



# Investment Digest

25 October 2019 – 1 November 2019



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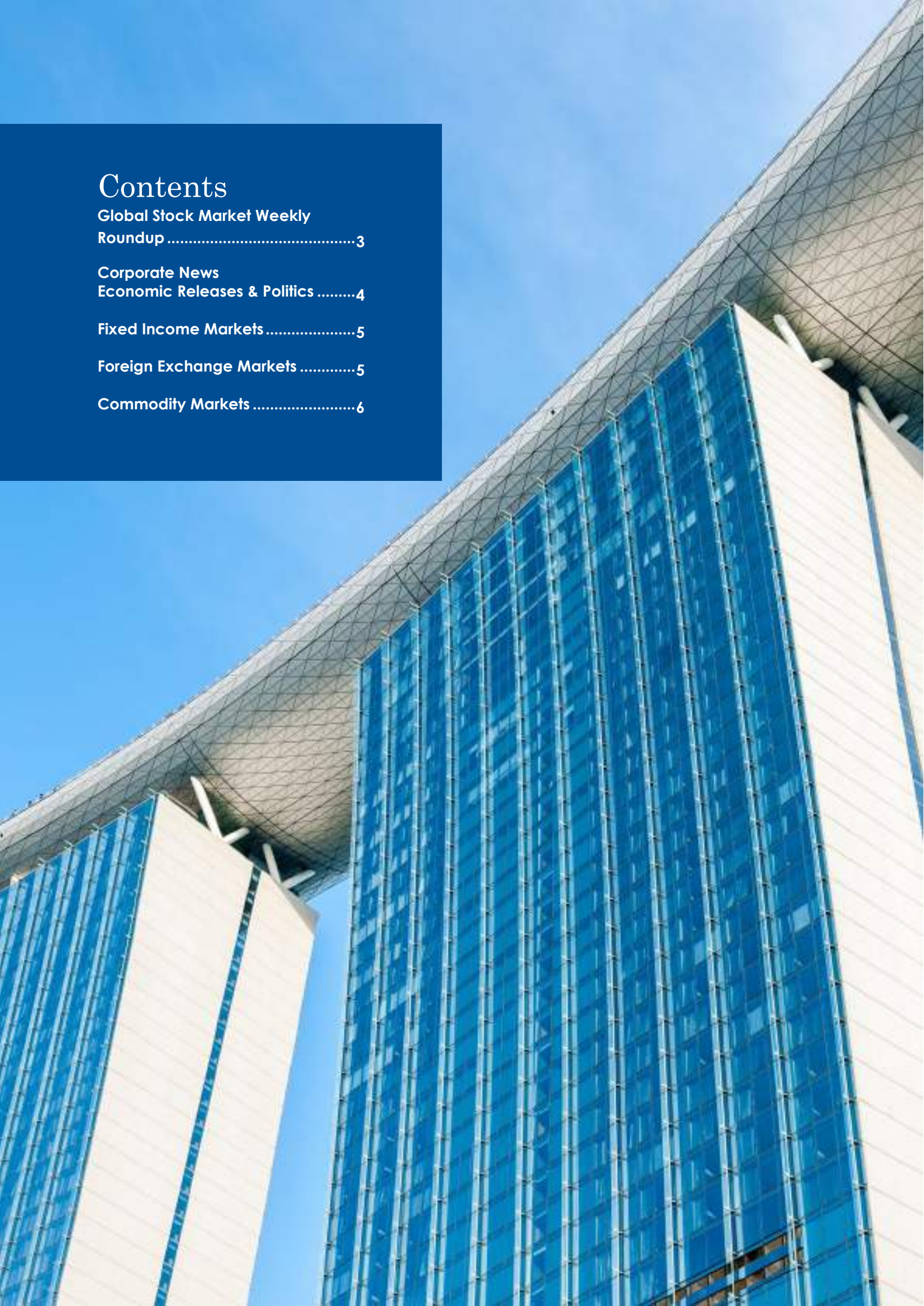
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## Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index rose by 1.44 percent and closed at 27,347.36 at the end of the week. U.S. markets advanced at the start of the week on news of the partial trade deal ("Phase 1"), the Fed rate cut, as well as on the back of Brexit hopes. The gains were pared down on later in the week, hampered by a receding optimism and doubts surrounding the U.S.-China trade deal.

