



Investment Digest

5 Apr 2019 – 12 Apr 2019



Contents

Global Stock Market Weekly

Roundup3

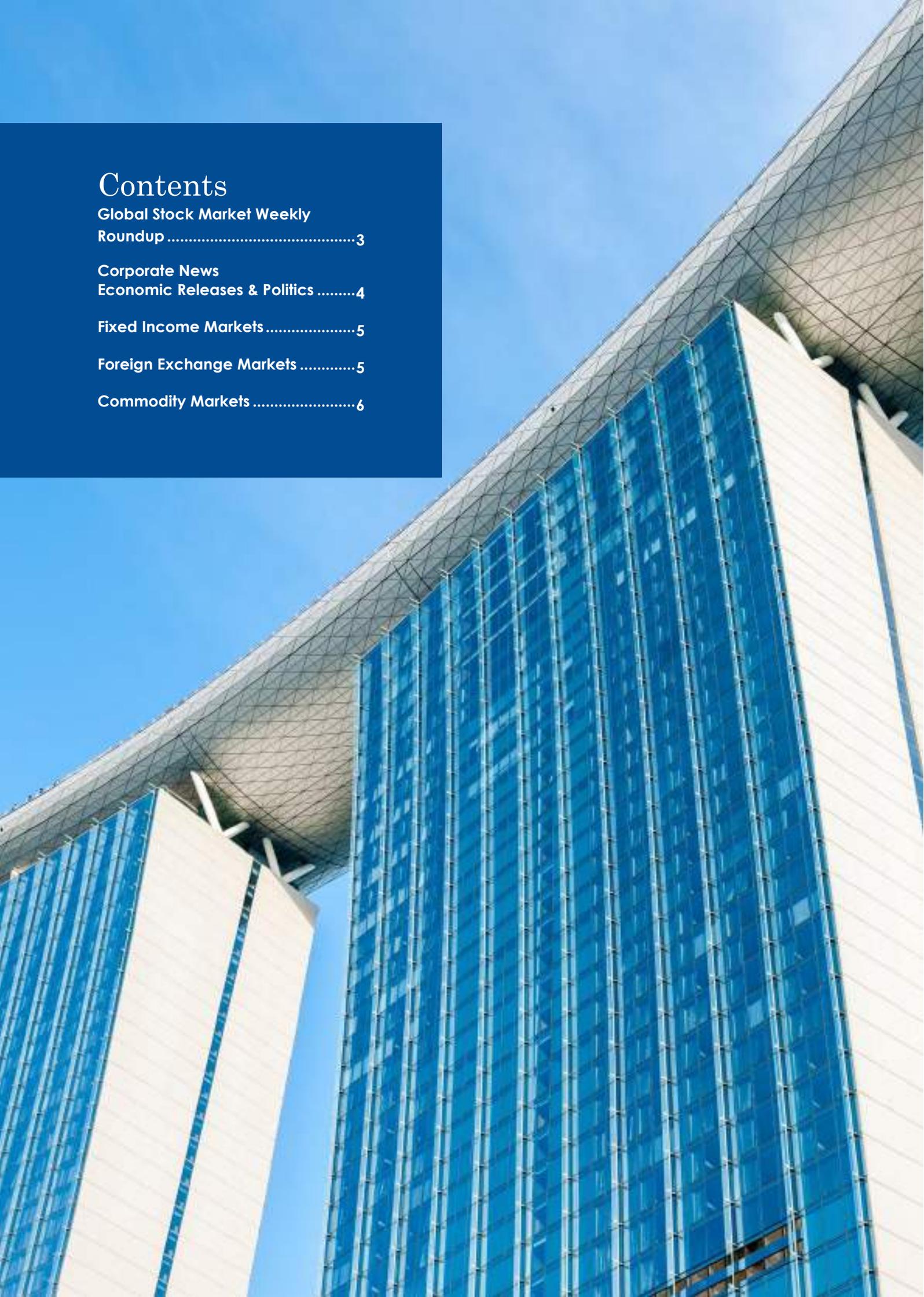
Corporate News

Economic Releases & Politics4

Fixed Income Markets5

Foreign Exchange Markets5

Commodity Markets6





5 Apr 2019 – 12 Apr 2019

Investment Digest

Global Stock Market Weekly Roundup

The Dow Jones Industrial Average index was down by 0.05 percent and closed at 26,412.30 at the end of the week. U.S. markets traded down for most of the week as investors remained cautious before the earnings season, while the International Monetary Fund (IMF) cut growth forecasts and tariffs on European goods were threatened by President Trump. U.S. markets pared losses on the last day of the week as the corporate earnings season started on a good footing with J.P. Morgan and Wells Fargo reporting results above expectations and a US\$33 billion M&A energy deal, as well as mixed but positive China trade data.

