Central Banks Dampen Mood

Last week saw The Federal Reserve, ECB and Bank of England all raise rates by 50 basis points. Preceding this announcement US equities made gains on Tuesday as the US inflation figures came in lower than expected. The year-on-year Consumer Price Index rose 7.1%, the smallest gain in 11 months, while the Consumer Price Index increased by a mere 0.1% for November. The prospect of slowing inflation led to positive sentiment in markets preceding the Fed's interest rate decision. Within the US, a 50-basis point rise was an almost foregone conclusion for many. Markets were however, still left waiting for the ensuing comments from Fed Chair Jerome Powell following the rate rise announcement on Wednesday. Reaffirming that the fight against inflation is not over, Powell struck a somewhat hawkish tone. This caused US equities to give back their previous gains as investors were tentative on the future pace of rate increases from the Fed. US equities finished the week down -4.3% in Euro terms as a result.

Within Europe, news of rate decisions and the prospect of higher rates for longer meant European equities felt a similar drop from Wednesday onwards. The ECB's messaging suggested to investors that there is set to be a steady pace of higher rates within the Eurozone for a longer period than previously forecast. The prospect of further tightening from the ECB was viewed by many as more hawkish than the likes of the Federal Reserve. Slowing economic growth also remained an issue for investors in Europe. The yield on the German 2 Year Bund, which is sensitive to rate expectations rose to 2.5% on Friday, above the German 10 Year Bund. Despite this, there was however some positive news in the Eurozone with Friday's composite PMI displaying easing inflationary pressures for manufacturing and services as supply chain problems diminish and demand has lowered. European equities finished the week down -2.8%.

Our regular market information continues on the next page.

Snapshot



Gold

Oil



Corporate Bonds

Sovereign Bonds

World Equities

Copper

The week ahead	
21 Dec	US Consumer Confidence is released.
22 Dec	US & UK GDP figures go to print.
23 Dec	US New Home sales released.

	1 Week Return 12.12.22 to 19.12.22		Year to Date Return 01.01.22 to 19.12.22	
	Local Currency	Euro	Local Currency	Euro
World	-2.9%	-3.7%	-18.1%	-12.2%
U.S.	-3.5%	-4.3%	-19.6%	-13.8%
Europe	-2.7%	-2.7%	-12.6%	-12.6%
Ireland	-1.7%	-1.7%	-21.8%	-21.8%
U.K.	-1.5%	-3.2%	5.3%	1.2%
Japan	-0.5%	-0.8%	-1.1%	-10.8%
Hong Kong	0.4%	-0.5%	-5.6%	1.3%
Corporate Bonds	-1.2%	-1.2%	-13.3%	-13.3%
Sovereign Bonds	-3.2%	-3.2%	-21.7%	-21.7%

Equities

- Global stocks were down last week by -3.7% in euro terms and -2.9% In local terms.
- Year-to-date global markets are down -12.2% in euro terms and -18.1% in local terms.
- The U.S market, the largest in the world, was down -4.3% in euro terms and -3.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.51% last week. The German equivalent finished at 2.18%. The Irish 10-year bond yield finished at 2.68%.
- The Euro/U.S. Dollar exchange rate finished at 1.06, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at $74 per barrel and is up 5.1% year-to-date in euro terms.
- Gold finished the week at $1,795 per troy ounce and is up 5.0% year-to-date in euro terms.
- Copper finished the week at $8,234 per tonne.

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GR: 5685 Print Ref: ZL ISA 5685 0121

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