

FOR RETAIL INVESTORS

WEEKLY MARKET ROUND-UP

MARKETS CLIMB HIGHER

WEEK ENDING 18 NOVEMBER 2016



COMPANY SHARES EXTEND GAINS; BONDS SLIP FURTHER

Global stock markets advanced for a second straight week, albeit at a less brisk pace, bolstered again by hopes that the next US administration will loosen the purse strings to stimulate the economy. Still, the gains were uneven, with US company shares outperforming those in Europe and Asia. Developed-market government bonds continued to weaken, meanwhile, on expectations that the US will borrow heavily to fund President-elect Donald Trump's spending plans, and that inflation is likely to quicken. Elsewhere, the US dollar rose to its highest level since 2003 against a basket of currencies.



BLACK FRIDAY... A GREY AREA IN THE UK?

Last week saw the start of the 'Black Friday' sales, Black Friday being the day following Thanksgiving Day in the US, and the start of the Christmas shopping season. A period where retailers discount heavily, the craze has understandably caught on here in the UK with bargain lovers. British retailers are expecting a £5bn spending spree but a report from UK consumer publication *Which?* magazine reveals that less than one in 10 products they looked at was cheaper on Black Friday than on any other day of the year. Buyers beware?



VW TO FINE-TUNE ITS ENGINE

Volkswagen, the German car giant, announced late last week that it intends to cut 30,000 jobs worldwide by 2021; this includes 23,000 jobs in Germany. It expects the job cuts to come through natural attrition rather than forced redundancies. The company, also known as VW, is seeking to save around €3.7bn a year as it re-focuses its efforts on the electrical car market – it hopes that electric cars will make up a quarter of its sales by 2025. VW is still re-finding its feet after the damaging diesel emissions scandal of 2015. It currently employs 60,000 people globally.



SNAPCHAT NO SNIP AT US\$25BN

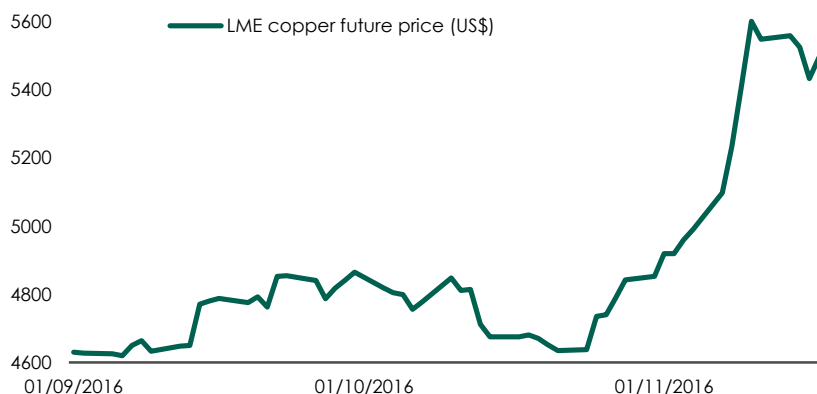
Social media sensation Snapchat plans to float on the US stockmarket in an initial public offering (IPO) that could value it at around US\$25 billion (£20bn). That would make it the largest IPO since Chinese internet giant Alibaba floated in 2014. Snapchat has reported above 100 million daily users, more than Twitter. It is popular among young people, who use it on their mobile phones to send 'selfies' that expire after seconds. The flotation could be as early as March 2017.



TRUMPFLATION: ELECT TRUMP, GET INFLATION

Currency watchers worldwide saw a big increase in the US dollar as the greenback, as it's also known, rose against all major currencies last week. The reason for the 2% move was Trump's intention to boost infrastructure (that's bridges, roads and hospitals) by up to US\$1 trillion. The move, seen by some economists as a more direct way of promoting economic growth, sent US shares of infrastructure stocks such as Caterpillar racing, gaining around 9.5%.

COPPER-BOTTOMED: METAL SOFTENS AFTER SURGE



Copper prices have settled after jumping earlier this month amid investor expectations that Trump will increase spending on infrastructure when the former reality TV star takes office next year. The metal, which is used in wiring and cables, has gained 17% in the year to date – much of which it notched up in the days preceding the election. Still, it may not be plain sailing for copper in the coming months, as China's property market, a key source of demand, may be cooling.

MARKET DATA – % CHANGE IN WEEK ENDING 18/11/2016

EQUITIES

| | LAST VALUE | % CHANGE |
|------------------------|------------|----------|
| FTSE All-Share (UK) | 3,684 | 0.60%* |
| MSCI All Country World | 412 | 1.92%* |
| S&P 500 (US) | 2,187 | 2.48%* |
| Stoxx 600 (Europe) | 340 | -0.03%* |
| Topix (Japan) | 1,428 | 1.72%* |
| MSCI Asia ex Japan | 516 | 0.31%* |
| MSCI Emerging Markets | 847 | 1.13%* |

FIXED INCOME

| | | |
|--|-------|----------|
| Bloomberg Barclays Global Aggregate Total Return bond index (price return) | 757 | -0.45% |
| 10-year Gilt yield | 1.46% | +0.10%** |
| 10-year US Treasury yield | 2.31% | +0.16%** |
| 10-year Bund yield | 0.28% | -0.03%** |
| 10-year Japanese government bond yield | 0.04% | +0.06%** |

COMMODITIES

| | | |
|--------------------------------|-------|--------|
| Gold (US\$, per troy ounce) | 1,212 | -1.25% |
| Brent Crude (US\$, per barrel) | 46.74 | +4.45% |

CURRENCIES

| | | |
|---------|------|--------|
| GBP/USD | 1.24 | -1.39% |
| GBP/EUR | 1.17 | 0.71% |

Source: All data sourced from Bloomberg as at 12:00pm, 18 November 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 11_16_0287