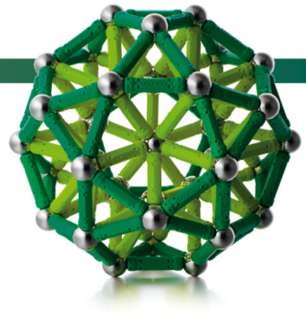
OLD MUTUAL
GLOBAL INVESTORS



FOR RETAIL INVESTORS

WEEKLY MARKET ROUND-UP
SHARES PAUSE FOR BREATH

WEEK ENDING 24 MARCH 2017

STOCKMARKET AND TRUMP PLANS STUTTER

After a long run of success, stock markets dipped last Tuesday, although they stabilised during the course of the week. Doubts had gathered over how swiftly the Trump administration would be able to push planned tax cuts and infrastructure spending through the US Congress. Also blamed was the unusual longevity of the upwards run: before last Tuesday, the US stockmarket had not suffered a daily fall of 1% or worse for more than five months. As is often the case when company shares weaken, government bonds and gold strengthened, as investors turned to safe havens.

GLOBAL INFLATION HEATS UP

The UK is the latest in a string of countries to report rates of inflation ticking higher. As measured by the consumer prices index, annual UK inflation rose to 2.3% in February, up from 1.8% in January. The increase was driven by climbing fuel and food prices, stoked by the recent fall in sterling – which makes imports more expensive. Yet other major economies are also experiencing rising prices, in part due to a rally in the price of oil over recent months. Economists typically expect the global rate of inflation to rise to 3.1% this year versus 2.9% in 2016.

INDONESIA TO RAMP UP INFRASTRUCTURE SPENDING

In an effort to bolster its resolve against the rising tide of US-led protectionism, the Indonesian government last week announced measures aimed at boosting domestic demand. Finance minister, Sri Mulyani Indrawati, stated that particular emphasis would be on infrastructure, education and health'. In a bid to compete with China's ambitious infrastructure programme, plans are afoot to build, or start building, 815km of Indonesian roads, 55 seaports, 13 airports and 550 railway projects this year alone. Projects will be part funded from increased tax receipts, courtesy of the successful Indonesian tax amnesty.

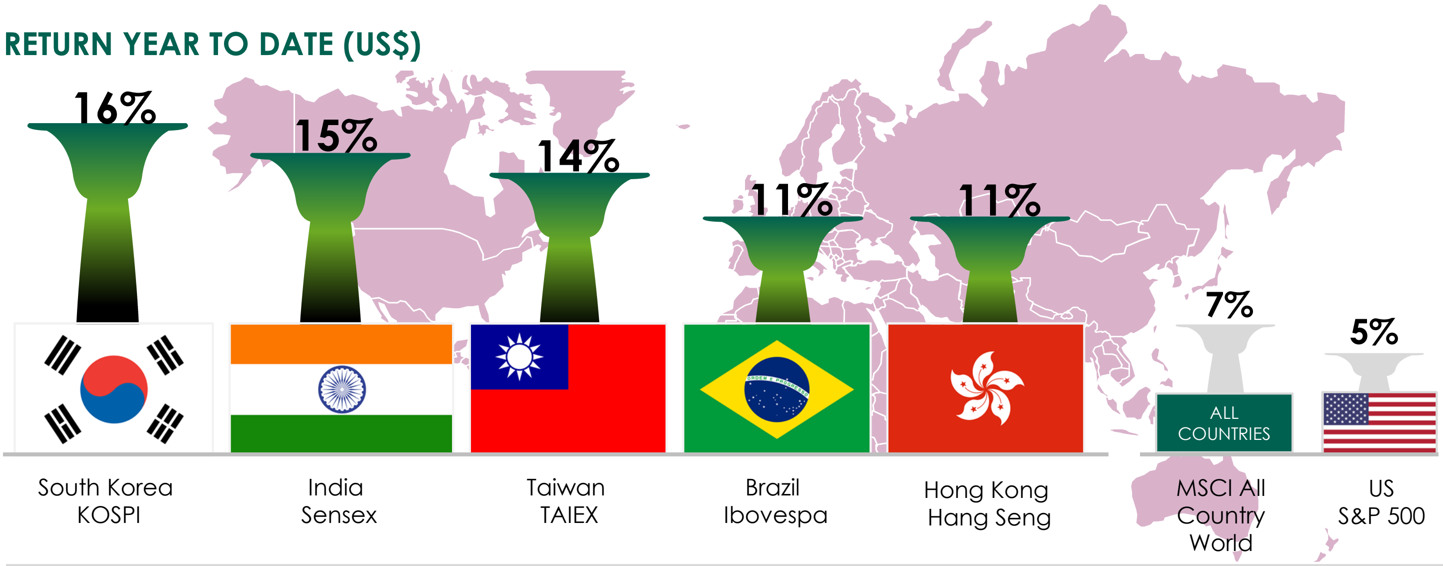
PAINT COMPANIES LACK COLOUR COORDINATION

