

Global share markets

Shares lower on higher interest rate expectations

Global share markets posted their worst weekly loss since December, according to the MSCI World Index, amid upward inflation and growth surprises. Signs emerged that US inflation may have re-accelerated at the beginning of the year. Markets began to price in a roughly 27% chance of a US 0.5% interest rate hike in March, according to CME Group, and expectations that the US Federal Reserve (Fed) would cut rates later in the year declined.

US economy

Consumers & employers undeterred by rising rates

On Friday, the Commerce Department reported that core personal consumption expenditures rose 0.6% in January, the biggest increase since August. Personal spending rose by 1.8% in January, its largest gain in almost two years. Jobless claims fell back and came in below consensus. Sales of new single-family homes reached their highest levels since March 2022.

Bond market

Yields rise

The surprises to US inflation and growth data in February have jolted the bond market, with the yield on the 10-year Treasury nearing 4.00% for the first time since November.

European share markets

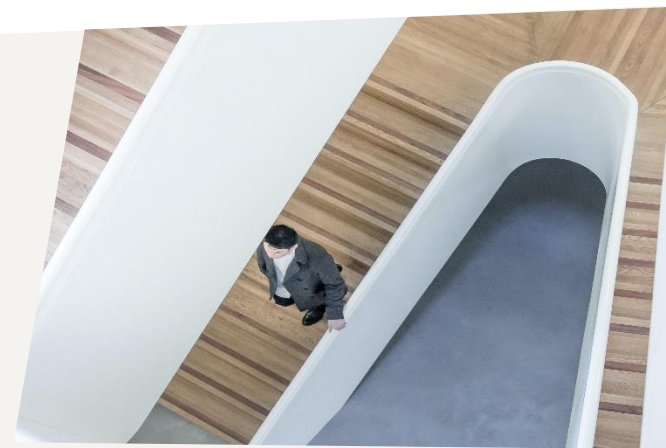
European equities lower

European share markets fell as economic data and corporate earnings beat expectations, which the market anticipated could make central banks more persistent with interest rate rises. Business activity in the eurozone accelerated in February, reaching a nine-month high, according to an S&P Global survey of purchasing managers. Preliminary data suggested expansion in activity in February. Business activity in the UK manufacturing and services sectors also picked up.

China

Markets higher on hopes of regulatory support

China's equity markets rose, following three weeks of declines, as hopes of regulatory support offset concerns of tensions with the US. The yuan dropped against the dollar on stronger-than-expected US inflation data and reports that the US plans to increase its number of troops helping to train Taiwanese forces. Many analysts forecast the People's Bank of China will continue its supportive policy to buttress the economy.



**"The best chance to deploy capital is when things are going down."
– WARREN BUFFETT**

The Story of the Week

Nasa's SpaceX Crew-6 mission cancelled minutes before lift-off

A space launch was cancelled just minutes before lift-off. Nasa's SpaceX Crew-6 mission aimed to take a crew of four from the Kennedy Space Centre in Florida to the International Space Station to carry out scientific experiments and help maintain the station. They were going to spend six months aboard.

Nasa 'scrubbed', or called off, the launch with less than two minutes to go until lift-off due to a ground issue, which experts say was a problem with the rocket fuel. The launch has been rescheduled for 2 March.

Index performances and market data

Equity & Bond Markets (%) in Local Currency	2017	2018	2019	2020	2021	2022	2023 YTD (24/02)
MSCI AC World (Gross TR)	9.5	-4.3	29.6	7.2	21.4	-15.6	4.5
ISEQ Overall Return	9.5	-20.8	33.6	4.2	15.7	-14.5	13.4
Euro Stoxx 50 TR	10.0	-11.2	29.3	-2.6	24.1	-8.8	10.5
S&P 500 TR	7.0	0.4	33.9	8.6	28.7	-18.1	3.7
Nasdaq Composite	13.9	2.1	39.2	32.9	22.2	-32.5	9.0
Nikkei 225	10.3	-3.2	24.1	14.2	6.7	-7.3	5.2
MSCI Emerging Markets	21.0	-9.9	21.1	8.9	0.1	-15.2	2.2
Eurozone Government Bonds 1–5 yr	-0.2	0.0	1.1	0.6	-0.9	-7.2	-0.1

Sovereign 10yr Bond Yields (%)	2017	2018	2019	2020	2021	2022	2023 YTD (24/02)
U.S.	2.4	2.7	1.9	0.9	1.5	3.9	3.9
German	0.5	0.2	-0.2	-0.6	-0.2	2.5	2.5
UK	1.3	1.3	0.8	0.2	1.0	3.7	3.6
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	3.0
Italy	2.0	2.7	1.4	0.5	1.2	4.6	4.4
Greece	4.1	4.4	1.5	0.6	1.3	4.6	4.4
Portugal	1.9	1.7	0.4	0.0	0.0	0.0	3.4
Spain	1.5	1.4	0.5	0.0	0.6	3.6	3.5

Central Bank Rates (%)	2017	2018	2019	2020	2021	2022	2023 (24/02)
ECB	0.00	0.00	0.00	0.00	0.00	2.5	3.0
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

Foreign Exchange Rates	2017	2018	2019	2020	2021	2022	2023 (24/02)
Euro/Dollar (€/\$)	1.20	1.14	1.12	1.22	1.14	1.1	1.05
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	1.19

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Sources: Factset / Bloomberg / Moneymate / MSCI

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