

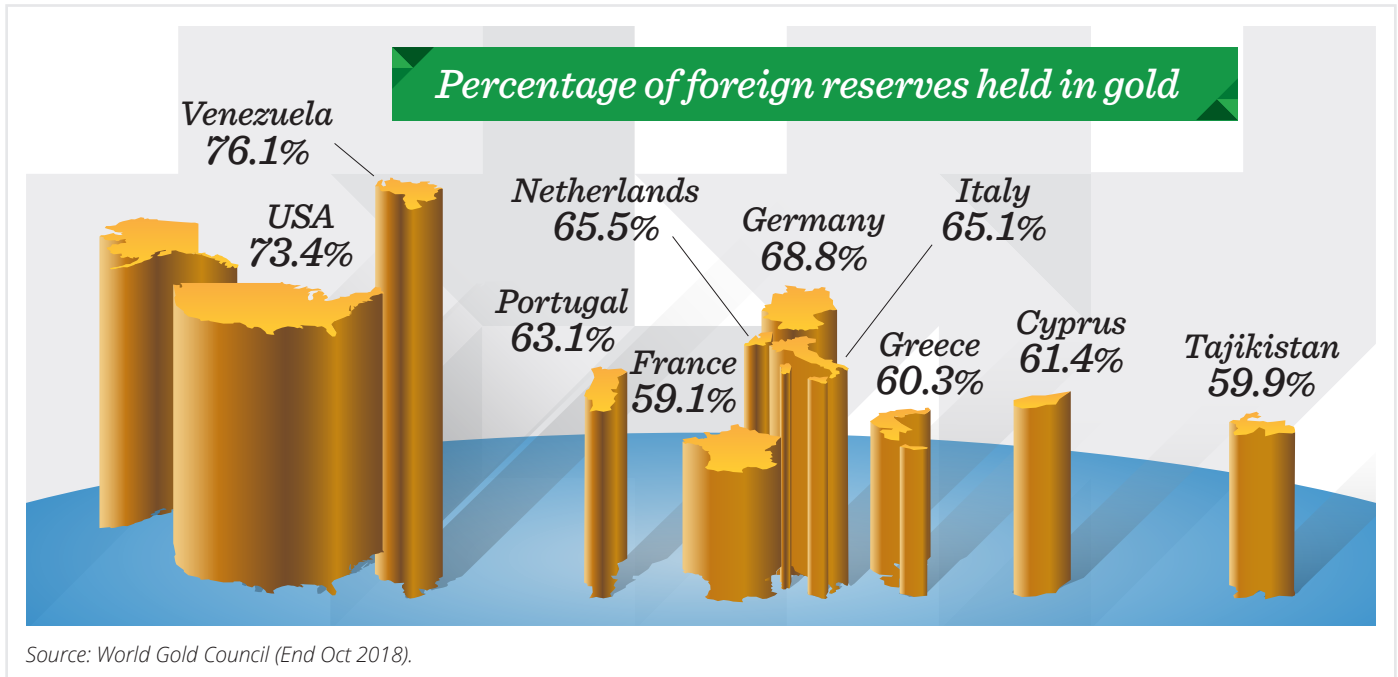
Multi-asset investment thinking from the Quilter Investors team.



PULESTON WEALTH MANAGEMENT

Dwindling fortunes

Hard times for Venezuela, one of the world's biggest oil producers, have seen its gold reserves fall 55% since 2014. Its currently trying to repatriate 14 of the 161 tonnes it still holds (the US holds 8,134 tonnes).



Kremlin-bred 'super chicken' to combat security risk

Chickens are the chief source of Russian protein, but the country still relies on the genetic know-how of just two US-based agri-businesses – an unacceptable security risk in light of mounting US sanctions.

In response, the Russians have unveiled 'Smena', a new 'super chicken' named after a soviet 'broiler' (bred for meat) chicken from the 70s. Smena aims to capture 25% of Russia's home market by 2025. Last year almost all of Russia's four million tons of chicken meat came from stocks bought from Cobb-Vantress in the US and the German-owned Aviagen.

The Kremlin has similar plans for its beef, pork, potato and sugar beet production, which also still rely on foreign genetic inputs.



China's Singles' Day hits new record

The world's largest retail event, China's Singles' Day, hosted by online giant Alibaba, took in another record haul on 11 November (hence the nickname Double 11) raking in \$30.7bn, and dispatching a billion packages, in just 24 hours.

The event, which is bigger than Black Friday and Cyber Monday combined, launched with performances from Mariah Carey, Cirque du Soleil and a Japanese Beyoncé impersonator. Meanwhile, China's JD.com raised \$23bn in its Singles' Day bonanza.

This is Alibaba's tenth Singles Day and probably the last with legendary founder Jack Ma at the reins. His successor, CEO Daniel Zhang, faces challenges in restoring sales growth to both Alibaba and Singles' Day.



November market prone to 'snowball risks' says Patel

Monday saw the Nasdaq index fall 3% in the worst trading day of November when an Apple supplier called Lumentum revealed a drop in orders.

