



# Investment Digest





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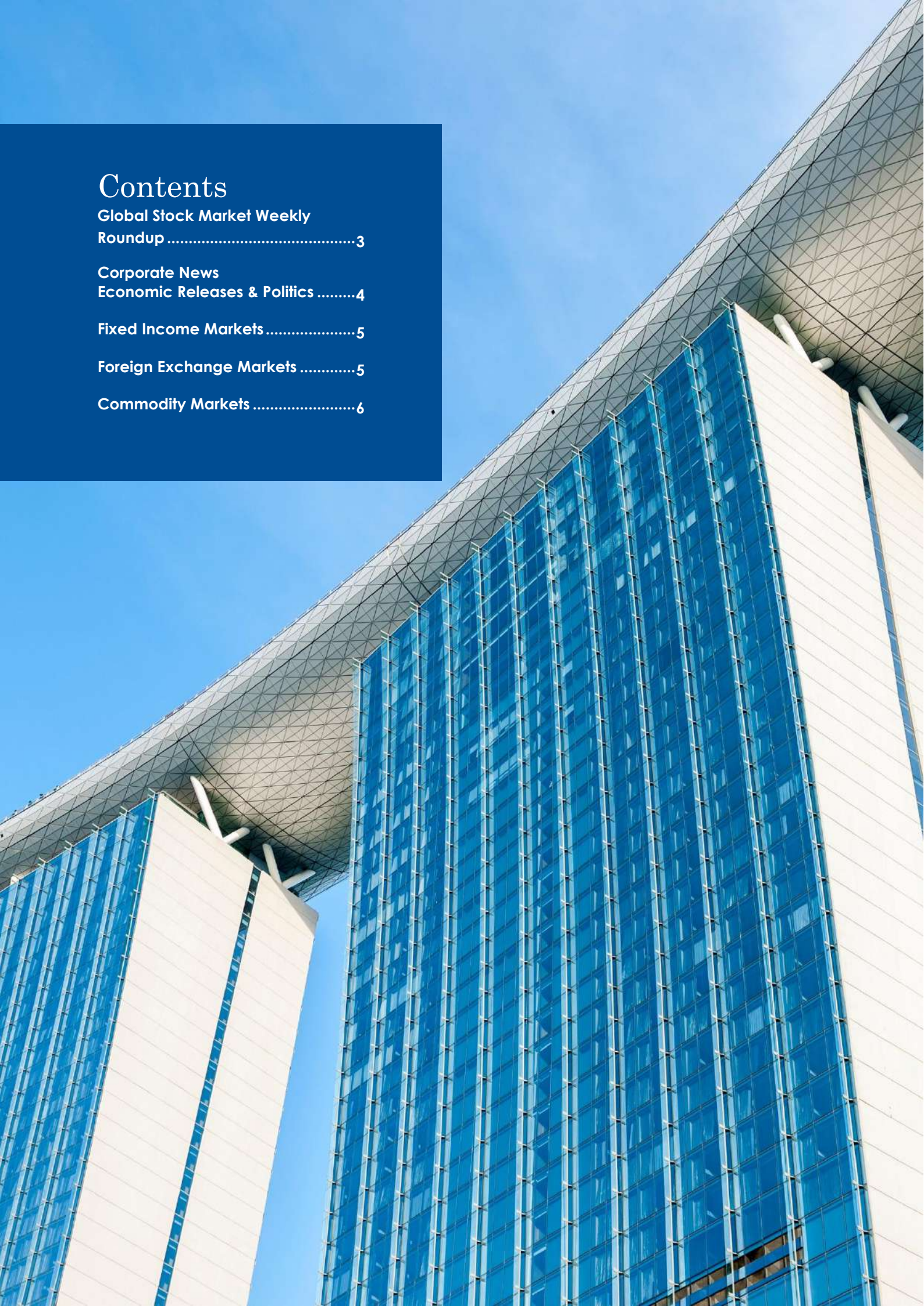
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1 Feb 2019 – 8 Feb 2019

# Investment Digest

## Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index went up by 0.17 percent to close at 25,106.33 at the end of the week. U.S. stocks are on track for their seventh consecutive weeks of gains. The Dow rallied at the start of the week as tech shares led the rally and optimism over corporate earnings releases boosted risk appetite. Trump's State of the Union speech on Tuesday also added to positive sentiments as investors expected Trump to strike a deal-making tone. However, the Dow tanked at the later part of the week, recording its first three-day losing streak since December 2018, as the Euro cut their growth forecasts while hopes for a trade deal between the U.S. and China before the March 1, 2019 deadline were dashed when it was reported that the two countries have not yet put together a draft on the matters they agree or disagree and Trump saying he will not meet with Chinese President Xi Jinping before that deadline. Nevertheless, Dow closed the week in positive territory.

The Shanghai Composite Index was closed the entire week for the Lunar New Year. In a shortened trading week for most of the Asian markets, it took the lead from the U.S. markets and fell as the outlook for a deal between the U.S and China before the March 1, 2019 deadline was murky.

