



Investment Digest

6 September 2019 – 13 September 2019



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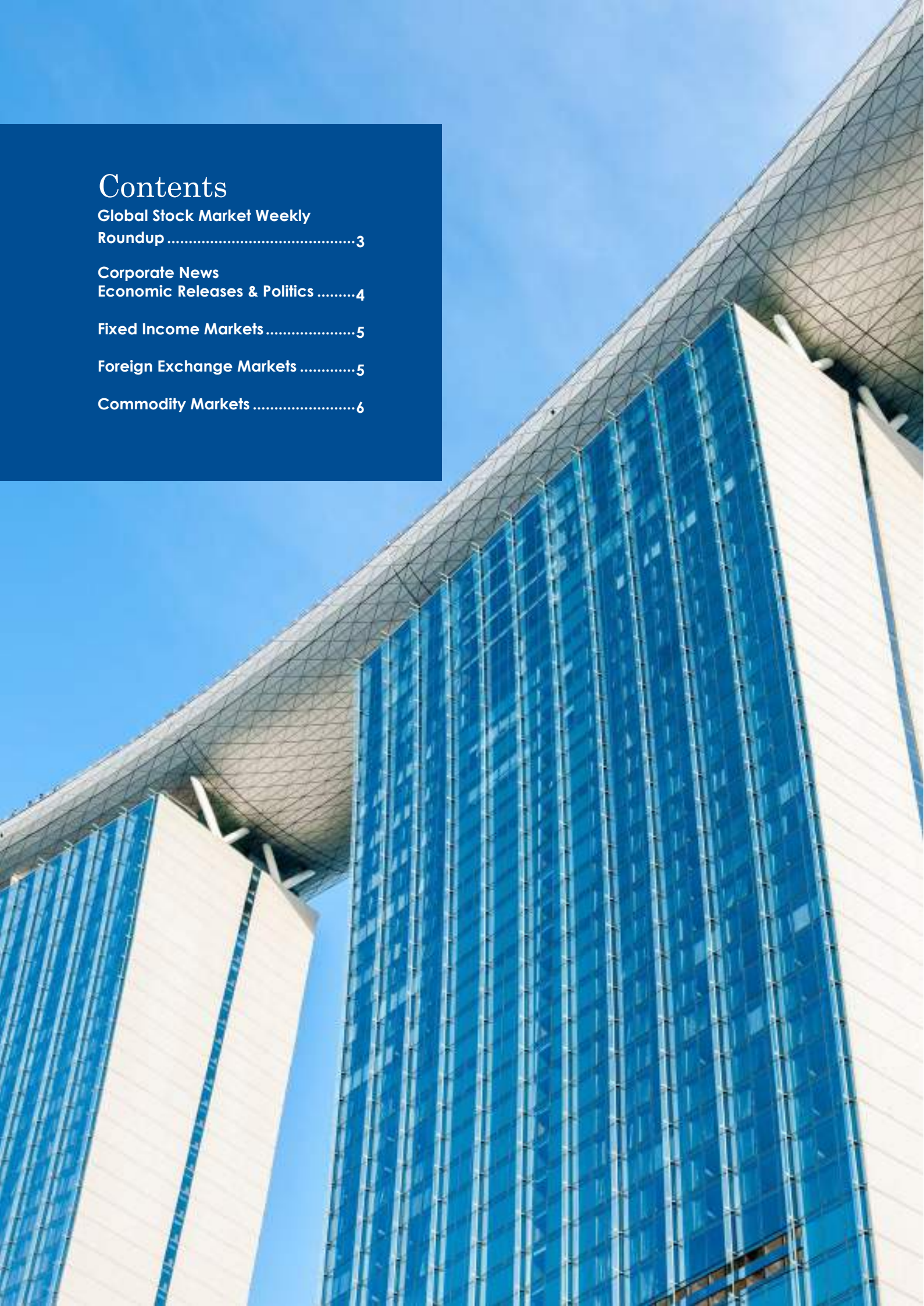
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Investment Digest

Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index rose by 1.58 percent and closed at 27,219.52 at the end of the week. The Dow is now less than 1% off its last recorded high. U.S. markets continue to rally as U.S.-China trade tensions thawed further, with China moving to exempt some goods from the tariff list and the U.S. delaying the scheduled increase of tariffs from 25% to 30% on the existing US\$250 billion worth of goods from October 1 2019 to October 15 2019. Risk sentiment also improved with the European Central Bank (ECB) unveiling its stimulus package. There was a notable sector rotation play as fund managers moved out of momentum stocks to value and small cap stocks.