The desire for corporate deals in the chemical sector shows no sign of abating. Hot on the heels of last year's purchase of Swiss agribusiness, Syngenta, by ChemChina, and Bayer's purchase of US agrochemical group Monsanto, plans are afoot for further sector consolidation. But Dutch manufacturer, Akzo Nobel, whose brands include Dulux paints, is having none of it. Last week, a second offer from US rivals PPG Industries, a global supplier of paints and fibreglass, was firmly rejected. Dismissing the revised bid, Akzo Nobel's management cited a 'significant culture gap' between the two companies. Lacking colour, perhaps?

EDDIE STOBART AIMS HIGHER

Eddie Stobart, the owner of green and white lorries that adorn the country's motorways, plans to raise around £130m when it lists on the UK's junior alternative investment market (AIM) in April, valuing the company at close to £550m. The existing owners are Stobart Group and the Isle of Man investment group, DBAY. The logistics company, based in Carlisle, was established in 1970 and has some 2,500 trucks; while Eddie Stobart has a long-held tradition of giving its trucks female names, the expansion of its fleet has proved a challenge in this regard.

RETURN YEAR TO DATE (US$)



At the beginning of the year, many investors expected the company shares of emerging markets like India and Brazil to be shunned – but they have in fact proven to be the belles of the global stockmarket ball. Worries that the Trump administration's policies will hurt trade have ebbed; the US dollar has retreated, easing the debt burden on emerging-market companies; and natural resources prices have been relatively stable.

MARKET DATA – % CHANGE IN WEEK ENDING 24/03/2017

EQUITIES	LAST VALUE	% CHANGE
FTSE All-Share (UK)	3,989	-1.20%*
MSCI All Country World	447	-1.77%*
S&P 500 (US)	2,346	-2.30%*
Stoxx 600 (Europe)	376	-0.89%*
Topix (Japan)	1,544	-0.73%*
MSCI Asia ex Japan	585	-0.69%*
MSCI Emerging Markets	968	-0.68%*
FIXED INCOME		
Bloomberg Barclays Global Aggregate bond index, GBP-hedged – total return	606	-0.45%
10-year Gilt yield	1.21%	-0.04%**
10-year US Treasury yield	2.42%	-0.08%**
10-year Bund yield	0.41%	-0.02%**
10-year Japanese government bond yield	0.07%	-0.01%**
COMMODITIES		
Gold (US$, per troy ounce)	1,246	+1.35%
Brent Crude (US$, per barrel)	50.79	-1.87%
CURRENCIES		
GBP/USD	1.25	+0.79%
GBP/EUR	1.16	+0.17%

Source: All data sourced from Bloomberg as at 12.00pm, 24 March 2017. *In GBP terms. **Yields move inversely to prices.

Building better solutions

OLDMUTUAL GLOBAL INVESTORS