



ILIM – The week that was...

Week 44

“The time is always right to do what is right.” – *Martin Luther King Jr.*

- The Dow industrials and S&P 500 set new all-time closing highs after the Bank of Japan's decision to unexpectedly expand its stimulus measures.
- Gold and silver trade near their lowest levels in more than four years.
- Ireland recorded a 12.5% decline in corporate lending, its steepest drop since July 2011. Figures from the European Central Bank showed corporate lending decreased on an annual basis in Italy, Spain, Portugal and Ireland, but growth continued in Germany, Finland, France and Austria.
- Spain's economy grew an estimated 0.5% in the third quarter and consumer prices fell slightly less than in recent months in October, as the recovery of the Eurozone's fourth-largest economy continued.
- German Finance Minister Wolfgang Schaeuble on Friday said he believed consumption and employment remained strong in Germany, but that geopolitical risks were undermining confidence across Europe.
- The Bank of Japan unexpectedly expanded its quantitative easing (QE) programme increasing its asset purchases for the first time in more than a year and a half, as its 2% inflation target looks increasingly unlikely to be achieved.
- The United States Federal Reserve announced the end of its five year quantitative easing (QE) programme.
- US gross domestic product (GDP) increased at an annualised 3.5% in the third quarter of 2014, driven by an uptick in military spending and a drop in imports.
- Japan's public pension fund is expected to unveil a new asset allocation for its ¥127 trillion portfolio moving assets from Japanese government bonds into stocks and foreign assets in search of higher returns.
- The World Bank praised China for tightening credit growth, reducing excess capacity and grappling with pollution. But it also said these steps had contributed to slower growth this year and cautioned that a government growth target for 2015 near the 2014 level of about 7.5% would hamper economic rebalancing efforts.
- **The Story of the week...** The Federal Deposit Insurance Corporation issued a report highlighting that 7.7% of U.S. households did not have bank accounts in 2013.

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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	6.5
FTSE 100	22.1	9.0	-5.6	6.0	18.7	-0.1
Euro Stoxx 50	23.4	-0.1	-17.7	13.4	21.5	2.7
S&P 500	23.5	12.8	0	12.4	32.4	10.9
Nasdaq	43.9	16.9	-1.8	14.1	36.9	11.9
Nikkei	19	-3	-17.3	16.24	59.4	2.3
MSCI Emerging Markets	74.5	16.4	-20.4	13.8	-2.3	7.0
MSCI World	23	17.2	-7.62	12.1	26.3	8.1
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	0.8
UK	4.0	3.4	2.0	1.9	3.0	2.6
Japan	1.3	1.1	1.0	0.7	0.7	0.45
Ireland	4.8	9.1	8.4	4.5	3.4	1.7
Italy	4.1	4.8	7.1	4.6	4.1	2.4
Greece	5.8	12.5	31.7	12.7	8.2	8.1
Portugal	4.1	6.6	13.4	6.9	6.1	3.2
Spain	4.0	5.5	5.1	5.4	4.1	2.1
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	1.25
Sterling/Euro (£/€)	0.89	0.86	0.83	0.81	0.83	0.78
Dollar/Sterling (\$/£)	1.61	1.56	1.55	1.61	1.65	1.60
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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