



ILIM – The week that was...

Week 47

“For every disadvantage there is a corresponding advantage” – Clement Stone

- The Dow Jones Industrial Average and the S&P 500 rose to record highs after China's central bank cut interest rates and the European Central Bank's president reiterated that the institution was ready to expand its stimulus program.
- European Central Bank President Mario Draghi sent a strong signal that the central bank is ready to "step up the pressure" and expand its asset-purchase programs if inflation fails to show signs of quickly returning to the ECB's target.
- Prices in Ireland, as measured by the CPI, were 0.2% higher in October compared with October 2013. The CSO highlighted the most notable changes in the year were increases in Education (+4.8%), Alcoholic Beverages & Tobacco (+3.9%), Miscellaneous Goods & Services (+3.5%) and Restaurants & Hotels (+2.7%). There were decreases in Clothing & Footwear (-4.9%), Food & Non-Alcoholic Beverages (-2.7%), Furnishings, Household Equipment & Routine Household Maintenance (-2.6%) and Transport (-1.7%).
- US oil imports from the OPEC (Organisation of Petroleum Exporting Countries) producer cartel, are at a 30-year low of 40% of the total imports compared with 88% in 1976.
- US Federal Reserve officials in October forged ahead with a decision to end the central bank's bond-buying program because the domestic economy and labour market appeared to be on course for further improvement.
- China's central bank succumbed to political and market pressure and cut interest rates for the first time in more than two years, in a sign that the country's leadership is leaning toward more sweeping measures to bolster flagging economic growth.
- World trade is growing slower than the global economy for first time in 40 years according to research by IMF and World Bank economists.
- According to the BofA Merrill Lynch Fund Manager Survey for November, Global investors have a restored appetite for risk amid greater optimism over the outlook for profits and the economy. Asset allocators have shifted out of cash and increased their allocations to equities. A net 13% of respondents to the global survey are overweight cash in November, down from a net 27% in October. The proportion of asset allocators overweight equities has risen by 12% to a net 46%. Japan is the region most in favour, while investors are sending mixed signals about appetite towards Europe. Real Estate allocations have reached the highest overweight recorded since its inclusion in the survey in 2006.
- **The Story of the week...** According to a report published by daft, rents in Dublin are 10% short of their 2007 peak.

DISCLOSURE:-

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

Index Performances and Market Data

Equity Markets (%)	2009	2010	2011	2012	2013	YTD
ISEQ	27.0	-3.0	0.6	14.7	35.8	11.1
FTSE 100	22.1	9.0	-5.6	6.0	18.7	3.5
Euro Stoxx 50	23.4	-0.1	-17.7	13.4	21.5	5.4
S&P 500	23.5	12.8	0.0	12.4	32.4	13.7
Nasdaq	43.9	16.9	-1.8	14.1	36.9	14.1
Nikkei	19.0	-3.0	-17.3	16.24	59.4	8.2
MSCI Emerging Markets	74.5	16.4	-20.4	13.8	-2.3	7.4
MSCI World	23.0	17.2	-7.62	12.1	26.3	10.9
Sovereign 10yr Bond Yields (%)	2009	2010	2011	2012	2013	YTD
US	3.8	3.3	1.9	1.7	3.0	2.3
German	3.4	3	1.8	1.4	1.9	0.7
UK	4.0	3.4	2.0	1.9	3.0	2.1
Japan	1.3	1.1	1.0	0.7	0.7	0.5
Ireland	4.8	9.1	8.4	4.5	3.4	1.4
Italy	4.1	4.8	7.1	4.6	4.1	2.1
Greece	5.8	12.5	31.7	12.7	8.2	7.8
Portugal	4.1	6.6	13.4	6.9	6.1	2.9
Spain	4.0	5.5	5.1	5.4	4.1	1.9
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	1.24
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	1.57
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

DISCLOSURE:-

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.