

FOR RETAIL INVESTORS

# WEEKLY MARKET ROUND-UP

## EMERGING MARKETS SNAP BACK

WEEK ENDING 18 AUGUST 2017



### COMPANY SHARES EDGE HIGHER, EURO SLIDES

Global stock markets rose modestly, with the MSCI All Country World index inching towards a record peak, as concerns over a North Korea-US standoff ebbed somewhat. But investor spirits remained restrained amid further controversy surrounding the conduct of US President Donald Trump and terrorist after attacks in Spain. Emerging market stocks bounced, outperforming developed-market peers, while technology shares extended recent gains. Elsewhere, the euro dropped versus the US dollar, halting a five-week rally, after minutes from the European Central Bank's meeting in July revealed anxiety among policymakers over the single currency's strength.



### BUSINESS LEADERS DUMP TRUMP

Donald Trump has been widely criticised for not taking a strong enough stance against white supremacists protesting in Charlottesville, Virginia. 'I disagree with the president and others who believe that there is a moral equivalence between white supremacists and Nazis, and those who oppose them by standing up for human rights,' said Tim Cook, CEO of Apple. The US president disbanded two business advisory groups after a number of CEOs resigned from them. The move is a blow to Trump, who had hoped to use the groups to advance his plans to overhaul the US economy.



### JAPAN: OFF TO THE RACES

During the four years of Shinzo Abe's premiership, Japan's companies have reported surging profits, the yen has depreciated – and economic data have been decidedly mixed. That is, until the second quarter of this year, when the country's gross domestic product expanded at an annualised pace of 4%, topping economists' expectations and the 1.5% rate registered in the first quarter. Japan is now enjoying its longest period of growth in a decade, boosted by consumer spending and investment. Still, inflation continues to undershoot the Bank of Japan's target of 2%.



### INDIA CELEBRATES 70 YEARS OF INDEPENDENCE

Economically, much has changed since India celebrated its establishment as a sovereign state. While further progress on reducing unemployment and raising living standards is needed, progress has been made on many fronts. Prime Minister Narendra Modi continues to press ahead with an ambitious reform programme: the recent introduction of a goods and services tax is the result of efforts to cut red tape and boost economic growth. Furthermore, headway on improving infrastructure is likely, given voters go to the polls in 2019. Year-to-date, the MSCI India index is up by 21% in sterling terms.



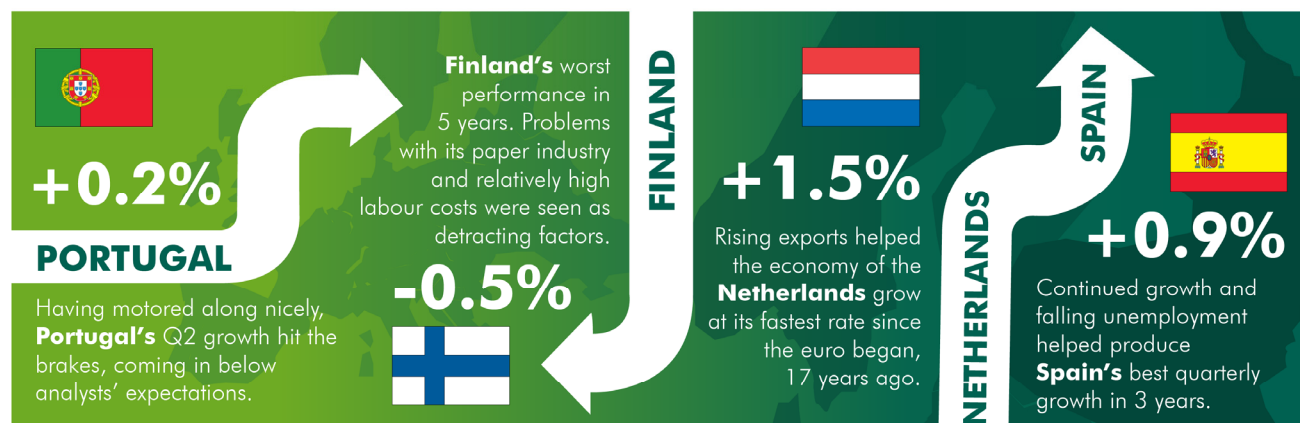
### ROBOTS COMING TO THE AID OF THE LONELY

Robots, increasingly familiar in industrial settings, could soon be fulfilling other human needs, such as companionship. Fionnuala Costello, who works for the UK government's innovation agency, has identified 'combating loneliness' as a key business opportunity for robotics. In Japan, Kentaro Yoshifuji, an inventor, makes robots to help isolated people: so far 120 units have been rented out across Japan. Meanwhile, US company iRobot's sales of home robots topped US\$660m last year, but they specialise in floor-mopping and vacuuming, rather than in becoming friends. iRobot's shares are up 74% this year.

# DIVERGENT: EUROZONE GROWTH RATES



Second quarter (March – June) GDP figures reveal mixed fortunes of eurozone economies.



Source: Eurostat/Bloomberg.

## MARKET DATA – % CHANGE IN WEEK ENDING 18/08/2017

### EQUITIES

	LAST VALUE	% CHANGE
FTSE All-Share (UK)	4,013	+0.20%*
MSCI All Country World	472	+1.29%*
S&P 500 (US)	2,430	+0.67%*
Stoxx 600 (Europe)	374	+0.79%*
Topix (Japan)	1,597	-0.40%*
MSCI Asia ex Japan	651	+3.00%*
MSCI Emerging Markets	1,063	+3.09%*

### FIXED INCOME

Bloomberg Barclays Global Aggregate bond index, GBP-hedged – total return	616	+0.42%
10-year Gilt yield	1.08%	+0.02%**
10-year US Treasury yield	2.19%	0.00%**
10-year Bund yield	0.41%	+0.03%**
10-year Japanese government bond yield	0.03%	-0.03%**

### COMMODITIES

Gold (US\$, per troy ounce)	1,296	+0.48%
Brent Crude (US\$, per barrel)	51.04	-2.03%

### CURRENCIES

GBP/USD	1.29	-0.91%
GBP/EUR	1.10	-0.28%

Source: All data sourced from Bloomberg as at 11.30am, 18 August 2017. \*In GBP terms. \*\*Yields move inversely to prices.

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