



Investment Digest



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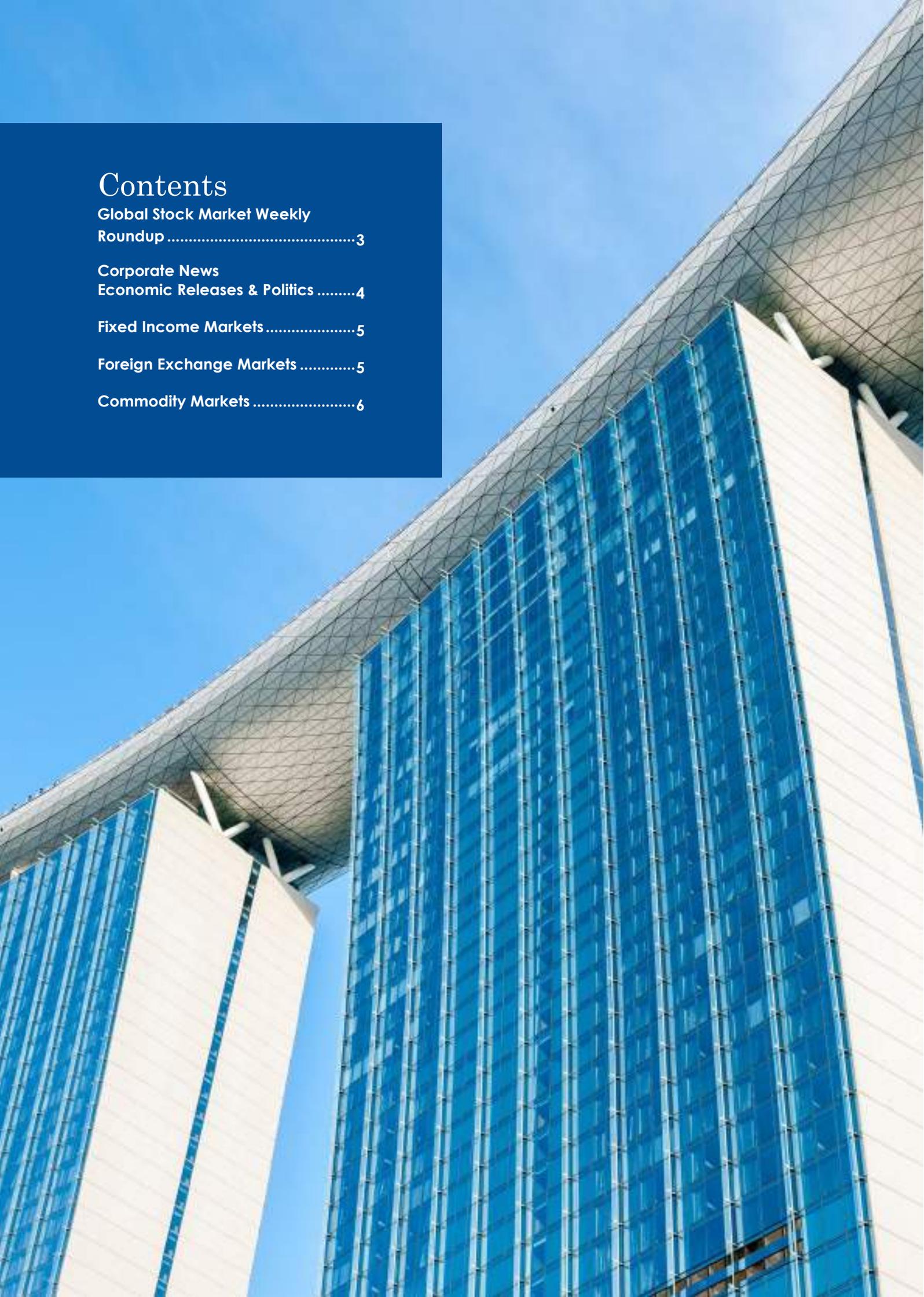
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08 Mar 2019 – 15 Mar 2019

Investment Digest

Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index was up by 1.57 percent and closed at 25,848.87 at the end of the week. U.S. markets broke its two-week losing streak and continued its uptrend. U.S. markets were up on the back of a tech rebound, weaker than expected inflation data which reinforced the Fed's dovish stance and more clarity regarding Brexit. Gains were capped (especially in the Dow) as Boeing fell about 12 per cent over the week as its new 737 MAX plane had its second fatal crash in just five months and of news that a U.S.-China trade deal would not be agreed upon by the end of March 2019.