The Shanghai Composite Index rose by 0.11 percent and closed at 2,958.20 at the end of the week. Asian markets were up higher at the start of the week but mostly fell and pared gains amid weaker-than-expected China's economic data. Further to that, with much of the details regarding the "Phase 1" deal still left unconfirmed and reports of China's officials casting doubts on reaching a long term trade deal with the U.S., optimism gradually faded throughout the week.

The Euro Stoxx 50 index was down by 0.03 percent and closed at 3,623.74 at the end of the week. Initial gains stemming from a more certain Brexit progress and a more supportive global monetary approach by many central banks were subsequently wiped out as European markets closed slightly lower at the close of the week amid U.S.-China trade deal uncertainty.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
USD Fed Interest Rate Decision	<b>1.75%</b>	1.75%
USD Initial Jobless Claims (Oct 25)	<b>218K</b>	215K
USD Continuing Jobless Claims (Oct 25))	<b>1.69M</b>	1.68M
USD Nonfarm Payrolls (Oct)	<b>128K</b>	89K
EUR Gross Domestic Product s.a. (YoY) (Q3) (Preliminary)	<b>1.1%</b>	1.1%
CNY Caixin Manufacturing PMI (Oct)	<b>51.7</b>	51.0

STOCK MARKETS		25/10/2019	1/11/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,222.75	2,252.07	<b>1.32%</b>	<b>19.54%</b>
S&P 500	▲	3,022.55	3,066.91	<b>1.47%</b>	<b>22.34%</b>
Dow Jones Industrial Average	▲	26,958.06	27,347.36	<b>1.44%</b>	<b>17.23%</b>
NASDAQ	▲	8,243.12	8,386.40	<b>1.74%</b>	<b>26.39%</b>
FTSE 100	▼	7,324.47	7,302.42	<b>-0.30%</b>	<b>8.54%</b>
Euro Stoxx 50	▼	3,624.68	3,623.74	<b>-0.03%</b>	<b>20.73%</b>
MSCI Asia Pacific ex Japan	▲	517.19	524.97	<b>1.50%</b>	<b>10.04%</b>
NIKKEI	▲	22,799.81	22,850.77	<b>0.22%</b>	<b>14.17%</b>
Hang Seng	▲	26,667.39	27,100.76	<b>1.63%</b>	<b>4.86%</b>
Shanghai Composite Index	▲	2,954.93	2,958.20	<b>0.11%</b>	<b>18.62%</b>
Straits Times Index	▲	3,185.53	3,229.43	<b>1.38%</b>	<b>5.24%</b>
MSCI Emerging Markets	▲	1,035.84	1,049.19	<b>1.29%</b>	<b>8.64%</b>
Bloomberg Barclays Global Aggregate Index	▲	509.46	512.41	<b>0.58%</b>	<b>-9.16%</b>
WTI Oil (US\$)	▼	56.66	56.20	<b>-0.81%</b>	<b>16.99%</b>
Spot Gold (US\$)	▲	1,502.75	1,509.23	<b>0.43%</b>	<b>17.76%</b>

## Local News

Singapore's tourism receipts were down 1.3 per cent y-o-y in the second quarter despite a 1.7 per cent rise in international visitor arrivals.

## Fixed Income Markets

The 10-year U.S. Treasury yield was down by 7 basis points and closed off the week at 1.73 percent. The yield curve was initially pushed up as risk appetite return amid trade optimism and a low probability "no-deal" Brexit, but later fell as the Fed cut rates and commented that further policy easing would be on the table.

## Foreign Exchange Markets

The U.S. Dollar Index, which tracks the U.S. currency against six major rivals, was down by 0.61 percent and closed at 97.24. The dollar weakened as yields fell and as risk appetite returned to the market.

Bitcoin price was up by 7.44% for the week and closed off at US\$9,212.68.

## Commodity Markets

Brent Crude price was down by 0.06 percent for the week and closed at US\$61.69 per barrel. Oil prices fell slightly on an unexpected increase in inventories and further evidence of a recovery in Saudi production.

Gold prices were up by 0.43 percent and closed slightly higher this week at US\$1,509.23 an ounce. Gold prices rose as the U.S. dollar weakened and yields fell.

### 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.