



Investment Digest

22 Mar 2019 – 29 Mar 2019



Contents

Global Stock Market Weekly

Roundup3

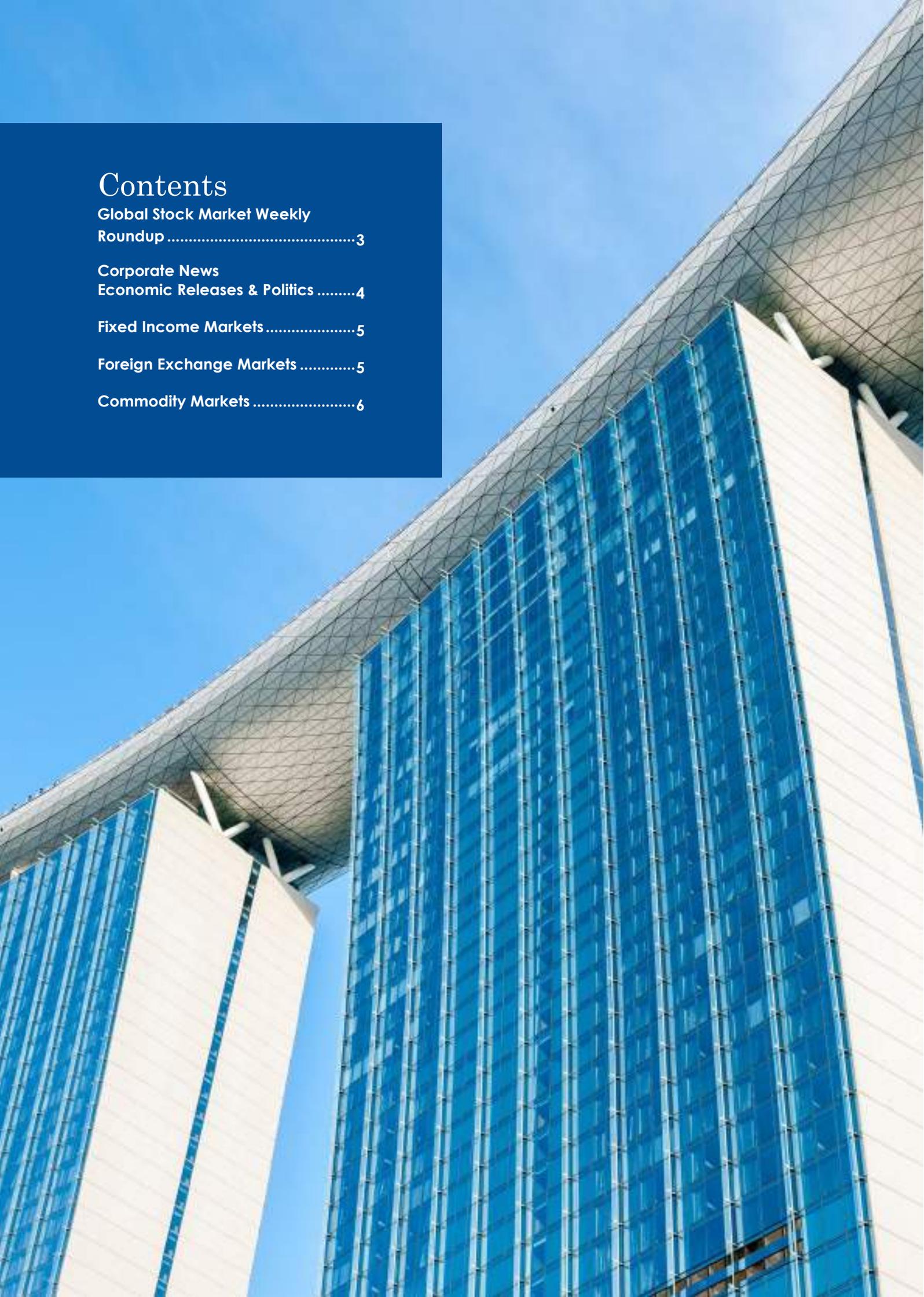
Corporate News

Economic Releases & Politics4

Fixed Income Markets5

Foreign Exchange Markets5

Commodity Markets6





22 Mar 2019 – 29 Mar 2019

Investment Digest

Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index was up by 1.67 percent and closed at 25,928.68 at the end of the week. U.S. markets were down for the first half of the week over concerns of a recession amidst the declining treasury yields as well as global growth worries and weak risk sentiment. It rallied at the latter half of the week as yields rose and stabilized, while there were positive developments in U.S.-China trade talks as both parties restarted talks and China made unprecedented overtures regarding technology transfers. Also, it was the last day of the first quarter of 2019, where funds do their reporting and rebalancing.

