



# ILIM – The week that was...

## Week 37

**“The main thing is to keep the main thing the main thing.” – Stephen Covey**

- According to IMF Managing Director Christine Lagarde, “the world economy is likely to grow this year at a slower pace than expected due to the geopolitical crisis in Ukraine and in the Middle East.
- The European Central Bank Vice President Vitor Constancio noted that the bank could still deploy additional stimulus measures if needed, days after the ECB cut interest rates to record lows and said it would purchase private-sector assets to keep inflation from staying too low for too long.
- Germany is targeting the first planned annual budget surplus in forty-five years for 2015. Additionally a Franco-German investment plan for euro area investments valued at €300bn and financed by lending from the European Investment Bank is reported to be in the works.
- France lowered its growth forecast again last Wednesday warning it will need more time to bring its public deficit in line with EU rules.
- Global demand for crude oil slowed at a remarkable pace in the second quarter because of weak economic growth in Europe and China, according to the International Energy Agency.
- Two of Britain’s largest banks, Lloyds Banking Group and the Royal Bank of Scotland, said they would move their headquarters to England if Scotland votes for independence.
- Hong Kong completed its first sale of Islamic debt on Wednesday, joining a number of other governments rushing to issue similar bonds for the first time as uncertainty mounts over the outlook for global interest rates.
- The price of Venezuelan debt tumbled Monday as market participants fretted over the government’s ability to pay external liabilities as President Nicolas Maduro’s administration deals with a severe shortage of dollars.
- Japan’s economy contracted in the second quarter at the fastest pace since 2009, dealing a blow to Prime Minister Shinzo Abe’s efforts to re-energise the economy with pro-growth steps.
- **The Story of the week for me...**A Chinese city has built a pavement with two lanes: one that prohibits smartphone use next to one that allows pedestrians to use them - at their “own risk.”

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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	9.5
FTSE 100	22.1	9.0	-5.6	6.0	18.7	3.8
Euro Stoxx 50	23.4	-0.1	-17.7	13.4	21.5	6.4
S&P 500	23.5	12.8	0	12.4	32.4	9.0
Nasdaq	43.9	16.9	-1.8	14.1	36.9	10.3
Nikkei	19	-3	-17.3	16.24	59.4	-1.1
MSCI Emerging Markets	74.5	16.4	-20.4	13.8	-2.3	9.2
MSCI World	23	17.2	-7.62	12.1	26.3	7.8
Sovereign 10yr Bond Yields (%)	2009	2010	2011	2012	2013	YTD
US	3.8	3.3	1.9	1.7	3.0	2.6
German	3.4	3	1.8	1.4	1.9	1.0
UK	4.0	3.4	2.0	1.9	3.0	2.5
Japan	1.3	1.1	1.0	0.7	0.7	0.6
Ireland	4.8	9.1	8.4	4.5	3.4	1.9
Italy	4.1	4.8	7.1	4.6	4.1	2.5
Greece	5.8	12.5	31.7	12.7	8.2	5.7
Portugal	4.1	6.6	13.4	6.9	6.1	3.2
Spain	4.0	5.5	5.1	5.4	4.1	2.3
Central Bank Rates (%)	2009	2010	2011	2012	2013	YTD
ECB	1	1	1	0.75	0.25	0.05
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	1.29
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	1.62
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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