



FOR RETAIL INVESTORS

WEEKLY MARKET ROUND-UP

STOCK MARKETS LACK DIRECTION

WEEK ENDING 16 MARCH 2018



A MIXED WEEK

Company shares across Europe and the US sold off during the week, as investors continued to weigh the implications of personnel moves within the White House and focus turned to whether the US interest rates will be increased this week. US retail sales fell for a third straight month in February, the longest run in more than five years. Investors in Asian equities had more to cheer about, with the region posting gains for the week, in particular Japan. The US dollar was mixed against its major peers, rising against the euro but falling against both the pound and yen. Commodities retreated, namely gold and oil.



TRUMP FIRES REX AND BLOCKS BID

In a busy week, increasingly protectionist US president Donald Trump, blocked a tech mega-bid with a stroke of the pen, and announced the firing of Secretary of State, Rex Tillerson, in a tweet. Replacement Mike Pompeo is expected to be tougher on China and Iran. Trump also stopped Broadcom, a Singapore-based semiconductor giant, from trying to buy American competitor Qualcomm for US\$117bn, in an executive order that cited national security concerns. He gave the same reason last week for slapping tariffs on steel and aluminium imports.



ADIDAS MAINTAINS ITS BRAGGING RIGHTS

The world's second largest sportswear manufacturer, Adidas, continues to power ahead of its cross-town rival Puma. Positive fourth quarter results prompted Adidas management to increase its targets for the coming years. Meanwhile, Puma expects sales to slow in 2018 due to a strong euro and tough retail conditions in the US. The companies were created in the late 1940s after a fall-out between brothers Adolf and Rudolf Dassler, heads of the successful Dassler sportswear business. Both companies remain headquartered in the small German town of Herzogenaurach. Adidas shares are up 14% this year while Puma's have risen 5%.



UNILEAVING

Unilever, the UK's third largest company by value, is to transfer its headquarters from London to Rotterdam, creating a single legal base. While the news will be interpreted by some as a sign of waning confidence in Brexit Britain, last year, the makers of Marmite and Dove soap, fought off a hostile bid from US giant Kraft Heinz, rattling Unilever management. Under takeover rules, it is somewhat easier for companies in the Netherlands to fight off would-be suitors than it is under the UK's laws, which tend to be more open to overseas bidders.



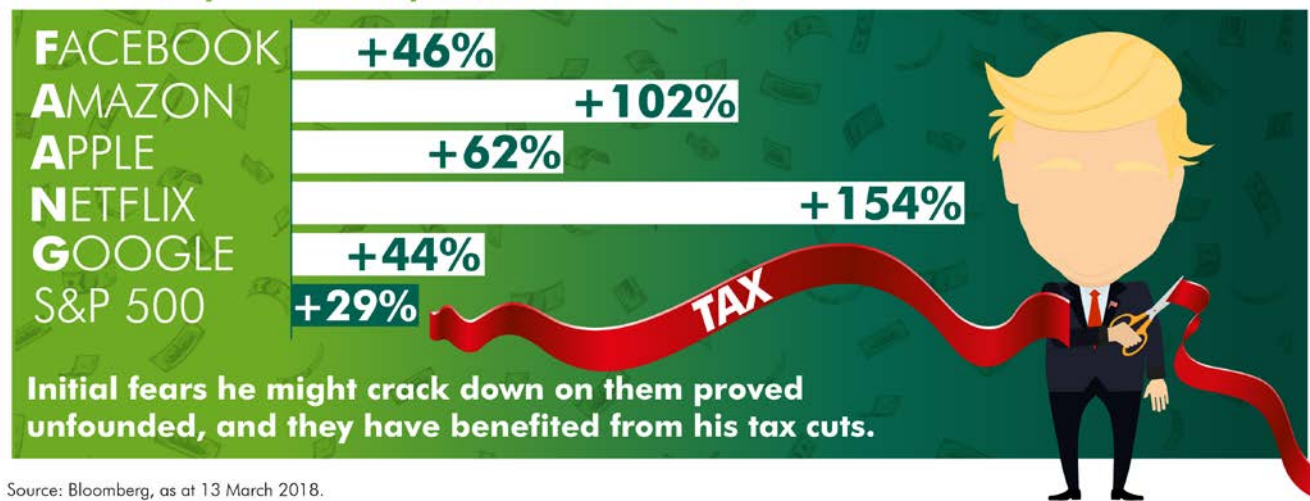
UK INFLATION BASKET GETS HEALTHY

Out with the pork pies and in with the exercise leggings... the latest changes to the UK's inflation basket, used to measure consumer price inflation, suggest UK consumers are placing greater focus on their health. Other tweaks reflected technology advancements; the camcorder and Freeview box have been ushered to the door while strap-on cameras (such as GoPros) and digital media players have appeared for the first time. As far as children are concerned, it seems the tricycle is slowly going out of fashion – its steady disappearance from shops means it has been replaced by a child's sit and ride toy.

FAANGS FOR THE HELP, DONALD



Shares in the so-called FAANGs have soared since Donald Trump became US president in Nov 2016.



Source: Bloomberg, as at 13 March 2018.

MARKET DATA – % CHANGE IN WEEK ENDING 16/03/2018

	LAST VALUE	% CHANGE
EQUITIES		
FTSE All-Share (UK)	3,951	-1.02%*
MSCI All Country World	522	-1.32%*
S&P 500 (US)	2,747	-2.17%*
Stoxx 600 (Europe)	377	-0.81%*
Topix (Japan)	1,737	+1.57%*
MSCI Asia ex Japan	747	+1.01%*
MSCI Emerging Markets	1,216	-0.05%*
FIXED INCOME		
Bloomberg Barclays Global Aggregate bond index, GBP-hedged – total return	580	-0.13
10-year Gilt yield	1.43%	-0.07%**
10-year US Treasury yield	2.82%	-0.08%**
10-year Bund yield	0.57%	-0.08%**
10-year Japanese government bond yield	0.04%	-0.02%**
COMMODITIES		
Gold (US\$, per troy ounce)	1,321	-0.24%
Brent Crude (US\$, per barrel)	65.18	-0.47%
CURRENCIES		
GBP/USD	1.40	+0.79%
GBP/EUR	1.13	+0.65%

Source: All data sourced from Bloomberg as at 11.00am, 16 March 2018. *In GBP terms. **Yields move inversely to prices.

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