The Shanghai Composite Index closed at 3,090.76, marking a 0.43 percent fall. Asian markets were slightly down as the prior week's decline in U.S. markets, declining treasury yields and slowing global growth concerns weighed on risk sentiments. Losses were pared on the last day of the quarter amid progress in the U.S.-China trade talks, where China made unprecedented overtures regarding technology transfers.

The Euro Stoxx 50 index was up by 1.39 percent for the week and closed off at 3,351.71. European markets were choppy for most of the week due to global growth concerns and Brexit uncertainty; but got a lift at the end of the week on positive developments in U.S.-China trade talks.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Gross Domestic Product Annualized (Q4'18)	2.2%	2.4%
U.S. Core Personal Consumption Expenditure - Price Index (YoY) (Jan'19)	1.8%	1.9%
U.S. Michigan Consumer Sentiment Index (Mar'19)	98.4	97.8
Euro Business Climate (Mar'19)	0.53	0.66
Euro Consumer Confidence (Mar'19)	-7.2	-7.2
China Caixin Manufacturing PMI (Mar'19)	50.8	49.9

STOCK MARKETS		22/3/2019	29/3/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,094.81	2,107.74	0.62%	11.88%
S&P 500	▲	2,800.71	2,834.40	1.20%	13.07%
Dow Jones Industrial Average	▲	25,502.32	25,928.68	1.67%	11.15%
NASDAQ	▲	7,642.67	7,729.32	1.13%	16.49%
FTSE 100	▲	7,207.59	7,279.19	0.99%	8.19%
Euro Stoxx 50	▲	3,305.73	3,351.71	1.39%	11.67%
MSCI Asia Pacific ex Japan	▼	529.75	529.22	-0.10%	10.93%
NIKKEI	▼	21,627.34	21,205.81	-1.95%	5.95%
Hang Seng	▼	29,113.36	29,051.36	-0.21%	12.40%
Shanghai Composite Index	▼	3,104.15	3,090.76	-0.43%	23.93%
Straits Times Index	▲	3,212.10	3,212.88	0.02%	4.70%
MSCI Emerging Markets	▼	1,059.63	1,058.13	-0.14%	9.56%
JPM Global Aggregate Bond Index	▲	577.56	577.99	0.07%	2.46%
WTI Oil (US\$)	▲	59.04	60.14	1.86%	29.31%
Spot Gold (US\$)	▼	1,312.91	1,293.42	-1.48%	0.92%

Corporate News

DBS and Singapore Airlines signed a Memorandum of Understanding (MOU) to improve travelers' experience by enhancing digital capabilities.

Fixed Income Markets

The 10-year U.S. Treasury yield was down by 3 basis points and closed off the week at 2.41 percent. US Treasury yields fell for the fourth consecutive week and hit a 15-month low during the week. Yields fell amidst global growth concerns and as investors digested the surfacing of an inverted yield curve. It stabilized during the end of the week as risk sentiment improved on progress in U.S.-China trade talks.

Foreign Exchange Markets

The U.S. Dollar Index which tracks the U.S. currency against six major rivals was up by 0.58 percent and closed at 97.21. The dollar shrugged off the decline in treasury yields as the dovish stance of other central banks weighed on the dollar's rivals, pushing the dollar up against its rivals. Market uncertainty also gave strength to the safe haven currency.

Bitcoin price was up 2.35% for the week and closed off at US\$4,079.20. Bitcoin has up the past few weeks but remains 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 by 0.82 percent for the week and closed at US\$67.58 per barrel. Brent crude prices shrugged off concerns about the slowing global economy and continued to trend up amid U.S. sanctions against Iran and Venezuela as well as OPEC-led supply cuts.

Gold price was down by 1.48 percent and closed lower this week at US\$1,293.42 an ounce. The precious yellow metal broke its three week streak as the strength of the dollar weighed on it; a stronger dollar priced in the monetary unit makes it comparatively more expensive for buyers using other currencies.

Smarter Investing

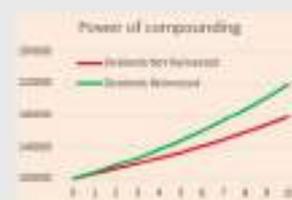
Compound interest is a simple strategy whereby interest earned by an investment is reinvested, thereby producing even more interest.

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.