



Investment Digest



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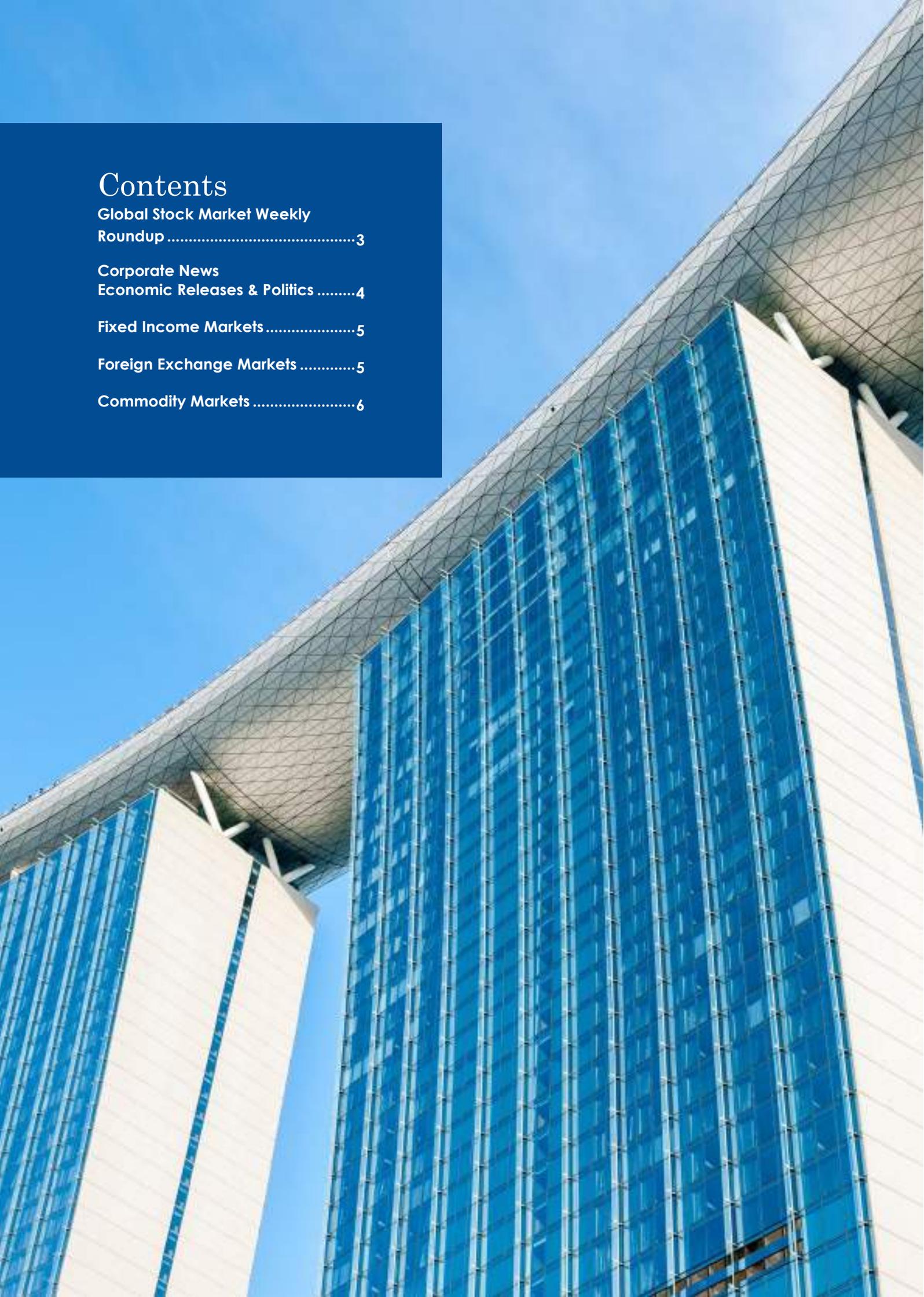
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22 Feb 2019 – 01 Mar 2019

Investment Digest

Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index was down very slightly by 0.02 percent and closed at 26,026.32 at the end of the week. The Dow broke its nine-week winning streak and ended the week roughly flat. Markets were overall down on mixed economic data and the abrupt conclusion to the U.S.-North Korea summit. Losses were pared on trade optimism and the increasing likelihood of a trade deal being signed.

