



Investment Digest

20 September 2019 – 27 September 2019



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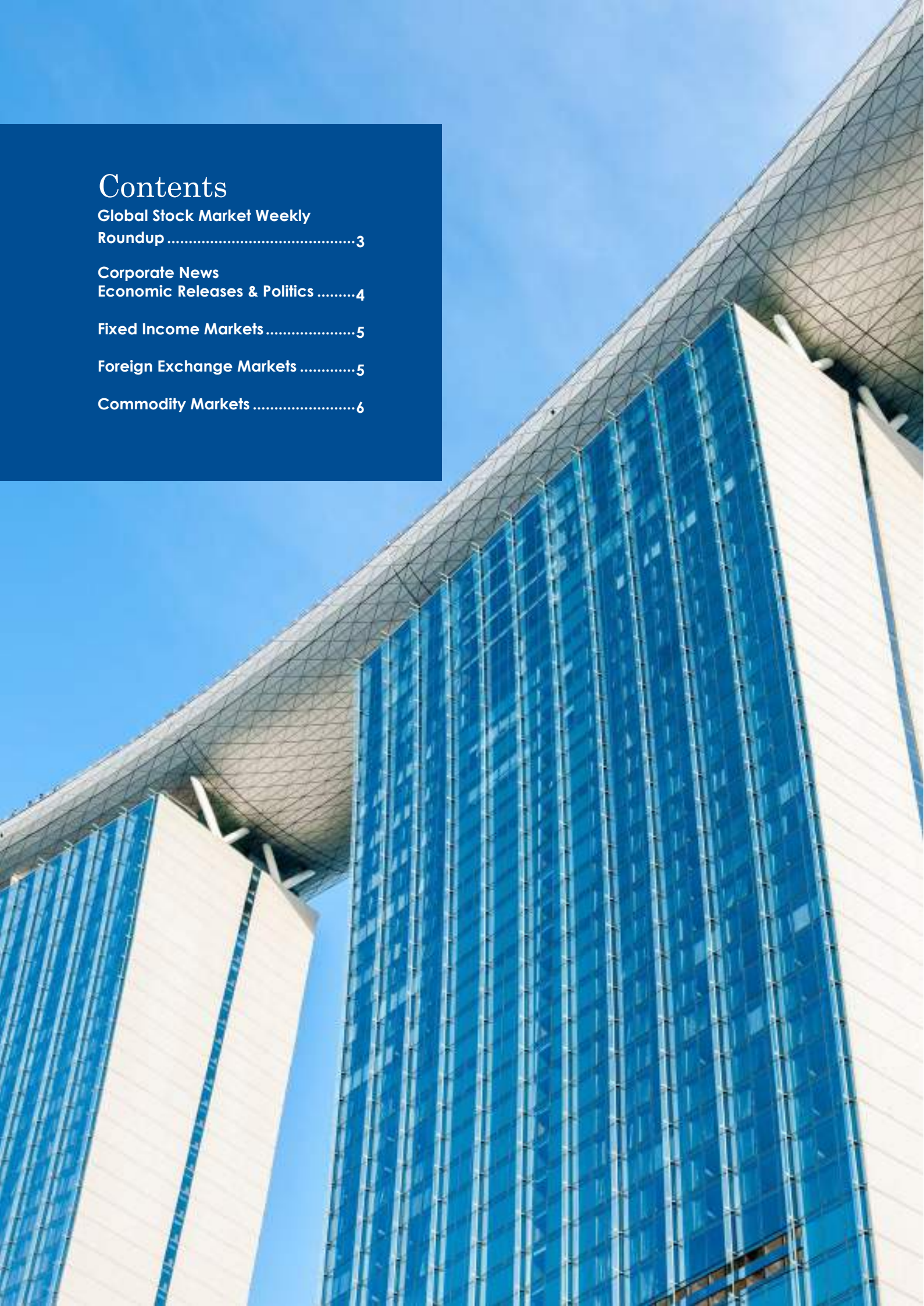
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Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index fell by 0.43 percent and closed at 26,820.25 at the end of the week. U.S. markets fell as political tensions in U.S. weighed, with the Democrats announcing a start of impeachment proceedings against President Trump for his dealings with the Ukrainian President and on news of that the White House is considering curbs on investment in China. Some losses were pared as President Trump and Chinese officials commented that a trade deal might be reached sooner than expected.

The Shanghai Composite Index fell by 2.47 percent and closed at 2,932.17 at the end of the week. Asian markets fell as U.S. political tensions and global weak economic data weighed. India bucked the trend and was up as the government cut the effective corporate tax rate from 35% to approximately 25%, improving the earnings outlook.

