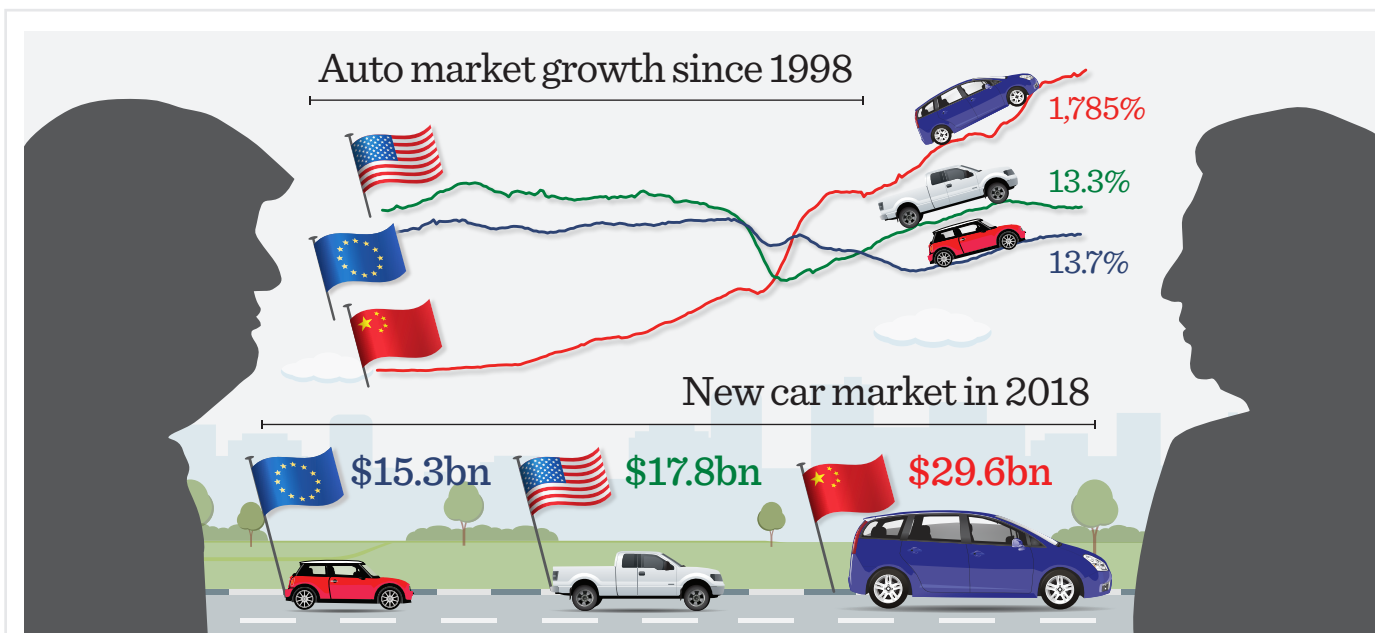


Multi-asset investment thinking
from the Quilter Investors team.

Automakers: All roads lead to China

With almost 1,800% growth in the last 20 years, China's new car market has become the promised land for today's car makers.



Source: Quilter Investors/Macrobond as at 12 July 2018



Has Swiss mining giant dug a hole for itself?

Swiss natural resources giant Glencore saw its share price fall 11% on the week to 9 July as it confirmed one of its subsidiaries had received a subpoena from the US Department of Justice (DOJ).

The DOJ requested Glencore produce documents and records in compliance with the Foreign Corrupt Practices Act and US money laundering statutes. The documents relate to the group's business in Nigeria, the Democratic Republic of Congo and Venezuela from 2007 to the present.

Glencore announced on 11 July it had established a committee to oversee its response, insisting it takes "ethics and compliance seriously throughout the Group."



Editorial credit: Karl_Sonnenberg/Shutterstock.com

Electric dreams: Uber scoots into new space

Ridesharing company Uber is moving into the e-scooter market, as it becomes a strategic partner for US start-up Lime.

Lime, which operates a fleet of e-scooters, e-bikes and pedal bikes across the US and certain European cities including Berlin and Paris, announced Uber would be making a "sizeable investment" and would work to co-brand the e-scooters and make Lime available on Uber's app.

E-scooters have seen a surge in popularity in the US, with start-up Bird Rides funded by venture capital and already a 'unicorn' company at less than a year old. Uber's move follows the recent decision by rival Lyft to buy Motivate, the largest bikeshare operator in North America.



Editorial credit: funky-data/iStock.com

Turkey "heading in the wrong direction"

The news that, fresh from ushering in a new political system that confers power upon him indefinitely, Turkey's President Erdogan had appointed his son-in-law as the treasury and finance minister, triggered a crash in the lira, an emergency interest-rate hike and a serious run on Turkey's banks.

