



# Investment Digest

13 September 2019 – 20 September 2019





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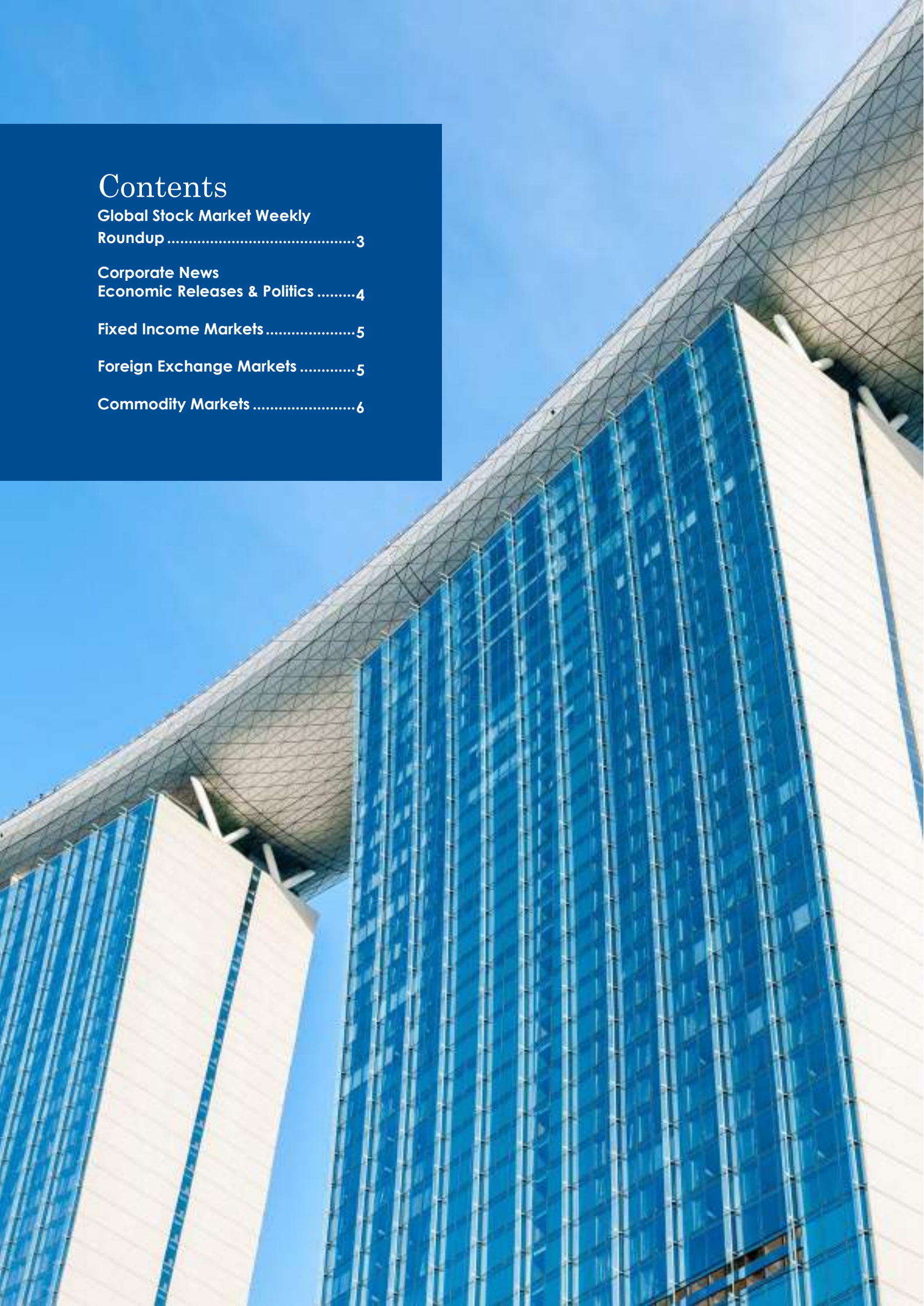
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## Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index fell by 1.05 percent and closed at 26,935.07 at the end of the week. The Dow fell on geopolitical tensions in the Middle East as a drone strike was conducted on two major oil plants in Saudi Arabia and on U.S.-China trade talk uncertainty with the China delegates in the U.S. cutting short their trip to U.S. farms, putting a damper on hopes that China would restart purchasing U.S. agricultural goods. Some losses were pared during the week as the Fed cut interest rates by 25 basis points, as expected, though the message was less dovish than expected.

The Shanghai Composite Index fell by 0.82 percent and closed at 3,006.45 at the end of the week. Asian markets fell as risk sentiment fell on geopolitical tensions, U.S-China trade talks and the Fed's interest path.

