

## Domestic Irish news

### Wholesale inflation shows signs of improving

Data released during the week showed wholesale price inflation moderating in Ireland in December; the rate fell to 2.5% from November's level of 3.8% – reaching its lowest point since February 2022 – though electricity prices remain painfully high for wholesale customers. Consumer confidence figures were also released, showing sentiment improving following December's weak retail sales.

## Global share markets

### Major companies perform strongly

Global share markets made gains over the week, according to the MSCI World Index, as investors digested a range of improving economic signals. Mega-cap and technology stocks continued to perform strongly, with the largest companies reporting earnings ahead of both expectations and long-term averages. Shares in the Asia-Pacific region also recorded an exceptionally strong start to the year.

## UK

### FTSE static, while consumers remain squeezed

The week was less promising for investors and consumers in the UK, where economic news was gloomier; the FTSE 100 was muted as market participants awaited decisions on interest rates from the Bank of England, though a 50-bp hike is expected. Data released in the week showed retail sales falling significantly in January as consumers grapple with elevated costs.

## US economy

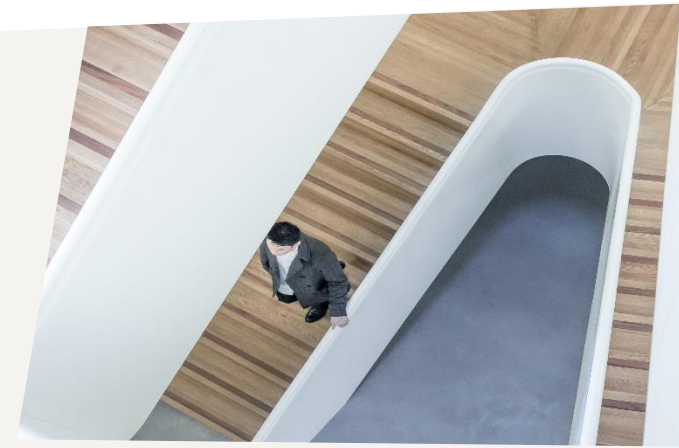
### GDP rises, inflation slows

Core inflation remained on a downward path in the US, and data showed GDP climbing to an annual rate of 2.9% in the fourth quarter, ahead of expectations. According to the US Bureau of Economic Analysis (BEA), the figure reflects increased business investment and consumer spending, offset by falls in housing.

## Europe

### Hikes to continue

The European Central Bank (ECB) will continue to raise interest rates in February and March, revealed Klaas Knot, a member of the ECB's governing council, in a series of interviews during the week. Knot, who is also the head of the central bank of the Netherlands, said that increases of 50 basis points (bps) were planned for both months, adding that it was too early to say whether the ECB would take a more relaxed approach by summer.



**“Nothing is built on stone; all is built on sand, but we must build as if the sand were stone.”**  
– J.L. BORGES

## The Story of the Week

### ‘Meme stock’ companies have raised \$5bn in recent years

So-called ‘meme stocks’ – shares in firms bought as a result of online discussion, often as a joke – have climbed in value over the past two years, the Financial Times reports, to a total of \$4.7bn.

The eight companies deemed memes in the report, including fan favourite GameStop, have gained an impressive \$7.5bn in market capitalization since the meme bubble expanded in January 2021.

# Index performances and market data

Equity & Bond Markets (%) in Local Currency	2017	2018	2019	2020	2021	2022	2023 YTD (27/01)
MSCI AC World (Gross TR)	9.5	-4.3	29.6	7.2	21.4	-15.6	6.8
ISEQ Overall Return	9.5	-20.8	33.6	4.2	15.7	-14.5	12.3
Euro Stoxx 50 TR	10.0	-11.2	29.3	-2.6	24.1	-8.8	10.3
S&P 500 TR	7.0	0.4	33.9	8.6	28.7	-18.1	6.1
Nasdaq Composite	13.9	2.1	39.2	32.9	22.2	-32.5	11.1
Nikkei 225	10.3	-3.2	24.1	14.2	6.7	-7.3	4.9
MSCI Emerging Markets	21.0	-9.9	21.1	8.9	0.1	-15.2	8.6
Eurozone Government Bonds 1–5 yr	-0.2	0.0	1.1	0.6	-0.9	-7.2	0.8

Central Bank Rates (%)	2017	2018	2019	2020	2021	2022	2023 (27/01)
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 (27/01)
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	2.3
UK	1.3	1.3	0.8	0.2	1.0	3.7	3.4
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	2.7
Italy	2.0	2.7	1.4	0.5	1.2	4.6	4.1
Greece	4.1	4.4	1.5	0.6	1.3	4.6	4.3
Portugal	1.9	1.7	0.4	0.0	0.0	0.0	3.1
Spain	1.5	1.4	0.5	0.0	0.6	3.6	3.2

Foreign Exchange Rates	2017	2018	2019	2020	2021	2022	2023 (27/01)
Euro/Dollar (€/\$)	1.20	1.14	1.12	1.22	1.14	1.1	1.08
Euro/Sterling (€/£)	0.89	0.90	0.85	0.90	0.84	0.9	0.88
Sterling/Dollar (£/\$)	1.35	1.27	1.32	1.37	1.35	1.2	1.24

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Sources: Factset / Bloomberg / Moneymate / MSCI

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