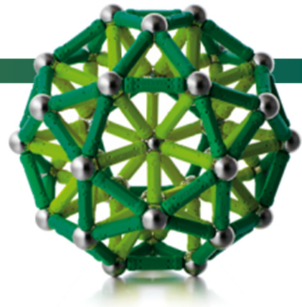


FOR RETAIL INVESTORS

WEEKLY MARKET ROUND-UP

A CHANGE IN THE AIR

WEEK ENDING 22 SEPTEMBER 2017

INVESTORS TAKE AUTUMN CHILLS IN THEIR STRIDE

Even fresh threats from North Korea over the deployment of a hydrogen bomb in the Pacific did little to dent global stock markets which ended last week in positive territory. The main story dominating the headlines, the end of monetary stimulus in the US (see below), was largely shrugged off by emerging market and European investors, the latter buoyed by further positive economic news. Talk of a possible US interest rate rise, as early as December, sent the US dollar marginally higher against major currencies before falling back. Meanwhile, global bond prices fell and yields rose (bond prices move inversely to yields) as investors digested the implications of a reduction in monetary stimulus.

WATCHING PAINT DRY

Against a background of strong economic growth and low inflation, US Federal Reserve (Fed) chair, Janet Yellen, effectively signalled the end of post-crisis monetary stimulus last week. While Yellen suggested her decision to reverse the printing presses would be gradual, and as about as exciting as watching paint dry, the main moves were felt in currency and US bond markets. In anticipation of further US interest rate rises, possibly December, the dollar gained marginally against a basket of major currencies. Bond prices fell and yields rose as investors adjusted bond prices to keep them competitive with potentially higher rates.

RYANAIR FLIES INTO TROUBLE

Shares in Ryanair hit turbulence last week after the airline was forced to cancel 2,100 flights. The flights, all scheduled before the middle of October, have been shelved after the company 'messed up' the planning of its pilots' holiday. The error is expected to cost Ryanair up to €20m and cause considerable damage to its reputation; the Irish carrier was Europe's largest airline by passenger numbers in 2016, beating Lufthansa and easyJet to the title. Ryanair's share price has fallen by 1% since the news broke; by contrast, easyJet shares have edged up 0.1% and Lufthansa's have risen 1.9%.

JAPANESE STOCK MARKET – GARNERING RESPECT

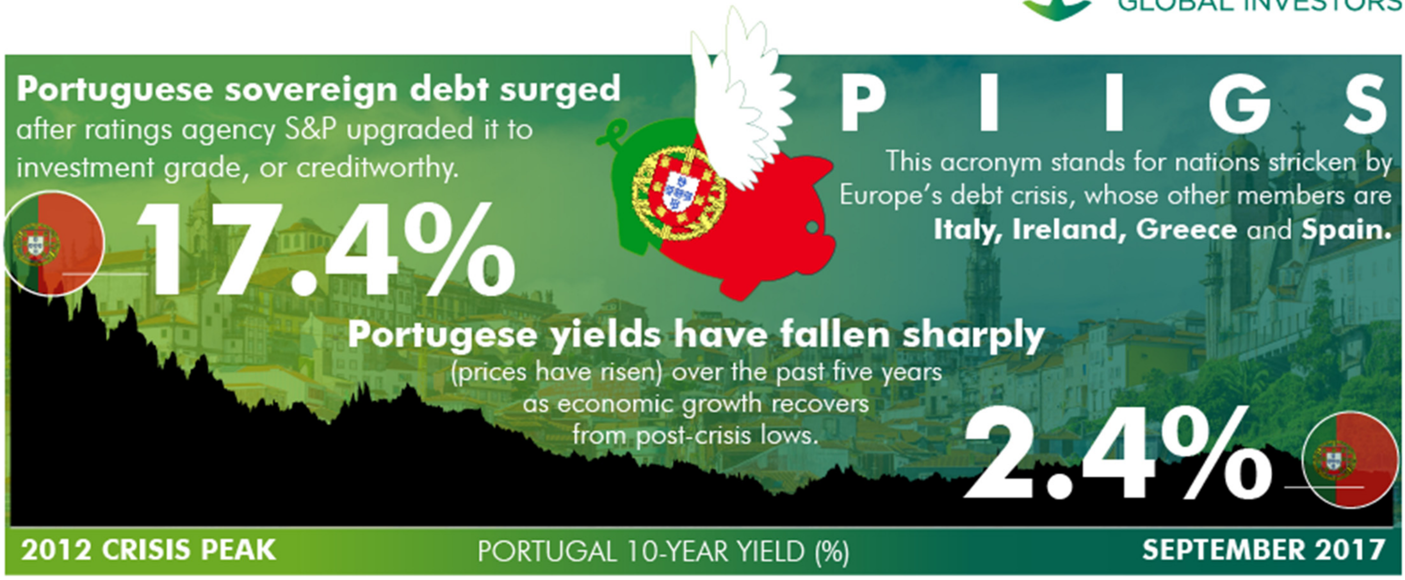
Close followers of Japan's stock market index, the Topix, will have noticed that it exceeded a 10-year high last week in US dollar terms, helped by across the board gains. The market has been generally propelled higher by a sharp recovery in corporate profits, exceeding their previous 2007 peaks by 30%. Along with news that the market closed for Respect for the Aged Day last Monday, came reports that Prime Minister Shinzo Abe was considering calling a snap election. But while the Topix index has made handsome gains in dollar terms, it has risen just 3.8% for sterling investors, year-to-date.

EUROPE'S ECONOMIC ACTIVITY EXPANDS AGAIN

There was good news for Europe as economic activity in the region continues to pick up. Purchasing managers index (PMI) data - a key economic indicator – released last week showed that Germany's mammoth factory sector enjoyed its fastest pace of growth in September in more than six years. Aside from a strong manufacturing showing, there was also positive news for business activity and employment. Meanwhile, France's PMI showed growth in its services and manufacturing sectors is at a six-year high. These data releases provided further momentum behind the euro; it rose to almost US$1.20 by week end.

IT SEEMS 'PIIGS' CAN FLY

OLDMUTUAL GLOBAL INVESTORS



Source: Bloomberg, as at 21 September 2017.

MARKET DATA – % CHANGE IN WEEK ENDING 22/09/2017

EQUITIES	LAST VALUE	% CHANGE
FTSE All-Share (UK)	3,985	+0.60%*
MSCI All Country World	486	+0.18%*
S&P 500 (US)	2,500	+0.01%*
Stoxx 600 (Europe)	383	+1.05%*
Topix (Japan)	1,665	+0.62%*
MSCI Asia ex Japan	677	+0.88%*
MSCI Emerging Markets	1,108	+0.55%*
FIXED INCOME		
Bloomberg Barclays Global Aggregate bond index, GBP-hedged – total return	587	-0.14%
10-year Gilt yield	1.37%	+0.06%**
10-year US Treasury yield	2.25%	+0.05%**
10-year Bund yield	0.46%	+0.03%**
10-year Japanese government bond yield	0.03%	+0.01%**
COMMODITIES		
Gold (US$, per troy ounce)	1,297	-1.73%
Brent Crude (US$, per barrel)	56.45	+1.49%
CURRENCIES		
GBP/USD	1.36	-0.24%
GBP/EUR	1.13	-0.63%

Source: All data sourced from Bloomberg as at 11.05am, 22 September 2017. *In GBP terms. **Yields move inversely to prices.

Building better solutions

OLDMUTUAL GLOBAL INVESTORS