The Shanghai Composite Index closed at 3,188.63, marking a 1.78 percent fall this week. Asian markets traded flat for the week. It initially was up over good U.S. jobs data over the prior week, but later fell as investors took profits and remained cautious before the start of the earnings season. Risk sentiment was also subdued due to the trade tensions between U.S. and Europe and the cutting of growth forecasts by the IMF.

The Euro Stoxx 50 index was up by 0.01 percent for the week and closed off at 3,447.83. European markets traded lower for the first part of the week as investors were cautious over the upcoming earnings seasons, U.S. and Europe trade tensions, Brexit uncertainty and the IMF cutting growth forecasts. European markets later pared losses as the Brexit deadline was extended to 31 October 2019, while strong U.S. earnings and mixed but positive China trade data increased risk appetite.

ECONOMIC RELEASES & POLITICS	ACTUAL	EXPECTED
U.S. Consumer Price Index ex Food & Energy (YoY) (Mar'19)	2.0%	2.1%
U.S. Initial Jobless Claims (Apr 5'19)	196K	211K
U.S. Michigan Consumer Sentiment Index (Apr'19)	96.9	98.0
Euro ECB Interest Rate Decision	0.0%	0.0%
China Exports (YoY) (Mar'19)	14.2%	7.3%
China Consumer Price Index (YoY) (Mar'19)	2.3%	2.4%

STOCK MARKETS		5/4/2019	12/4/2019	Weekly Change (%)	YTD Change (%)
MSCI World	▲	2,149.85	2,159.39	0.44%	14.62%
S&P 500	▲	2,892.74	2,907.41	0.51%	15.98%
Dow Jones Industrial Average	▼	26,424.99	26,412.30	-0.05%	13.22%
NASDAQ	▲	7,938.69	7,984.16	0.57%	20.33%
FTSE 100	▼	7,446.87	7,437.06	-0.13%	10.54%
Euro Stoxx 50	▲	3,447.47	3,447.83	0.01%	14.87%
MSCI Asia Pacific ex Japan	▲	539.62	542.86	0.60%	13.79%
NIKKEI	▲	21,807.50	21,870.56	0.29%	9.27%
Hang Seng	▼	29,936.32	29,909.76	-0.09%	15.72%
Shanghai Composite Index	▼	3,246.57	3,188.63	-1.78%	27.86%
Straits Times Index	▲	3,322.64	3,331.98	0.28%	8.58%
MSCI Emerging Markets	▲	1,085.14	1,089.09	0.36%	12.77%
JPM Global Aggregate Bond Index	▲	574.83	576.63	0.31%	2.22%
WTI Oil (US\$)	▲	63.08	63.89	1.28%	37.37%
Spot Gold (US\$)	▲	1,291.71	1,292.09	0.03%	0.82%

Corporate News

The Monetary Authority of Singapore (MAS) said it has not uncovered any impropriety by DBS in arranging the sale of Hyflux's debt securities.

Fixed Income Markets

The 10-year U.S. Treasury yield was up by 6 basis points and closed off the week at 2.56 percent. US Treasury yields were flat for most of the week as investors remained cautious over the growth and trade outlook, but rose on Friday as positive U.S. earnings releases and mixed but positive China trade data eased concerns about the economic outlook and reduced demand for safe haven assets.

Foreign Exchange Markets

The U.S. Dollar Index, which tracks the U.S. currency against six major rivals, was down by 0.52 percent and closed at 96.85. Despite the rise in yields, the dollar fell as the latest U.S. producers price index exceeded market expectations and jobless claims fell, while the strong U.S. corporate earnings and subsequent market rally reduced appetite for the safe haven greenback.

Bitcoin price was up 1.67% for the week and closed off at US\$5,071.68. After rallying the prior week, Bitcoin took a breather and consolidated over the US\$5,000 range. It is an unpredictable asset class which correlates with the direction of global stock markets randomly.

Commodity Markets

Brent Crude price was up by 1.72 percent for the week and closed at US\$71.55 per barrel. Brent crude was up for the week amid ongoing Organization of the Petroleum Exporting Countries (OPEC) supply cuts, geopolitical tensions between Libya and Iran (which could threaten supply), Venezuela oil sanctions, upbeat China trade data which eased concerns about demand and the rally in the equity markets which the commodity tracked.

Gold price was up by 0.03 percent and closed higher this week at US\$1,292.09 an ounce. The precious yellow metal held steady as the greenback fell, though gains were pared on the rally in the equity markets and stable economic data.

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.