



# ILIM – The week that was..... Week 4

**“You have enemies? Good. That means you've stood up for something, sometime in your life.” – Winston Churchill**

- **The European Central Bank (ECB) will inject at least €1.1 trillion into the ailing eurozone economy including over €1bn in Irish government bonds** – Beginning in March, the ECB will buy €60bn bonds each month until the end of September 2016, or even longer, in what is called quantitative easing (QE). QE in theory increases the supply of money, something that keeps interest rates low and encourages borrowing and therefore spending. The news sent the euro to an 11-year low of \$1.1367 against the US dollar. The ECB also said it would keep eurozone interest rates at 0.05%, the level they've been at since September 2014. European shares delivered their biggest weekly gain in more than three years.
- **IMF predicts lower economic growth** - The IMF made the steepest cut to its global-growth outlook in 3 years. The world economy will grow 3.5% in 2015, down from the 3.8% projected in October.
- **Aer Lingus may accept the latest takeover offer from BA** - It was reported that Aer Lingus is set to accept the latest takeover offer from BA (British Airways) owner IAG (International Consolidated Airlines Group) after approaching the carrier with a fresh bid. This values Aer Lingus at €2.50 a share, giving Aer Lingus a value of €1.3bn.
- **Goldman Sachs chief wants UK to stay in EU** - The head of one of the world's leading investment banks, Goldman Sachs' president and chief operating officer Gary Cohn has said Britain should remain in the EU, describing London as “a great financial capital of the world”.
- **Irish commercial property investment in 2014 was 25% above bubble peak in 2006** - according to Jones Lang LaSalle (JLL), a total of €1.55bn was invested in Irish real estate in Q4 2014 which was the strongest quarter in 2014. Total year-end volumes were €4.54bn which is a 25% increase on the previous peak in 2006 (€3.63bn), the year for example that saw Sean Dunne acquire some trophy properties in Dublin 4.
- **BP chief predicts oil price will stay low for three years** - BP group chief executive Bob Dudley is expecting oil to remain at current low levels for up to three years, leading to job losses and falling investment in the oil sector.
- **'This time it's final': Soros retires from fund management** - Billionaire investor George Soros is finally retiring from fund management at the age of 84 to focus on political philanthropy.

**The Story of the week:** A man in Mexico, Juan Marquez Nieto has completed a 57 day walk from the south east coast to Mexico City with a football balanced on his head ! He did it as part of a protest to call for peace in the country.

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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        | 4.6             |
| FTSE 100                              | 9.0         | -5.6        | 6.0         | 18.7        | 0.7         | 4.1             |
| Euro Stoxx 50                         | -0.1        | -17.7       | 13.4        | 21.5        | 4.0         | 7.5             |
| S&P 500                               | 12.8        | 0.0         | 12.4        | 32.4        | 13.7        | -0.3            |
| Nasdaq                                | 16.9        | -1.8        | 14.1        | 36.9        | 14.8        | 0.5             |
| Nikkei                                | -3.0        | -17.3       | 16.24       | 59.4        | 7.1         | 0.3             |
| MSCI Emerging Markets                 | 16.4        | -20.4       | 13.8        | -2.3        | 5.6         | 3.2             |
| MSCI World                            | 17.2        | -7.62       | 12.1        | 26.3        | 10.4        | 0.9             |
| <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         | 1.8             |
| German                                | 3.0         | 1.8         | 1.4         | 1.9         | 0.5         | 0.4             |
| UK                                    | 3.4         | 2.0         | 1.9         | 3.0         | 1.9         | 1.5             |
| Japan                                 | 1.1         | 1.0         | 0.7         | 0.7         | 0.3         | 0.2             |
| Ireland                               | 9.1         | 8.4         | 4.5         | 3.4         | 1.3         | 1.1             |
| Italy                                 | 4.8         | 7.1         | 4.6         | 4.1         | 2.1         | 1.5             |
| Greece                                | 12.5        | 31.7        | 12.7        | 8.2         | 9.6         | 8.7             |
| Portugal                              | 6.6         | 13.4        | 6.9         | 6.1         | 2.7         | 2.2             |
| Spain                                 | 5.5         | 5.1         | 5.4         | 4.1         | 1.6         | 1.4             |
| <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> |
| Dollar/Euro (\$/€)                    | 1.34        | 1.30        | 1.31        | 1.37        | 1.21        | 1.12            |
| Sterling/Euro (£/€)                   | 0.86        | 0.83        | 0.81        | 0.83        | 0.78        | 0.75            |
| Dollar/Sterling (\$/£)                | 1.56        | 1.55        | 1.61        | 1.65        | 1.56        | 1.50            |
| <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        | TBC         | TBC             |
| UK                                    | 14.5        | 8.1         | 2.7         | 10.7        | TBC         | TBC             |
| US                                    | 14.8        | 14.5        | 5.3         | 11.4        | TBC         | TBC             |

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