The Shanghai Composite Index closed at 3,021.75, marking a 1.75 percent rise this week. Asian markets see-sawed throughout the week but generally closed higher. Asian markets rose on pledges by the People's Bank of China (PBoC) to implement countercyclical policy adjustments to support the economy and lower real financing costs, more clarity regarding Brexit after the UK parliamentary votes over three days and general trade deal optimism from the Asia side. Gains were pared by soft China industrial output data and uncertainty in Brexit over the three days of UK parliamentary voting.

The Euro Stoxx 50 index was up by 3.12 percent for the week and closed off at 3,386.08. European markets were up on better than expected Eurozone industrial data and more clarity regarding Brexit. Markets were slightly choppy though as the uncertainty of Brexit over the three days of votes made markets more volatile.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Consumer Price Index ex Food & Energy (YoY) (Feb'19)	2.1%	2.2%
U.S. Nondefense Capital Goods Orders ex Aircraft (Jan'19)	0.8%	0.1%
U.S. Michigan Consumer Sentiment Index (Mar'19)	97.8	95.3
Euro Industrial Production s.a. (MoM) (Jan'19)	1.4%	1.0%
Euro Consumer Price Index - Core (MoM) (Feb'19)	0.3%	0.3%
China Industrial Production (YoY) (Jan'19)	5.3%	5.5%

STOCK MARKETS		01/3/2019	08/3/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,051.12	2,108.78	2.81%	11.94%
S&P 500	▲	2,743.07	2,822.48	2.89%	12.59%
Dow Jones Industrial Average	▲	25,450.24	25,848.87	1.57%	10.81%
NASDAQ	▲	7,408.14	7,688.53	3.78%	15.87%
FTSE 100	▲	7,104.31	7,228.28	1.74%	7.43%
Euro Stoxx 50	▲	3,283.60	3,386.08	3.12%	12.82%
MSCI Asia Pacific ex Japan	▲	514.68	524.77	1.96%	9.99%
NIKKEI	▲	21,025.56	21,450.85	2.02%	7.18%
Hang Seng	▲	28,228.42	29,012.26	2.78%	12.25%
Shanghai Composite Index	▲	2,969.86	3,021.75	1.75%	21.17%
Straits Times Index	▲	3,195.87	3,200.18	0.13%	4.28%
MSCI Emerging Markets	▲	1,030.13	1,057.30	2.64%	9.49%
JPM Global Aggregate Bond Index	▲	569.91	571.13	0.21%	1.24%
WTI Oil (US\$)	▲	56.07	58.52	4.37%	28.87%
Spot Gold (US\$)	▲	1,298.15	1,302.67	0.35%	1.57%

Corporate News

United Overseas Bank (UOB) has successfully priced the first Panda bond in Singapore at 3.49 per cent, one of the lowest rates among all Panda bonds issued to date.

Fixed Income Markets

The 10-year U.S. Treasury yield was down by 0.03 percent and closed off the week at 2.59 percent. US Treasury yields fell for the second consecutive week and hit its lowest level since early January. Yields fell as weak U.S. industrial data increased the probability of a rate cut and uncertainty such as the trade war and Brexit weighed on risk sentiment.

Foreign Exchange Markets

The U.S. Dollar Index which tracks the U.S. currency against six major rivals was up by 0.89 percent and closed at 96.49. The dollar fell for its second consecutive week as weak industrial data and the falling treasury yield weighed on the greenback.

Bitcoin price was up 0.37% for the week and closed off at US\$3,901.07 Bitcoin is still in its consolidation range. It continues to remain an unpredictable asset class which correlates with the direction of global stock markets randomly.

Commodity Markets

Brent Crude price was up 2.16 percent for the week and closed at US\$67.16 per barrel. Brent crude prices hit a 2019 year low the past week on the back of Organization of the Petroleum Exporting Countries (OPEC) led production cuts as well as supply disruptions by U.S. sanctions on Venezuela.

Gold price was up by 0.35 percent and closed higher this week at US\$1,302.67 an ounce. The precious yellow metal was up for the second consecutive week on weak industrial data, falling treasury yields and market uncertainties.

Smarter Investing

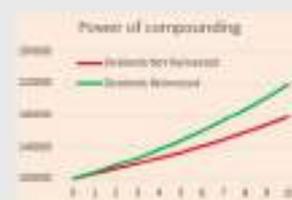
Compound interest is a simple strategy whereby interest earned by an investment is reinvested, thereby producing even more interest.

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.