The Euro Stoxx 50 index was up by 0.60 percent and closed at 3,571.39 at the end of the week. European markets bucked the global trend and was up for the week on the back of global central bank easing.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Fed Interest Rate Decision	<b>2.0%</b>	2.0%
U.S. Initial Jobless Claims (Sep 13'19)	<b>208K</b>	213K
U.S. Industrial Production (MoM) (Aug'19)	<b>0.6%</b>	0.2%
EUR ZEW Survey - Economic Sentiment (Sep'19)	<b>-22.4</b>	-32.2
EUR Consumer Price Index - Core (YoY) (Aug'19)	<b>0.9%</b>	0%
GER ZEW Survey - Economic Sentiment (Sep'19)	<b>-22.5</b>	-37.0
CNY Industrial Production (YoY) (Aug'19)	<b>4.4%</b>	5.2%

STOCK MARKETS		13/9/2019	20/9/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▼	2,205.81	2,197.55	<b>-0.37%</b>	<b>16.65%</b>
S&P 500	▼	3,007.39	2,992.07	<b>-0.51%</b>	<b>19.36%</b>
Dow Jones Industrial Average	▼	27,219.52	26,935.07	<b>-1.05%</b>	<b>15.47%</b>
NASDAQ	▼	8,176.71	8,117.67	<b>-0.72%</b>	<b>22.34%</b>
FTSE 100	▼	7,367.46	7,344.92	<b>-0.31%</b>	<b>9.17%</b>
Euro Stoxx 50	▲	3,550.11	3,571.39	<b>0.60%</b>	<b>18.99%</b>
MSCI Asia Pacific ex Japan	▼	515.59	511.28	<b>-0.84%</b>	<b>7.17%</b>
NIKKEI	▲	21,988.29	22,079.09	<b>0.41%</b>	<b>10.31%</b>
Hang Seng	▼	27,352.69	26,435.67	<b>-3.35%</b>	<b>2.28%</b>
Shanghai Composite Index	▼	3,031.24	3,006.45	<b>-0.82%</b>	<b>20.55%</b>
Straits Times Index	▼	3,211.49	3,159.68	<b>-1.61%</b>	<b>2.96%</b>
MSCI Emerging Markets	▼	1,026.61	1,021.26	<b>-0.52%</b>	<b>5.74%</b>
JPM Global Aggregate Bond Index	▲	600.14	603.68	<b>0.59%</b>	<b>7.01%</b>
WTI Oil (US\$)	▲	54.80	58.09	<b>6.00%</b>	<b>20.92%</b>
Spot Gold (US\$)	▲	1,490.30	1,503.43	<b>0.88%</b>	<b>17.31%</b>

## Corporate News

Hyflux and three of its subsidiaries applied to the court for a further two-month extension of their debt moratorium.

## Fixed Income Markets

The 10-year U.S. Treasury yield fell by 16 basis points and closed off the week at 1.74 percent. Treasury yields fell amidst geopolitical tensions and on concerns around liquidity in the short-term repo market, heightening demand for safe haven. As expected, the Fed cut rates by 25 basis point but signaled a more hawkish stance than expected.

## Foreign Exchange Markets

The U.S. Dollar Index, which tracks the U.S. currency against six major rivals, was up by 0.26 percent and closed at 98.513. Despite the fall in yields, the dollar held firm on geopolitical tensions.

Bitcoin price was down by 1.31% for the week and closed off at US\$10,135.94.

## Commodity Markets

Brent Crude price was up by 6.74 percent for the week and closed at US\$64.28 per barrel. Oil prices rallied as drone strikes was conducted on two Saudi oil plants, taking off approximately 5% of global supply. Some gains were pared as the risk of a prolonged supply disruption was downplayed.

Gold price was up by 0.88 percent and closed at US\$1,503.43. Gold rose on geopolitical uncertainty and increased appetited for safe haven.

### Smarter Investing

#### *Beware of High-Return Investment Schemes*

While investment frauds are far from rare, the allure of quick and easy money is often irresistible for many investors. To ensure you don't become the next scam victim, here are some things to consider before sticking your neck out for any high-return investments that come your way.

#### *Perform Due Diligence on the Company:*

The fact that a firm is legally registered in Singapore does not immediately qualify it as a trustworthy company. Investors are advised to deal only with companies that are regulated by the Monetary Authority of Singapore (MAS) and should also stay away from firms that are relatively new and unheard of, even if they are already regulated by the authorities.

#### *Assessment of Investment Strategy:*

Investors should also do a comprehensive evaluation of a company's investment strategy and assess the sustainability of the high returns and the track record of the company, before making any investment decisions.

#### *Evaluate your Risk Appetite:*

Even if an investment scheme is legitimate and does not undertake excessive risks to achieve its investment objectives, investors should evaluate their risk profile and long-term financial goals and determine if a particular investment scheme fits into their portfolios. As high-return investment schemes usually carry a high degree of risk, they should only be included in the supplementary portion of a portfolio, should investors decide to plough money into them.