



## ***ILIM - The week that was – WEEK 8*** (ending 20/02/2015)

**“The mind is its own place, and in itself can make a heaven of Hell, a hell of Heaven.” –  
*John Milton***

**Irish CPI inflation fell to -0.6% in January** - The reported Irish CPI inflation fall to -0.6% was entirely accounted for by falling energy prices and mortgage interest costs. Excluding these items, CPI inflation rose to 1.0%.

**International investors are their most optimistic on euro zone stocks for several years** - Showing confidence that the European Central Bank's upcoming bond-buying stimulus will have the desired economic effect, exposure to euro zone equities jumped in February to the highest since May 2007 and the second-highest on record, according to the monthly bank of America Merrill Lynch survey of 196 fund managers who run \$559 billion of funds.

**UK unemployment rate falls to 5.7%** - UK labour market data showed the unemployment rate fell to 5.7%, which was below the market consensus of 5.8%. Total pay growth rose to 2.4%, its strongest pace since 2011. Sterling appreciated sharply on the news, with the exchange rate against the euro falling to 73.5p – its strongest level since the beginning of 2008.

**ECB stimulus boosts bond issuance** – The European Central Bank stimulus seems to have begun working, with high-yield-rated companies issuing €19 billion in bonds this year, more than double the total from the comparable period in 2014, according to Credit Suisse.

**The Story of the week:** No austerity program in Saudi Arabia – by royal decree the new Saudi King, Salman, has organised a post coronation giveaway of over \$32 billion with beneficiaries including professional associations, literary and sports clubs; investments in water and electricity; and bonuses worth two month's salary to all government employees, soldiers, pensioners and students on government allowances at home and abroad.

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## Index Performances and Market Data

<b>Equity Markets (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
ISEQ	-3.0	0.6	14.7	35.8	16.8	11.6
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	11.2
S&P 500	12.8	0.0	12.4	32.4	13.7	2.1
Nasdaq	16.9	-1.8	14.1	36.9	14.8	4.4
Nikkei	-3.0	-17.3	16.24	59.4	7.1	5.1
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	3.0
MSCI World	17.2	-7.62	12.1	26.3	10.4	3.0
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
US	3.3	1.9	1.7	3.0	2.2	2.1
German	3.0	1.8	1.4	1.9	0.5	0.4
UK	3.4	2.0	1.9	3.0	1.9	1.8
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.1
Italy	4.8	7.1	4.6	4.1	2.1	1.6
Greece	12.5	31.7	12.7	8.2	9.6	9.7
Portugal	6.6	13.4	6.9	6.1	2.7	2.2
Spain	5.5	5.1	5.4	4.1	1.6	1.5
<b>Central Bank Rates (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
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
<b>Foreign Exchange Rates</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.14
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.74
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.54
<b>IPD All Property Return (%)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 YTD</b>
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