



FOR RETAIL INVESTORS

# WEEKLY MARKET ROUND-UP

## TRUMP TARIFFS UNSETTLE MARKETS

WEEK ENDING 2 MARCH 2018



### COMPANY SHARES WOBBLE ON TRADE WAR FEARS

Equities mostly weakened worldwide on fears that a trade war might be sparked by President Donald Trump's plans to slap tariffs of 25% on steel and 10% on aluminium imports into the United States. Japan's Nippon Steel fell 4%. US steel and aluminium shares rose, but others – especially those relying on international trade – fell on average. Economic data remained strong. An upbeat assessment by new chair of the US Federal Reserve, Jay Powell, also weighed on markets due to worries the US economy might be so strong that a faster pace of interest rate rises could be needed to prevent it overheating.



### A BOUNCE IN BRAZIL

Latin America's largest economy is slowly returning to life. Brazil expanded for the first time in three years in 2017 and finally seems to have thrown off the shackles of one of the most brutal recessions in its recent history. The economy grew in every quarter of last year, boosted by a particularly strong showing from its agricultural sector. But uncertainty is far from over; the country will go to the polls in October this year and President Michel Temer has announced he will stand aside. Expect significant jostling as the country's leading political figures vie for position.



### SPOTIFY'S NEW PLAYLIST

Music streaming giant Spotify is set to go public in a direct listing that would value the company at about US\$20bn. The Scandinavian-born tech thruster, founded in 2006, currently has 71 million punters paying for access to its 35 million songs, dwarfing the 36 million subscribers to Apple Music, its major rival. In its filing to the New York Stock Exchange, Spotify also revealed that its 9% stake in Tencent Music Entertainment, due to be spun off by Chinese tech behemoth Tencent later this year, is worth over US\$1bn, valuing the soon-to-be new Asian entity at around US\$12.3bn.



### ME JOHNNIE, YOU JANE

Johnnie Walker, the world's best-selling Scotch whisky, is exploring its feminine side. The Diageo-owned drinks brand is to launch a limited edition female version of the whisky. Some 250,000 bottles will appear in the US in March and carry the name 'Jane Walker'. Diageo, the British-based multinational, is keen to attract more women to Scotch whisky. The company has been a vocal campaigner for greater promotion of women in the workplace and, come this April, 50% of its board will be female. Diageo's shares have fallen by 9% in 2018, but are 20% higher than a year ago.

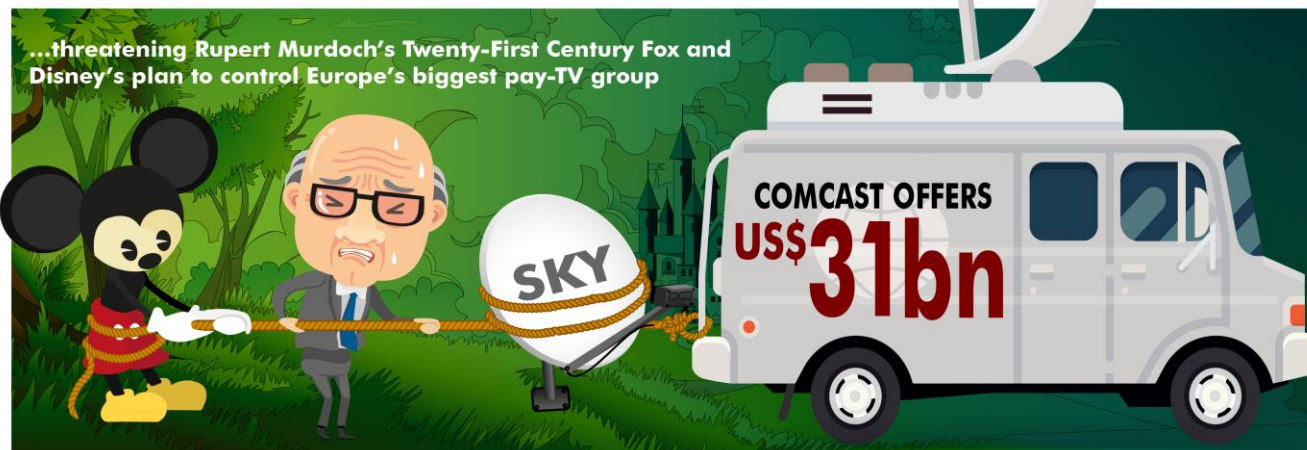


### ASTON MARTIN ROARS BACK

James Bond's car maker of choice posted its first annual profit since 2010 last year, helped by the sale of more than 5,000 of its luxury vehicles, the most in nine years. The company generated £87m of pre-tax profit in 2017, with the flagship DB11 proving especially popular. Revenue jumped 48% to £876m. The car maker could opt to float in the second half of this year, or could look for a buyer. The first Bond film to use an Aston Martin was 1964's Goldfinger, with Sean Connery driving the iconic DB5.

# COMCAST TAKES ON MURDOCH

## Comcast makes counter bid for Sky...



Source: Bloomberg.

### MARKET DATA – % CHANGE IN WEEK ENDING 2/03/2018

	LAST VALUE	% CHANGE
<b>EQUITIES</b>		
FTSE All-Share (UK)	3,924	-1.60%*
MSCI All Country World	512	-0.52%*
S&P 500 (US)	2,678	-0.73%*
Stoxx 600 (Europe)	369	-1.85%*
Topix (Japan)	1,708	-0.68%*
MSCI Asia ex Japan	728	+0.65%*
MSCI Emerging Markets	1,192	-0.20%*
<b>FIXED INCOME</b>		
Bloomberg Barclays Global Aggregate bond index, GBP-hedged – total return	585	+1.57
10-year Gilt yield	1.42%	-0.10%**
10-year US Treasury yield	2.80%	-0.07%**
10-year Bund yield	0.61%	-0.04%**
10-year Japanese government bond yield	0.07%	+0.02%**
<b>COMMODITIES</b>		
Gold (US\$, per troy ounce)	1,319	-0.75%
Brent Crude (US\$, per barrel)	63.59	-5.53%
<b>CURRENCIES</b>		
GBP/USD	1.38	-1.29%
GBP/EUR	1.12	-1.23%

Source: All data sourced from Bloomberg as at 11.00am, 2 March 2018. \*In GBP terms. \*\*Yields move inversely to prices.

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