.2	2.2	2.4	2.4	2.7	1.5
German	0.5	0.6	0.2	0.4	0.2	-0.7
UK	1.9	1.9	1.2	1.2	1.3	0.5
Japan	0.3	0.2	0.0	0.0	0.0	-0.3
Ireland	1.3	1.1	0.7	0.7	0.9	-0.1
Italy	2.1	1.6	1.8	2.0	2.8	1.3
Greece	9.6	7.9	7.1	4.1	4.4	1.9
Portugal	2.7	2.5	3.8	1.9	1.7	0.2
Spain	1.6	1.7	1.4	1.6	1.4	0.1
Central Bank Rates (%)						
	2014	2015	2016	2017	2018	2019 YTD
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.25
Foreign Exchange Rates						
	2014	2015	2016	2017	2018	2019 YTD
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.12
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.91
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.23
IPD All Property Return %						
(in Local Currency)	2013	2014	2015	2016	2017	2018
Ireland	12.3	36.1	25.1	12.6	8.1%	9.9% (To end of Q4)
U.K.	10.9	17.9	13.3	3.6	10.3%	5.2% (To end of Q4)
U.S.	11.6	11.5	12.5	7.7	7.1%	7.4% (To end of Q4)

*Past performance is not a reliable guide to future performance and may fall as well as rise.