



ILIM – The week that was...

Week 46

“It always seems impossible until it’s done” – Nelson Mandela

- The S&P 500 posted its fourth straight weekly gain.
- The selloff in oil remained the big story this week. Brent crude lost 5.4%, falling for an eighth straight week.
- According to the Banking and Payments Federation Ireland (BPFI), the numbers of residential mortgage approvals in the nine months to September 2014 are as low as 1977 levels (on an annualised basis).
- Inflation in the Eurozone is expected to remain low for the remainder of this year and accelerate only gradually in the next two years, according to a survey of forecasters by the ECB.
- According to the OECD, economic growth is set to slow in the Eurozone and the U.K. over coming months, while remaining at current modest rates in most of the world's large economies.
- The International Energy Agency (IEA) noted that the current weakness in oil prices is set to continue, citing weak demand and the US shale gas boom as catalysts for the drop in prices.
- Deutsche Bank has cut the German GDP (gross domestic product) growth forecast from 1.5% to 1.3% for 2014 and further from 1.5% to 0.8% for 2015.
- The Bank of England cut its forecasts for growth and inflation in the U.K. and signaled it is unlikely to raise interest rates until the second half of next year.
- Japan's economy unexpectedly slipped into recession in the third quarter of 2014.
- The Russian president reiterated that he wants to strengthen ties with China, and avoid using the dollar for bilateral trade as data from China's central bank suggest that companies are already starting to move away from the U.S. currency and towards the Yuan.
- Five banks agreed to pay a total of about \$3.3 billion to U.S., British and Swiss regulators to resolve allegations that for years they worked together to try to manipulate the foreign-exchange market to boost their profits.
- **The Story of the week...** 25 years after the fall of the Berlin Wall, the collective GDP of Germany's former communist eastern states has only managed to reach 67% of that in the former federal republic, which was known as West Germany.

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Index Performances and Market Data

Equity Markets (%)	2009	2010	2011	2012	2013	YTD
ISEQ	27.0	-3.0	0.6	14.7	35.8	6.08
FTSE 100	22.1	9.0	-5.6	6.0	18.7	1.91
Euro Stoxx 50	23.4	-0.1	-17.7	13.4	21.5	0.95
S&P 500	23.5	12.8	0.0	12.4	32.4	12.35
Nasdaq	43.9	16.9	-1.8	14.1	36.9	13.43
Nikkei	19.0	-3.0	-17.3	16.24	59.4	5.84
MSCI Emerging Markets	74.5	16.4	-20.4	13.8	-2.3	6.25
MSCI World	23.0	17.2	-7.62	12.1	26.3	9.41
Sovereign 10yr Bond Yields (%)	2009	2010	2011	2012	2013	YTD
US	3.8	3.3	1.9	1.7	3.0	2.30
German	3.4	3	1.8	1.4	1.9	0.75
UK	4.0	3.4	2.0	1.9	3.0	2.09
Japan	1.3	1.1	1.0	0.7	0.7	0.47
Ireland	4.8	9.1	8.4	4.5	3.4	1.56
Italy	4.1	4.8	7.1	4.6	4.1	2.34
Greece	5.8	12.5	31.7	12.7	8.2	7.97
Portugal	4.1	6.6	13.4	6.9	6.1	3.18
Spain	4.0	5.5	5.1	5.4	4.1	2.14
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	1.56
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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