



FOR RETAIL INVESTORS

# WEEKLY MARKET ROUND-UP

## DEUTSCHE BANK'S WOES CONTINUE

WEEK ENDING 30 SEPTEMBER 2016



### SHARES EDGE LOWER, BONDS INCH HIGHER

Global company shares halted a two-week rally in sterling terms, with the MSCI All Country World index retreating, as banking stocks slipped amid concerns over Deutsche Bank's financial strength. Declines in the German lender's shares spurred Europe's Stoxx 600 index to underperform other regional stock markets. Energy companies gained, though, following the deal by oil producing nations to cut production. Developed-market government bonds also advanced, with yields on US Treasuries dropping to a two-week low (prices move inversely to yields), as investors sought the perceived 'safe haven' qualities of sovereign debt.



### NO FUEL IN THE TANK FOR DEUTSCHE BANK?

Shares in Deutsche Bank fell to their lowest level in over three decades as the future of Germany's largest lender looks increasingly bleak. The banking giant's woes have barely abated since the financial crisis and, to confound matters, Deutsche is facing a fine of US\$14bn by the US Department of Justice for mis-selling mortgage securities. But with a current market capitalisation of only US\$13.8bn and Chancellor Angela Merkel ruling out any state aid, it's no wonder the bank's management is desperately fighting its corner.



### AGREEMENT IN ALGIERS

The global energy sector powered higher last week, fuelled by the news that, for the first time since 2008, OPEC ministers had agreed to cut oil production. The news came as a surprise to industry experts who had expected ongoing tensions between Saudi Arabia and Iran, two of OPEC's largest members, to result in an impasse. The decision, which drove the price of Brent crude oil over 6% higher on the announcement, is seen as a welcome move in an industry that has been suffering from serious overcapacity.



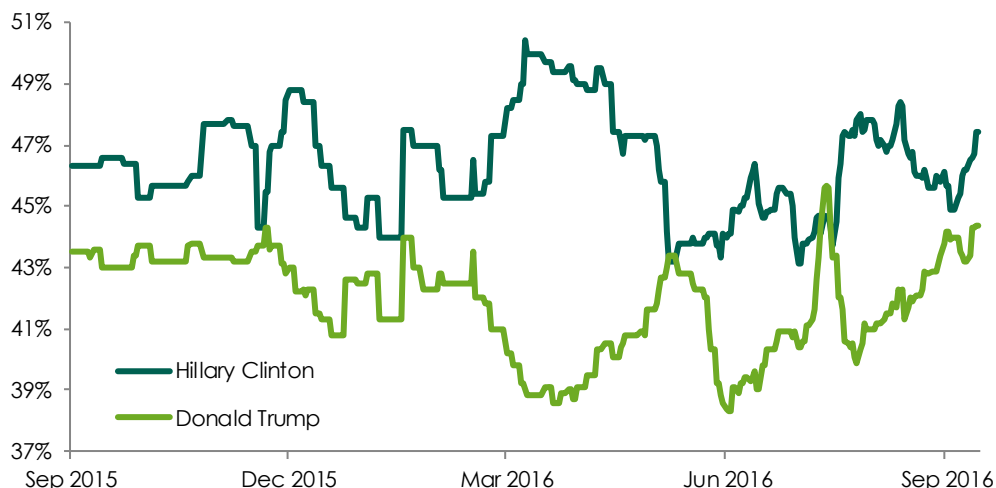
### THE CHEQUE IS IN THE POST FOR UK MAIL SHAREHOLDERS

German postal giant Deutsche Post is set to snap up UK Mail Group for £242.7 million. Shares in UK Mail leaped on the news from 311p to around the agreed offer price of 440p. The shares had been under a cloud after technical problems, after moving to a new automated sorting centre, dampened profits. UK Mail originated as a taxi company in Harrow in 1971, but grew to compete with Royal Mail, and has 54 sites across the UK, 2,500 vehicles, and more than 25,000 customers.



### BATTERSEA'S APPLE-POWERED STATION

The Malaysian owners of London's Battersea Power Station were given a welcome boost last week as it was announced that Apple, the US technology company, will be relocating its 1,400 London employees to the Thames-side landmark. The power station, which has been derelict since it ceased production in 1983, will become Apple's 'London campus' in 2021 and one of its largest office locations outside the US. The regeneration project had been hurt by speculation over waning demand for the site's multi-million pound luxury flats.

**DING-DING! DEBATE BOOST FOR CLINTON OVER TRUMP**

Hillary Clinton advanced in national polls following her first presidential debate with Donald Trump ahead of the US election in November. During the televised event last Monday, the Democratic candidate, a former secretary of state and first lady, clashed with her Republican rival, a real estate mogul and reality TV star, over topics from trade and the economy to national security and race relations.

According to a Politico/Morning Consult poll, Clinton now leads by three percentage points among probable voters; a survey by Public Policy Polling put Clinton at 44% and Trump at 40%.

Source: RealClearPolitics polls average, as at 30 September 2016

**MARKET DATA – % CHANGE IN WEEK ENDING 30/09/2016**

EQUITIES	LAST VALUE	% CHANGE
FTSE All-Share (UK)	3,725	-0.96%*
MSCI All Country World	418	-0.53%*
S&P 500 (US)	2,151	-0.65%*
Stoxx 600 (Europe)	339	-2.40%*
Topix (Japan)	1,323	-1.40%*
MSCI Asia ex Japan	557	-0.34%*
MSCI Emerging Markets	913	-0.48%*
FIXED INCOME		
Global developed government bonds index (price return)	119.46	+0.15%
10-year Gilt yield	0.69%	-0.04%**
10-year US Treasury yield	1.54%	-0.08%**
10-year Bund yield	-0.15%	-0.07%**
10-year Japanese government bond yield	-0.09%	-0.04%**
COMMODITIES		
Gold (US\$, per troy ounce)	1,326	-0.83%
Brent Crude (US\$, per barrel)	48.51	+5.71%
CURRENCIES		
GBP/USD	1.30	+0.01%
GBP/EUR	1.16	+0.56%

All data sourced from Bloomberg as at 12:01 pm, 30 September 2016. \*In GBP terms. \*\*Yields move inversely to prices.

Building better solutions.



**Please remember that past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. Exchange rate changes may cause the value of overseas investments to rise or fall.** Issued by Old Mutual Global Investors (UK) Limited (trading name, Old Mutual Global Investors), a member of the Old Mutual Group. Old Mutual Global Investors is registered in England and Wales under number 02949554 and its registered office is 2 Lambeth Hill London EC4P 4WR. Old Mutual Global Investors is authorised and regulated by the UK Financial Conduct Authority ("FCA") with FCA register number 171847 and is owned by Old Mutual Plc, a public limited company limited by shares, incorporated in England and Wales under registered number 3591559. This communication is for information purposes only and does not constitute a financial promotion (as defined in the Financial Services and Markets Act 2000) or other financial, professional or investment advice in any way. Nothing in this document constitutes a recommendation suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is distributed solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the document. Any opinions expressed in this document are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Old Mutual Global Investors as a result of using different assumptions and criteria. This communication is for retail investors. OMGI 09/16/0316