



ILIM - The week that was – WEEK 5 (ending 30/1/2015)

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

Eurozone Unemployment rate reduces to 11.4% in December while deflation hits a record – The Eurozone (EA18) seasonally-adjusted unemployment rate was 11.4% in December 2014, down from 11.8% in December 2013. This is the lowest rate recorded in the Eurozone since August 2012. However the annual inflation rate fell to minus 0.6 percent, matching the biggest decline in prices in the history of the single currency which the ECB may say provides strong justification for their recent decision to embrace QE.

Apple reports biggest profit of a public company in history - Apple on Tuesday reported the largest net income of any public company in history in the three months to December, as record iPhone sales of 74.5m units exceeded Wall Street forecasts. Apple’s net profit grew 37% to \$18bn, topping ExxonMobil’s previous quarterly record.

Irish House prices slip back 1% but still up on last year - House prices dipped 1% in the final three months of last year, but are still 12.8 % higher compared to a year ago.

U.S. consumer confidence at 11 year high but 4th quarter economic growth slowed - The Thomson Reuters/University of Michigan's final reading on the overall index of consumer sentiment came in at 98.1 in January of 2015, up from 93.6 in December of 2014. Consumer confidence in the United States averaged 85.06 from 1952 until 2014, reaching an all time high of 111.40 in January 2000 and a record low of 51.70 in May 1980. However the world’s largest economy grew at a 2.6% annualized rate in the 4th quarter which fell short of the median forecast of economists surveyed by Bloomberg and was well below the 5% pace in the third quarter

Surprise interest rate cut in Russia - The rate cut to 15% from 17% triggered a wave of rouble selling that drove the currency down as much as 4%, adding to a year-long sell off that’s left it down 50% against the dollar. The rate cut surprised markets as inflation had recently soared to a 5 year high.

- **The Story of the week:** The University of the West of Scotland is looking at introducing a policy of refunding students their fees who fail their degrees.

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Index Performances and Market Data

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD
ISEQ	-3.0	0.6	14.7	35.8	16.8	7.4
FTSE 100	9.0	-5.6	6.0	18.7	0.7	2.9
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	6.8
S&P 500	12.8	0.0	12.4	32.4	13.7	-3.0
Nasdaq	16.9	-1.8	14.1	36.9	14.8	-2.1
Nikkei	-3.0	-17.3	16.24	59.4	7.1	1.3
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	2.0
MSCI World	17.2	-7.62	12.1	26.3	10.4	0.3
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	1.6
German	3.0	1.8	1.4	1.9	0.5	0.3
UK	3.4	2.0	1.9	3.0	1.9	1.3
Japan	1.1	1.0	0.7	0.7	0.3	0.3
Ireland	9.1	8.4	4.5	3.4	1.3	1.1
Italy	4.8	7.1	4.6	4.1	2.1	1.6
Greece	12.5	31.7	12.7	8.2	9.6	10.8
Portugal	6.6	13.4	6.9	6.1	2.7	2.6
Spain	5.5	5.1	5.4	4.1	1.6	1.4
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
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
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.13
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	1.51
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	TBC
UK	14.5	8.1	2.7	10.7	19.3	TBC
US	14.8	14.5	5.3	11.4	11.2	TBC

*Past performance is not a reliable guide to future performance