

Weekly Investment Update

18th April 2019



Global News

UK – UK inflation stayed below the Bank of England’s target of 2% for the third month in a row, coming in at 1.9% for the month of March. This came as a result of lower food and computer game costs which compensated for rise in fuel costs. The UK unemployment figure stood at 3.9% on Tuesday, as employers added a further 179,000 jobs in the three months to February, putting UK employment at an all-time high.

Positive China data – China’s GDP (gross domestic product) growth unexpectedly held up in the first quarter of 2019, as the economy grew 6.4%. Industrial production spiked in March, rising 8.5% from a year ago, and retail sales grew in March by 8.7% . China’s equity markets surged the most since the 25th of February on Wednesday, on the back of the positive data.

Germany’s slowing economy - German GDP is forecast to grow only half as much as previously suggested amid concerns over Brexit, and ongoing trade disputes. Germany will grow 0.5% this year, with growth forecast at 1.5% next year.

European PMI - The European composite purchasing managers index (PMI) figure was revealed on Thursday, coming in at 51.3 down from 51.6, showing a decline in growth for the third month in a row. Manufacturing PMI remained in contraction territory, while service sector PMI stayed in growth territory, but fell to 52.5 from 53.3.

Market Summary

Global Equities – Asian equity markets had a strong week, after the positive data out of China. European shares extended their decline towards the end of the week, after weak Euro-area PMI and German manufacturing data.

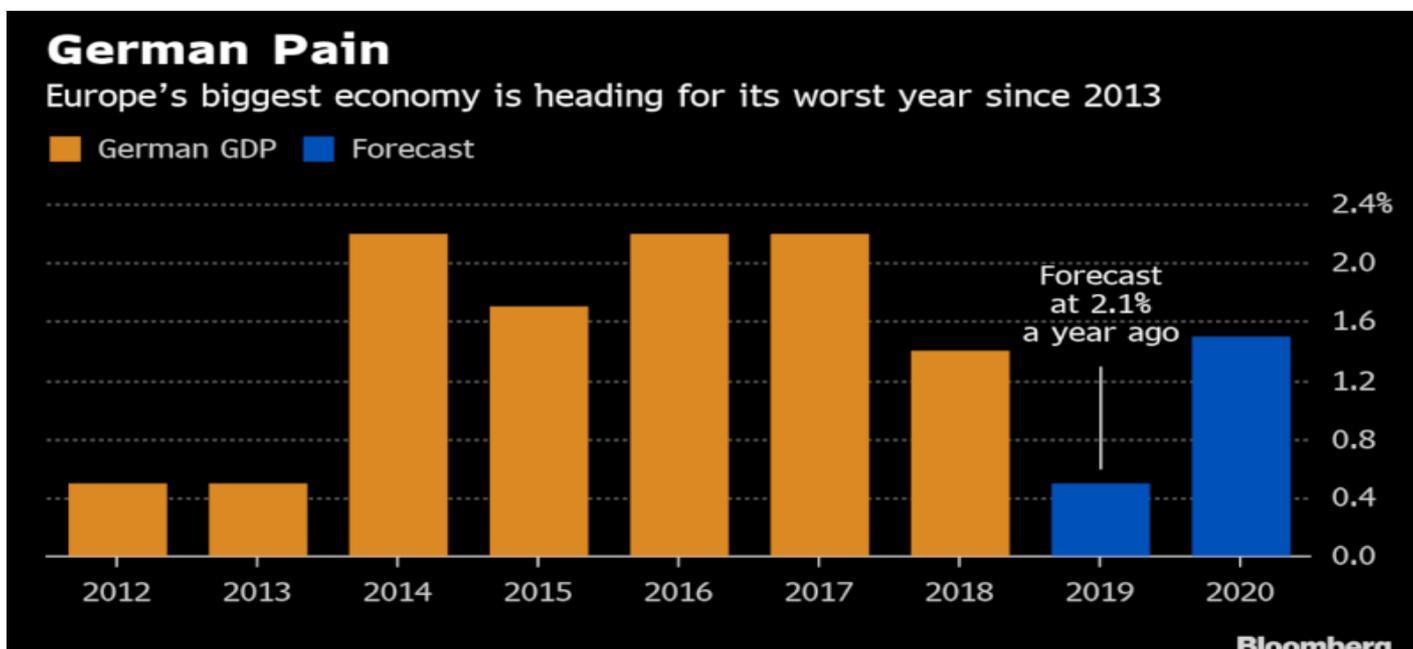
Over in the US, the Nasdaq 100 index advanced to a record high on Wednesday, closing at 7,680.72. The S&P 500 almost reached its all-time high, following positive corporate earnings.

Commodities – Gold has come under pressure recently, hitting its weakest level since December 2018, declining to \$1,272 per ounce, due to strong Chinese economic data. Oil (Brent crude & WTI) continued its rise due to ongoing supply cuts from OPEC, and US sanctions on Venezuela and Iran.

Fixed Income – The US 10 year treasury yield had a mixed week, rising on the back of strong earnings earlier in the week, while later in the week yields fell lower as investors kept an eye on jobless data and economic growth. The German 10 year bund yield fell to 0.045% on the back of negative German economic data.

Currency – the Japanese Yen increased against the US dollar (111.90 per dollar) in reaction to the news that North Korea tested a new tactical guided weapon, which could potentially raise tensions with the US, while the Euro fell against most currencies due to weak euro-area manufacturing data.

Chart of the week



Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
	- US house sales	- US jobless claims	- Japan unemployment rate	- France preliminary GDP

Market Performance – 17/4/19

Global Market Indices	2019 YTD %*
FTSE 100	+10.86%
S&P 500	+15.22%
Dax	+12.87%
Nikkei 225	+14.86%
Hang Seng	+18.03%
Fixed Income	Yield %
UK 10 Yr Gilt	+1.21%
US 10 Yr Treasury	+2.55%
Commodities	2019 YTD %
Gold	-0.62%
Currency	
GBP/USD	1.3043 (17/04/19)
GBP/EUR	1.1546 (17/04/19)

Source: FE Analytics/ Bloomberg.com

*Total Return/Local currency

The information provided is not to be treated as specific advice. It has no regard for the specific investment objectives, financial situation or needs of any specific person or entity. The investments discussed in this document may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor. Safety First Portfolios are a range of investment solutions developed by Ascencia Investment Management to cover a variety of investment needs. Safety First Portfolio solutions are some of the models that sit within this.

Ascencia Investment Management does not make any warranties, express or implied, that the products, securities or services mentioned are available in your jurisdiction. Accordingly, if it is prohibited to advertise or make the products, securities or services available in your jurisdiction, or to you (by reason of nationality, residence or otherwise) such products, securities or services are not directed at you.