The Euro Stoxx 50 index was fell by 0.71 percent and closed at 3,545.88 at the end of the week. European markets fell as weak European PMI data and U.S. political tensions weighed on risk sentiment.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Gross Domestic Product Annualized (Q2'19)	2.0%	2.0%
U.S. Nondefense Capital Goods Orders ex Aircraft (Aug'19)	-0.2%	0.0%
U.S. Markit Manufacturing PMI (Sep'19)	51.0	50.3
EUR Markit PMI Composite (Sep'19)	50.4	51.9
EUR Markit Manufacturing PMI (Sep'19)	45.6	47.3
EUR Business Climate (Sep'19)	-0.22	0.11
CNY	Nil	Nil

STOCK MARKETS		20/9/2019	27/9/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▼	2,197.55	2,175.54	-1.00%	15.48%
S&P 500	▼	2,992.07	2,961.79	-1.01%	18.15%
Dow Jones Industrial Average	▼	26,935.07	26,820.25	-0.43%	14.97%
NASDAQ	▼	8,117.67	7,939.63	-2.19%	19.66%
FTSE 100	▲	7,344.92	7,426.21	1.11%	10.38%
Euro Stoxx 50	▼	3,571.39	3,545.88	-0.71%	18.14%
MSCI Asia Pacific ex Japan	▼	511.28	501.85	-1.84%	5.19%
NIKKEI	▼	22,079.09	21,878.90	-0.91%	9.31%
Hang Seng	▼	26,435.67	25,954.81	-1.82%	0.42%
Shanghai Composite Index	▼	3,006.45	2,932.17	-2.47%	17.57%
Straits Times Index	▼	3,159.68	3,125.63	-1.08%	1.85%
MSCI Emerging Markets	▼	1,021.26	1,001.50	-1.93%	3.70%
JPM Global Aggregate Bond Index	▲	603.61	604.82	0.20%	7.22%
WTI Oil (US\$)	▼	58.09	55.91	-3.75%	16.38%
Spot Gold (US\$)	▼	1,503.43	1,502.23	-0.08%	17.22%

Corporate News

Embattled honestbee incurred an unaudited net loss of US\$38.1 million in the first half to 2019.

Fixed Income Markets

The 10-year U.S. Treasury yield fell by 5 basis points and closed off the week at 1.69 percent. Treasury yields fell on diminished risk appetite as U.S. political uncertainty and strong demand in recent Treasury auctions weighed.

Foreign Exchange Markets

The U.S. Dollar Index, which tracks the U.S. currency against six major rivals, was up by 0.60 percent and closed at 99.109. The dollar hit a 2-year high during the week as global uncertainty reigned and investors fled to the safe haven dollar.

Bitcoin price was down by 20.5% for the week and closed off at US\$8,060.97. Bitcoin tanked due to the lackluster debut for the hotly anticipated Bakkt bitcoin and cryptocurrency investment platform at the beginning of the week

Commodity Markets

Brent Crude price was down by 3.69 percent for the week and closed at US\$61.91 per barrel. Oil prices fell as Saudi Arabia restored oil output faster than expected after the drone attacks on its production facilities, while U.S. showed weak consumer spending data.

Gold price was down by 0.08 percent and closed at US\$1,503.43. Gold was flat as tailwinds from global uncertainty was pared by headwinds from a stronger dollar.

Smarter Investing

Smarter Investing - The Perils of Chasing Short-Term Trends

While it is tempting to follow the newest investment trends in the market, investors should always keep the long-term view in mind.

Trend-Chasing Distracts Us From Our Long-term Goals:

Short-term market trends are often a distraction from an investor's long-term financial goals. It can be easy to feel fearful during market downturns, especially when watching carefully vested monies diminish in value. Some investors may be tempted to trim their positions and get out of the market entirely. On the other hand, when herding behaviour drives the prices of certain assets off the roof, investors chase after the market and pile increasingly larger sums of money into these 'hot investment opportunities' in the hopes of hitting the big jackpot.

While it is tempting to follow the newest investment trends in the market, it is at such times that investors should keep the long-term view in mind. Long-term investors, as opposed to short-term speculators, are more likely to gain from the tendency for the economy and share prices to grow over time.

Compounding also works to the advantage of long-term investors, as small amounts invested now can add up to big sums down the road. Hence, investors would do well to remain on course and stick to their long-term financial plans, rather than chasing market trends or making knee-jerk reactions that usually do not work out well as intended.