



# ILIM – The week that was...

## Week 30

**“Enjoy the little things, for one day you may look back and realise they were the big things”**

*– Robert Brault*

- Eurozone economic growth accelerated in July, according to a flash estimate of Markit's purchasing managers' index. The headline PMI, covering business activity across both manufacturing and services, rose from a six-month low of 52.8 in June to 54.0 in July. The latest reading matched the near-three year high seen back in April and exceeded the averages seen in the first two quarters of the year. However, France remained in the red zone again.
- International Monetary Fund (IMF) chief Christine Lagarde called on the European Central Bank to pursue an accommodative monetary policy and warned that markets may be too positive about the European recovery.
- Driven by the largest increase in home prices in Dublin since records began, Irish residential prices surged in June. The Central Statistics Office said house prices countrywide rose 2.9% in June from May and were 12.5% higher than in June 2013, the steepest increase for over seven years. In the populous Dublin region, prices climbed 23.9% on the year, marking the largest annual increase since the statistics office started collecting house price data
- Spain's economy grew at its fastest pace in six years during the second quarter. The Bank of Spain said Spanish GDP likely expanded 0.5% in the second quarter, compared with the first, up from 0.4% growth recorded in the first quarter.
- The International Monetary Fund (IMF) latest World Economic Outlook (WEO) notes that global recovery continues but at an uneven pace, and that downside risks remain. The Fund has cut its 2014 forecast and it said continued policy efforts are needed to secure a more robust recovery.
- Global oil prices rose, underpinned by tensions between Russia and the West, while U.S. crude futures continued to slide. The continued flow of Iraqi oil and the return of Libyan output have allowed the market to relax somewhat.
- The IMF revised its growth outlook for the U.S. economy for the second time in two months to 1.7%, after a first-quarter contraction turned out to be worse than the fund originally forecast.
- Saudi Arabia plans to open its stock market to foreign investors for the first time early next year, a move that will allow the Middle East's biggest economy to attract more international investment and reduce its dependence on oil revenue.
- **The Story of the week for me...** Dublin's Grafton Street is the 23rd most expensive country ranking retail location in the world and is down from 6th rank in 2006.

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# Index Performances and Market Data

Equity Markets (%)	2009	2010	2011	2012	2013	YTD
ISEQ	27	-3	0.6	14.7	35.8	4.9
FTSE 100	22.1	9.0	-5.6	6.0	18.7	2.7
Euro Stoxx 50	23.4	-0.1	-17.7	13.4	21.5	4.4
S&P 500	23.5	12.8	0	12.4	32.4	8.2
Nasdaq	43.9	16.9	-1.8	14.1	36.9	7.2
Nikkei	19	-3	-17.3	16.24	59.4	-1.5
MSCI Emerging Markets	74.5	16.4	-20.4	13.8	-2.3	8.4
MSCI World	23	17.2	-7.62	12.1	26.3	6.8
Sovereign 10yr Bond Yields (%)	2009	2010	2011	2012	2013	YTD
US	3.8	3.3	1.9	1.7	3.0	2.5
German	3.4	3	1.8	1.4	1.9	1.6
UK	4.0	3.4	2.0	1.9	3.0	2.6
Japan	1.3	1.1	1.0	0.7	0.7	0.5
Ireland	4.8	9.1	8.4	4.5	3.4	2.2
Italy	4.1	4.8	7.1	4.6	4.1	2.6
Greece	5.8	12.5	31.7	12.7	8.2	5.8
Portugal	4.1	6.6	13.4	6.9	6.1	3.6
Spain	4.0	5.5	5.1	5.4	4.1	2.5
Central Bank Rates (%)	2009	2010	2011	2012	2013	YTD
ECB	1	1	1	0.75	0.25	0.15
Bank of England	0.5	0.5	0.5	0.5	0.25	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2009	2010	2011	2012	2013	YTD
Dollar/Euro (\$/€)	1.43	1.34	1.30	1.31	1.37	1.34
Sterling/Euro (£/€)	0.89	0.86	0.83	0.81	0.83	0.79
Dollar/Sterling (\$/£)	1.61	1.56	1.55	1.61	1.65	1.69
IPD All Property Return	2009	2010	2011	2012	2013	YTD
Ireland	-23.2	-2.4	-2.4	3.1	End q1	TBC
UK	2.2	14.5	8.1	2.7	End q1	TBC
US	-18.7	14.8	14.5	5.3	End q1	TBC

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