The Shanghai Composite Index rose by 1.05 percent and closed at 3,031.24 at the end of the week. Asian markets rose as U.S.-China trade tensions eased, the ECB announced their stimulus package and as China cut their reserve requirement ratio, improving risk appetite.

The Euro Stoxx 50 index was up by 1.57 percent and closed at 3,550.11 at the end of the week. European markets advanced as the ECB announced its stimulus package and as the likelihood of a "no-deal" Brexit fell.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Consumer Price Index ex Food & Energy (YoY) (Aug'19)	2.4%	2.3%
U.S. Retail Sales Control Group (Aug'19)	0.3%	0.3%
U.S. Michigan Consumer Sentiment Index (Sep'19)	92.0	90.9
EUR ECB Deposit Rate Decision	-0.5%	-0.5%
EUR ECB Interest Rate Decision	0%	0%
EUR Industrial Production s.a. (MoM) (Jul'19)	-0.4%	-0.1%
CNY Consumer Price Index (YoY) (Aug'19)	2.8%	2.6%

STOCK MARKETS		6/9/2019	13/9/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,178.90	2,205.81	1.24%	17.09%
S&P 500	▲	2,978.71	3,007.39	0.96%	19.97%
Dow Jones Industrial Average	▲	26,797.46	27,219.52	1.58%	16.68%
NASDAQ	▲	8,103.07	8,176.71	0.91%	23.23%
FTSE 100	▲	7,282.34	7,367.46	1.17%	9.50%
Euro Stoxx 50	▲	3,495.19	3,550.11	1.57%	18.28%
MSCI Asia Pacific ex Japan	▲	506.46	515.59	1.80%	8.07%
NIKKEI	▲	21,199.57	21,988.29	3.72%	9.86%
Hang Seng	▲	26,690.76	27,352.69	2.48%	5.83%
Shanghai Composite Index	▲	2,999.60	3,031.24	1.05%	21.55%
Straits Times Index	▲	3,144.48	3,211.49	2.13%	4.65%
MSCI Emerging Markets	▲	1,007.96	1,026.61	1.85%	6.30%
JPM Global Aggregate Bond Index	▼	609.22	602.80	-1.05%	6.86%
WTI Oil (US\$)	▼	56.52	54.85	-2.95%	14.18%
Spot Gold (US\$)	▼	1,517.76	1,490.30	-1.81%	16.29%

Corporate News

Temasek Holdings and buyout firm KKR are among the suitors who have advanced to the second round of an auction to buy into the hospital unit of Metro Pacific Investments Corp.

Fixed Income Markets

The 10-year U.S. Treasury yield rose by 35 basis points and closed off the week at 1.90 percent. Treasury yields appeared to have bottomed out and soared as risk-on sentiment prevailed in the markets with easing U.S.-China trade tensions and ECB and China stimulus.

Foreign Exchange Markets

The U.S. Dollar Index, which tracks the U.S. currency against six major rivals, was down by 0.14 percent and closed at 98.257. The dollar was flat despite a rise in yields as risk-on sentiment reduced demand for a safe haven currency.

Bitcoin price was down by 0.83% for the week and closed off at US\$10,270.67

Commodity Markets

Brent Crude price was down by 2.14 percent for the week and closed at US\$60.22 per barrel. Oil prices fell amidst reports of a possible meeting between the U.S. and Iran, as well as comments by Organization of the Petroleum Exporting Countries (OPEC) and the International Energy Agency, pointing to a heightened supply outlook.

Gold price was down by 1.18 percent and closed at US\$1,490.30. Gold fell as yields soared and the risk sentiment improved.

Smarter Investing

Asset Allocation

What is Asset Allocation?

Asset allocation is a strategy of dividing one's investments into several asset classes, so that should one of the asset classes be drastically affected by market conditions, the other assets will help to provide better stability to the investments.

Why Asset Allocation?

A simple analogy of asset allocation is to put one's eggs into different baskets, so that in the event one basket is dropped, other eggs remain intact.

Why Asset Allocation works?

Different classes of assets react differently in different situations. By diversifying one's investments into several asset classes, the overall volatility of an investment portfolio will improve.