The Shanghai Composite Index closed at 2,994.01, marking a 6.77 percent rise this week. Asian markets were generally up for the week, with Shanghai outperforming. Asia markets were up mainly over trade optimism and on news that global index provider MSCI will be quadrupling the weighting of Chinese mainland share in its global benchmarks, potentially drawing fresh foreign inflows. Gains were pared over mixed economic data, the abrupt end to the U.S.-North Korea summit and the India and Pakistan conflict.

The Euro Stoxx 50 index was up by 1.27 percent for the week and closed off at 3,312.10. European markets were up for the week on developments in U.S-China trade talks. However, continual Brexit uncertainty and geopolitical issues in Asia weighed on risk appetite.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Gross Domestic Product Annualized (Q4'18)	2.6%	2.3%
U.S. ISM Manufacturing PMI (Feb'19)	54.2	55.5
U.S. Initial Jobless Claims (Feb 23'19)	225K	220K
Euro Consumer Price Index - Core (YoY) (Feb'19)	1.0%	1.1%
Euro Unemployment Rate (Jan'19)	7.8%	7.9%
China Caixin Manufacturing PMI (Feb'19)	49.9	48.5

STOCK MARKETS		22/2/2019	01/3/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,086.97	2,096.35	0.45%	11.28%
S&P 500	▲	2,792.67	2,803.69	0.39%	11.84%
Dow Jones Industrial Average	▼	26,031.81	26,026.32	-0.02%	11.57%
NASDAQ	▲	7,527.55	7,595.35	0.90%	14.47%
FTSE 100	▼	7,178.60	7,106.73	-1.00%	5.63%
Euro Stoxx 50	▲	3,270.55	3,312.10	1.27%	10.35%
MSCI Asia Pacific ex Japan	▼	524.52	524.41	-0.02%	9.92%
NIKKEI	▲	21,425.51	21,602.69	0.83%	7.93%
Hang Seng	▼	28,816.30	28,812.17	-0.01%	11.48%
Shanghai Composite Index	▲	2,804.23	2,994.01	6.77%	20.05%
Straits Times Index	▼	3,269.90	3,220.40	-1.51%	4.94%
MSCI Emerging Markets	▼	1,058.65	1,051.54	-0.67%	8.89%
JPM Global Aggregate Bond Index	▼	569.95	567.97	-0.35%	0.68%
WTI Oil (US\$)	▼	57.26	55.80	-2.55%	22.88%
Spot Gold (US\$)	▼	1,332.86	1,298.55	-2.57%	1.25%

Corporate News

Ping An Insurance Group Co, China's largest insurer by market value, is preparing for an Initial Public Offering ("IPO") of its financial management portal OneConnect. The IPO targets to value OneConnect at US\$8 billion.

Fixed Income Markets

The 10-year U.S. Treasury yield was up by 0.41 percent and closed off at 2.6626 percent. US Treasury yields were up for the week amid boosted risk appetite, 'no surprise' comments by Fed Chair Jerome Powell in his testimony to Congress and mixed economic data.

Foreign Exchange Markets

The U.S. Dollar Index which tracks the U.S. currency against six major rivals was roughly flat for the week and closed at 96.44. The dollar was marginally down on mixed economic data and geopolitical tensions in Asia. The weakening was pared by the week's rise in treasury yields, which was supportive of the dollar. Bitcoin price was down 2.92% for the week and closed off at US\$3,815.61.

Bitcoin pulled back technically for the week amidst the previous week's rally. It continues to remain an unpredictable asset class which correlates with the direction of global stock markets randomly.

Commodity Markets

Brent Crude price were down 3.05 percent for the week and closed at US\$65.07 per barrel. Brent crude prices were down for the week on comments by President Trump that the price of oil was too high, as well as weak manufacturing data which stoked concerns about global demand. Some losses were pared as US inventory levels fell unexpectedly.

Gold price was down by 2.57 percent and closed lower this week at US\$1,298.55 an ounce. The precious yellow metal hit its lowest level since January 2019 and had its biggest weekly fall in six and a half months, amid boosted risk appetite that reduced demand for the safe haven precious yellow metal, rise in treasury yields which made holding the bullion less attractive and profit taking from gold investors.

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.