



ILIM – The week that was...

Week 50

“Success or failure is caused more by mental attitude than by mental capacity.” – Walter Scott

- Prices on average, as measured by the CPI (consumer price index), were 0.1% higher in November compared with November 2013. The most notable changes in the year were increases in Education (+5.0%), Miscellaneous Goods & Services (+4.0%), Alcoholic Beverages & Tobacco (+3.7%) and Restaurants & Hotels (+1.6%). There were decreases in Clothing & Footwear (-3.2%), Food & Non-Alcoholic Beverages (-2.6%), Furnishings, Household Equipment & Routine Household Maintenance (-2.3%) and Transport (-2.0%).
- Eurostat issued data on Actual consumption per capita (a proxy for standard of living) showing Germany is 22% above the EU28 average while Ireland, Cyprus and Spain are 10% below the EU28 average.
- European Governing council member Ardo Hansson said the ECB should consider buying corporate bonds if it decides more monetary stimulus is needed in Europe, adding that he remains sceptical about having ECB purchase large amounts of government bonds.
- ECB official Peter Praet noted that Government bond purchases by the European Central Bank would depress yields further and boost inflation expectations, as officials continue to build a case for large-scale asset purchases early next year.
- Continued downward pressure on oil prices with WTI crude falling 12% to \$57.81 a barrel, while Brent ended 10% lower at \$61.85.
- The global economy grew at a slightly faster pace in the third quarter, aided by a modest pickup in the Eurozone and a less deep contraction in Japan.
- Canada's central bank said the country's housing market is as much as 30% overvalued and pushing higher, posing the most serious risk to domestic financial stability.
- OPEC cut its collective oil output to just above the producer group's targeted production ceiling last month, but said it expects demand for its oil to be further below the level at which it is currently pumping next year.
- The World Bank cut Russia's economic outlook for the next two years to reflect a decline in oil prices, the country's main export.
- According to the Organisation for Economic Cooperation and Development, rising income inequality has weakened economic growth in most developed economies.
- **The Story of the week...**A study released new figures estimating that the world's oceans hold over 250,000 tons of plastic waste.

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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	13.5
FTSE 100	22.1	9.0	-5.6	6.0	18.7	-3.4
Euro Stoxx 50	23.4	-0.1	-17.7	13.4	21.5	1.3
S&P 500	23.5	12.8	0	12.4	32.4	10.5
Nasdaq	43.9	16.9	-1.8	14.1	36.9	12.7
Nikkei	19	-3	-17.3	16.24	59.4	6.9
MSCI Emerging Markets	74.5	16.4	-20.4	13.8	-2.3	3.1
MSCI World	23	17.2	-7.62	12.1	26.3	7.3
Sovereign 10yr Bond Yields (%)	2009	2010	2011	2012	2013	YTD
US	3.8	3.3	1.9	1.7	3.0	2.1
German	3.4	3	1.8	1.4	1.9	0.6
UK	4.0	3.4	2.0	1.9	3.0	1.8
Japan	1.3	1.1	1.0	0.7	0.7	0.4
Ireland	4.8	9.1	8.4	4.5	3.4	1.3
Italy	4.1	4.8	7.1	4.6	4.1	2.0
Greece	5.8	12.5	31.7	12.7	8.2	8.9
Portugal	4.1	6.6	13.4	6.9	6.1	2.9
Spain	4.0	5.5	5.1	5.4	4.1	1.8
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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