As head of investment at Quilter Investors, Anthony Gillham observes, "The last decade has seen emerging markets emulate the West by creating credible, independent central banks.

"President Erdogan's actions and his readiness to involve himself in monetary policy suggest that Turkey is heading in the wrong direction and its currency is already paying the price."



Not to be forgotten...

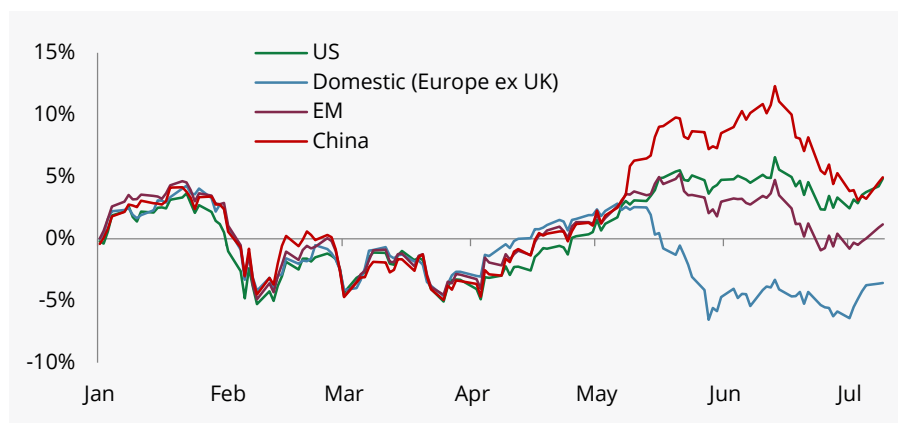
Last Friday saw shares in the US pharma stock Biogen jump more than 10% after a closely-watched potential Alzheimer's treatment performed well in a recent 18-month trial. Biogen's Japanese partner in the venture, Eisai also rallied 13% on the same day – its biggest one-day gain in more than three years.

Eisai is already regarded as a leader in this hugely lucrative medical segment so investors are piling in betting on the partnership's ability to commercialise this product.

With the oldest population in the world, Japan will be a core market for any breakthroughs in this field.

Chart of the week

A clarion call for active managers: Returns from European companies have diverged along regional lines. Such divergence should help active managers to outperform.



Source: Quilter Investors/Macrobond as at 11 July 2018.

Market data – % change in week ending 11/07/2018

Equities	% Change GBP	% Change USD
FTSE All-Share (UK)	-0.11	0.21
MSCI AC World	0.78	0.96
S&P 500 (US)	1.05	1.37
NASDAQ (US)	1.69	2.01
MSCI Europe ex UK	0.05	0.36
TOPIX (Japan)	0.55	0.87
MSCI Asia ex Japan	0.85	1.17
MSCI Emerging Markets	0.82	1.14

Fixed Income¹

BB Global-Aggregate TR Index	0.05	0.08
BB Global-Agg Treasuries TR Index	-0.02	0.01
BB Global-Agg Corporate TR Index	0.23	0.26
BB Global High Yield TR Index	0.43	0.46

Commodities

S&P Energy Index	-4.57	-4.27
S&P Precious Metals Index	-1.04	-0.72
S&P Industrial Metals Index	-3.15	-2.84
S&P Agriculture Index	-2.92	-2.61

Currencies²

JPM UK FX Exchange Rate Index	0.16	0.16
JPM US FX Exchange Rate Index	0.01	0.01
JPM Euro Area FX Exchange Rate Index	0.38	0.38



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Boris bounces after crisis summit

Less than two days after Theresa May announced the Cabinet had agreed a “collective position” for future negotiations with the EU over Brexit, two senior Brexiteers resigned from government.

‘Brexit minister’, David Davis, was the first to go, but it was the resignation of Boris Johnson, the foreign secretary, that caused the biggest upset, as he claimed the Brexit “dream is dying”.

Sterling initially weakened before coming back, possibly helped by comments from Michel Barnier, chief EU negotiator, who stated that 80% of negotiations had been agreed. It remains to be seen how much more drama Brexit can provide.

President Erdogan's actions... suggest that Turkey is heading in the wrong direction...

Anthony Gillham, head of investment, Quilter Investors

Index data as at COB Wednesday 11 July 2018. All sources Quilter Investors unless otherwise stated.

¹ Bloomberg Barclays index data. ² JP Morgan Real Broad Effective Exchange Rate CPI Indices.

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QIL-007-18/218-1313/SK18218

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