The Euro Stoxx 50 index was down by 1.12 percent for the week and closed off at 3,135.62. European markets rallied to a 9-week high at the early part of the week over optimism on a flurry of corporate earnings results. However, it tanked at the later part of the week as the Euro cut its GDP growth forecasts significantly, from 1.9% to 1.3%, while Germany released disappointing industrial data. Furthermore, the cloudy development of a trade deal between the U.S. and China added to negative sentiments.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. ISM Non-Manufacturing PMI (Jan 2019)	<b>56.7</b>	57.2
U.S. Durable Goods Orders ex Defense (Nov 2018)	<b>-0.1%</b>	-
U.S. Initial Jobless Claims (Feb 1 2019)	<b>234K</b>	221K
Euro Markit PMI Composite (Jan 2019)	<b>51.0</b>	50.7
Euro Retail Sales (YoY) (Dec 2018)	<b>0.8%</b>	0.5%
China Caixin Services PMI (Jan 2019)	<b>53.6</b>	53.3

STOCK MARKETS		01/2/2019	08/2/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,029.55	2,020.53	<b>-0.44%</b>	7.25%
S&P 500	▼	2,706.53	2,707.88	0.05%	8.02%
Dow Jones Industrial Average	▲	25,063.89	25,106.33	0.17%	7.63%
NASDAQ	▲	7,263.87	7,298.20	0.47%	9.99%
FTSE 100	▼	7,020.22	7,071.18	0.73%	5.10%
Euro Stoxx 50	▲	3,171.12	3,135.62	<b>-1.12%</b>	4.47%
MSCI Asia Pacific ex Japan	▲	511.45	510.83	<b>-0.12%</b>	7.07%
NIKKEI	▲	20,788.39	20,333.17	<b>-2.19%</b>	1.59%
Hang Seng	▲	27,930.74	27,946.32	0.06%	8.13%
Shanghai Composite Index	▲	2,618.23	2,618.23	-	-
Straits Times Index	▼	3,188.68	3,202.04	0.42%	4.34%
MSCI Emerging Markets	▲	1,050.20	1,036.03	<b>-1.35%</b>	7.29%
JPM Global Aggregate Bond Index	▲	570.63	569.50	<b>-0.20%</b>	0.96%
WTI Oil (US\$)	▼	55.26	52.72	<b>-4.60%</b>	16.10%
Spot Gold (US\$)	▲	1,317.70	1,315.02	<b>-0.20%</b>	2.54%

## Corporate News

The Shoppes at Marina Bay Sands announced a record-breaking revenue of US\$179 million for 2018, a 7 percent year-on-year rise from 2017, and best performance since 2010.

## Fixed Income Markets

The 10-year U.S. Treasury yield fell by 5 basis points and closed off this week at 2.6339 percent. US Treasury yields fell for the week over slowing global growth concerns and trade tensions between the U.S. and China, boosting demand for safe haven assets.

## Foreign Exchange Markets

The U.S. Dollar Index which tracks the U.S. currency against six major rivals was up by 0.9 percent for the week and closed at 96.64. In its strongest weekly gain since August 2018, the dollar inched up as news of slowing global growth from the Euro and trade tensions between the U.S. and China sparked demand for a safe haven currency, despite the dovish outlook by the Fed.

Bitcoin price was down 3.13% for the week and closed off at US\$3,453.04, in yet another challenging week for the currency which continues to undergo consolidation but is trending downwards. It is on track for the longest correction ever for the cryptocurrency. Declining volume of digital assets and the potential scenario of cryptocurrencies free falling without significant sell pressure from bears does not bode well for the cryptocurrency. It continues to remain an unpredictable asset class which correlates with the direction of global stock markets randomly.

## Commodity Markets

Brent Crude price were up by 0.75 percent for the week and closed at US\$62.10 per barrel. Brent crude went up as news of production cuts in Venezuela and Saudi Arabia decreased supply, but gains were capped at the end of the week as slowing global growth concerns and trade tensions between the U.S. and China dimmed the outlook for demand.

Gold price went down by 0.2 percent to close higher this week at US\$1,315.02 an ounce. The precious yellow metal recorded its first weekly loss in three weeks, as the appreciation of the dollar pressured the precious yellow metal, but held steady as global growth concerns and trade tensions boosted demand for safe havens.

### Smarter Investing

Compound interest is a simple strategy whereby interest earned by an investment is reinvested, thereby producing even more interest.

To illustrate the power of it, let's look at the example below. We will assume that the investor invested \$100,000 in the S&P 500 10 years ago. The table then shows the value of the portfolio and the additional return if the investor reinvests those dividends.

Dividends Not Reinvested:  
0 Years | 10 Years  
\$100,000 | \$177,733

Dividends Reinvested:  
0 Years | 10 Years  
\$100,000 | \$219,277

Difference:  
0.0% | +23.4%



As such, an investor who does not need the dividend/interest should consider reinvesting them to earn a higher return. An investor who is invested in unit trust can consider opting for the accumulated shared class whereby the dividends get reinvested automatically.