



FOR RETAIL INVESTORS

WEEKLY MARKET ROUND-UP

SHARES CONTINUE TO CLIMB

WEEK ENDING 3 MARCH 2017



AND THE WINNER IS ...

Unlike a certain high-profile awards ceremony in Los Angeles, there was only one undisputed winner in stock markets last week. UK shares, as measured by the FTSE 100, an index heavily skewed towards companies with overseas earnings, surged ahead. The main reason for the gain was sterling's weakness against a strongly rising US dollar. (Overseas company profits are flattered when translated back into a weak pound.) Growing speculation over a possible US interest rate rise led to falling prices and rising yields of global bonds (bond prices move inversely to yields).



ALL SNAPPED UP

It's the 'must have' messaging app for every teenager and, now, investors are scrambling for a slice of the action. Shares in Snap, the parent of the multimedia messaging service, Snapchat, surged by over 40% on their maiden listing on the New York Stock Exchange last week. Snapchat has become all the rage by hosting photos that vanish after a short time, letting users create stories about events such as festivals and parties. Initially priced at US\$17, the shares closed at US\$24.48 on their first day of trading, resulting in a company valuation of almost US\$30bn. The heady price tag comes despite the fact that the group has never made a profit. Now that's some Snapchat story!



A RUMBLE IN THE JUNGLE

ITV revealed its first fall in advertising revenue for seven years when it announced full year results to 31 December 2016 last week. Despite posting record sales overall, the UK broadcaster warned that advertising revenue could drop by as much as 6% this year due to the 'current economic uncertainty' and rising inflation causing food retailers, in particular, to reduce marketing spend in favour of additional price cuts for consumers. But it wasn't all bad news. The viewers' trusted favourites, *I'm a Celebrity Get Me Out of Here* and *Britain's Got Talent*, helped stem the fall.



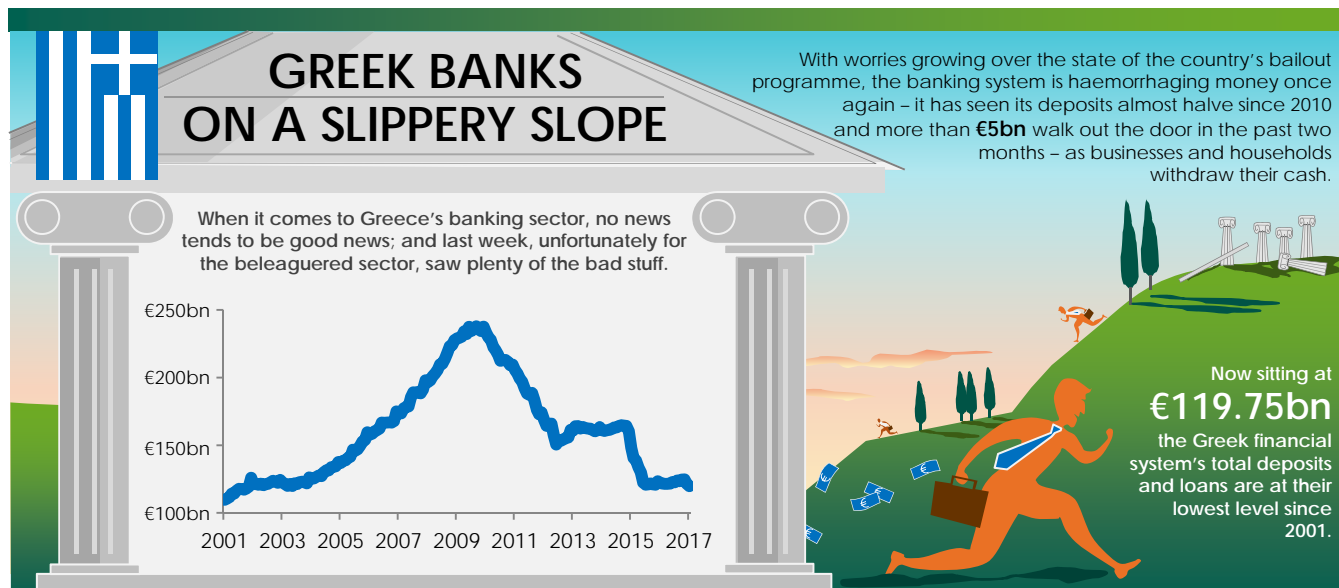
STOCK EXCHANGE MERGER IN DOUBT

The future of the planned 'merger of equals' between the London Stock Exchange (LSE) and Deutsche Börse has been thrown into doubt after problems getting approval from the European Commission. The LSE has shown no inclination to abide by the commission's instruction that it sell its 60% stake in MTS, a fixed income trading platform, for competition reasons, and has now said it is unlikely to receive clearance for the merger. The commission could water down its demands, and is expected to make a decision by the end of March. The LSE also announced a 20% increase in its annual dividend.



TRUMP TRIES A SOFTER TONE

In his inaugural speech to US Congress, President Donald Trump was at pains to emphasise the need for unity. In contrast to much of the new administration's rhetoric since gaining the keys to the White House in January. The president called for an end to 'trivial fights' and highlighted the need to focus on the job of revitalising the US economy. However, policy detail was largely conspicuous by its absence; some 45 days into his presidency, there has yet to be much hard detail on Trump's much-vaunted tax, infrastructure and healthcare plans.



Source: Bank of Greece (deposits and loans, enterprises and households, €)

MARKET DATA – % CHANGE IN WEEK ENDING 3/03/2017

EQUITIES

	LAST VALUE	% CHANGE
FTSE All-Share (UK)	4,003	+1.67%*
MSCI All Country World	447	+0.36%*
S&P 500 (US)	2,382	+0.66%*
Stoxx 600 (Europe)	375	+1.49%*
Topix (Japan)	1,558	+0.51%*
MSCI Asia ex Japan	565	-0.35%*
MSCI Emerging Markets	936	-0.72%*

FIXED INCOME

Bloomberg Barclays Global Aggregate bond index, GBP-hedged – total return	609	+0.59%
10-year Gilt yield	1.20%	+0.12%**
10-year US Treasury yield	2.50%	+0.18%**
10-year Bund yield	0.34%	+0.15%**
10-year Japanese government bond yield	0.08%	+0.01%**

COMMODITIES

Gold (US\$, per troy ounce)	1,227	-2.38%
Brent Crude (US\$, per barrel)	55.29	-1.25%

CURRENCIES

GBP/USD	1.22	-1.90%
GBP/EUR	1.16	-1.68%

Source: All data sourced from Bloomberg as at 12.00pm, 3 March 2017. *In GBP terms. **Yields move inversely to prices.

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