



Irish Life Weekly Investment Bulletin

The week that was – WEEK 35 2019 (ending 30/08/2019)

“Fall if you will, but rise you must.” – James Joyce

Irish retail sales (ex-motor) rose 4.2% y-o-y in July – The latest figures from the Central Statistics Office show retail sales volumes rose by 4.2% in July compared with July 2018 but fell by 4.4% if Motor Trade sales are included. The sector with the largest annual increase was household equipment, increasing by 11.2%.

Irish employment increases by 2.0% in year to Q2 2019 – The CSO reported an annual increase in employment of 2.0% or 45,000 in the year to the second quarter of 2019, bringing total employment to 2,300,000. This compares with an annual increase of 3.7% or 81,200 in employment in the previous quarter.

Global stock markets up 2.2% for the week bringing 2019 YTD return to 15.1% – The MSCI AC World TR Index showed a 2.25% return from 23rd August to 30th August, with less inflammatory comments from the U.S. and China in trade row. The Vix (or CBOE Volatility Index) ended the week at 18.98, down slightly from 19.87.

Lowered U.S. / China trade tensions give lift to markets – The Chinese commerce ministry confirmation that trade talks remain scheduled for September in Washington helped to reduce tensions during the week and this continued when President Donald Trump said that trade talks would take place "at a different level".

PM Johnson suspends Parliament for five weeks – British Prime Minister Boris Johnson has been accused of stifling debate after arranging to prorogue or suspend Parliament for a five week period from the 9th September so MPs would not return to Westminster until 14th October, just two weeks from Brexit date.

Five Star Movement and Democratic Party agree new Italian coalition government – Following the break-up of the previous Five Star Movement - League coalition government, markets welcomed the news of the Five Star Movement reaching agreement with the Democratic Party to form a new Italian governing coalition.

The Story of the week: Glyndwr Wyn Richards, 51, who was caught driving a Volkswagen Passat with a Skoda Octavia strapped to its roof through an industrial estate in Aberystwyth, Wales, in March has been given three penalty points on his licence. Mr Richards insisted there was no danger of the car falling off the roof as he had taken measures to ensure safety, and that he travelled less than 300 metres but as he pleaded guilty to using a vehicle with a load likely to cause danger of injury at Aberystwyth Magistrates' Court, he admitted it was a "stupid thing to do".

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Index Performances and Market Data*

Equity and Bond						
Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 30/08)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	15.1
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	9.0
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	10.8
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	16.9
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	18.3
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	20.0
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	3.4
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	4.2
Eurozone Government Bonds 1-5 yr	3.4	1.0	0.9	-0.2	0.0	1.9
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	1.0
Greece	9.6	7.9	7.1	4.1	4.4	1.6
Portugal	2.7	2.5	3.8	1.9	1.7	0.1
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	0.90
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.25
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)

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