



ILIM - The week that was – WEEK 13 (ending 27/03/2015)

“ Inspiration does exist, but it must find you working ” - Pablo Picasso

ESRI predicts lower unemployment rate - The ESRI has forecast a decline in Irish unemployment next year to a headline rate of 8.4% compared to 9.7% this year thanks to stronger economic growth figures.

Irish retail sales rise 8.2% since last year – According to the latest CSO figures, Irish retail sales have increased 8.2% year-on-year compared to February last year. If car sales are excluded, the relevant increase is 4.8% in the annual figure.

Irish house prices fall for second consecutive month - The Irish residential property price index (RPPI) fell by 0.4% in February, following a 1.4% drop in January. Two of the reasons are the end of capital gains tax exemptions and the Central Bank's new mortgage lending rules but prices are still up 14.9% over the last year.

Greece fails in bid to get early release of funds - Greece failed in a bid on Wednesday to secure a quick cash payment from the euro zone rescue fund. This raises pressure on Athens to deliver a reform program.

UK inflation falls to zero for the first time since 1960 - UK CPI inflation has fallen towards zero, driven down by energy and food prices. The inflation fall led to sterling depreciating against the euro. U.S. CPI inflation in contrast was actually a little higher than expected, showing a 0.2% gain on the month to zero inflation and as a result dragging the dollar lower against the euro.

US investors buying up European property - U.S. spending on European commercial property last year was just short of the 2007 peak, according to Real Capital Analytics Inc. The main reasons for this are the dollar's eight-month rally and cheaper properties due to the recession in many European economies.

The Story of the week: The wolf will no longer be at the door for ex-builder Brian Cairns, 55, who bought a 12 tonne load of junk including brass door knobs for £20,000 and was then told they were worth over £2 million.

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Index Performances and Market Data

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD
ISEQ	-3.0	0.6	14.7	35.8	16.8	16.2
FTSE 100	9.0	-5.6	6.0	18.7	0.7	5.8
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	17.2
S&P 500	12.8	0.0	12.4	32.4	13.7	0.6
Nasdaq	16.9	-1.8	14.1	36.9	14.8	3.5
Nikkei	-3.0	-17.3	16.24	59.4	7.1	10.5
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	2.6
MSCI World	17.2	-7.62	12.1	26.3	10.4	4.2
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.0
German	3.0	1.8	1.4	1.9	0.5	0.2
UK	3.4	2.0	1.9	3.0	1.9	1.6
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	0.8
Italy	4.8	7.1	4.6	4.1	2.1	1.4
Greece	12.5	31.7	12.7	8.2	9.6	10.6
Portugal	6.6	13.4	6.9	6.1	2.7	1.8
Spain	5.5	5.1	5.4	4.1	1.6	1.3
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.08
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.73
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.48
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	TBC
UK	14.5	8.1	2.7	10.7	19.3	TBC
US	14.8	14.5	5.3	11.4	11.2	TBC

*Past performance is not a reliable guide to future performance