The news sliced a third off its share price and routed other Apple suppliers. It also delivered a 5% fall in Apple's share price and losses for Microsoft, Amazon and Facebook.

But as Quilter Investors portfolio manager, Hinesh Patel, observes "Monday was a classic 'snowball'; a minor cog in Apple's supply chain triggered an avalanche of programme trades.

"Markets are understandably data sensitive," he says, "but the real story isn't iPhone sales. It's the strength and direction of the US dollar and the evolving global macro picture which will dictate returns from here."



Nice one, Son: Softbank CEO poised for \$21bn IPO

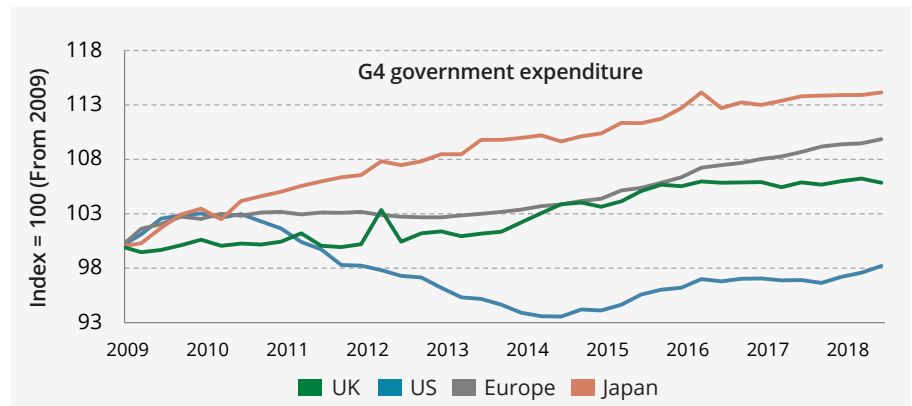
Japan's SoftBank Group has been given approval to list its domestic telecoms unit on the Tokyo Stock Exchange in December in an IPO worth around 2.4trn yen (\$21bn), a new Japanese record.

Spinning off the telecoms business will help chief executive, Masayoshi Son, to pad a war chest intended to complete the transformation of SoftBank from a domestic telecom challenger into one of the world's premier technology investors.

The IPO comes as the government is demanding 40% lower mobile fees, prompting rival NTT Docomo to warn it will take five years to repair the financial damage. Meanwhile, new players are also planning to launch in Japan next year.

Chart of the week

Obama's legacy: Democratic spending cuts mean that the US is still playing catch up with the other G4 economies.



Source: Quilter Investors/Macrobond.

Market data – % change in week ending 15/11/2018

Equities	% Change GBP	% Change USD
FTSE All-Share (UK)	-1.55	-2.49
MSCI AC World	-2.31	-3.23
S&P 500 (US)	-2.83	-3.75
NASDAQ (US)	-4.52	-5.43
MSCI Europe ex UK	-1.44	-2.38
TOPIX (Japan)	-1.54	-2.47
MSCI Asia ex Japan	-1.14	-2.08
MSCI Emerging Markets	-1.52	-2.46

Fixed Income¹

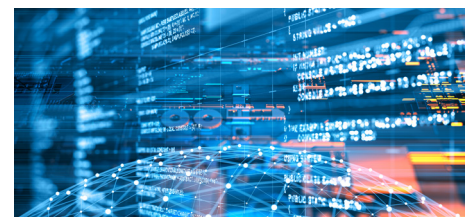
BB Global-Aggregate TR Index	0.23	0.26
BB Global-Agg Treasuries TR Index	0.26	0.30
BB Global-Agg Corporate TR Index	0.01	0.04
BB Global High Yield TR Index	-0.91	-0.90

Commodities

S&P Energy Index	-2.57	-3.50
S&P Precious Metals Index	-0.08	-1.03
S&P Industrial Metals Index	-1.10	-2.04
S&P Agriculture Index	0.55	-0.41

Currencies²

JPM UK FX Exchange Rate Index	-0.02	-0.02
JPM US FX Exchange Rate Index	0.67	0.67
JPM Euro Area FX Exchange Rate Index	-0.36	-0.36



SAP snaps up Qualtrics for \$8bn

The German software company SAP saw its shares fall more than 6% on Monday after announcing the acquisition of experience management firm Qualtrics International for \$8bn, pre-empting a planned IPO by the US firm.

SAP is seeking to strengthen its customer relationship management (CRM) offering by absorbing Qualtrics' platform which manages and acts upon experience or X-data. This helps nurture customer loyalty and build brands. It originally filed for an IPO on the Nasdaq in October.

Bill McDermott, SAP CEO, said the deal "reaffirms experience management as the groundbreaking new frontier" for the sector.

...the real story isn't iPhone sales. It's the strength and direction of the US dollar...

Hinesh Patel, portfolio manager, Quilter Investors

Index data as at COB Wednesday 14 November 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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