

Most major stock markets exhibited significant volatility in May, although a number of global indices finished the month with positive returns for a sterling investor. This was in part due to the currency movements with the slight weakening of the Pound over the month and the Euro weakening further still. The FTSE 100 index rose by 2.8% whilst the FTSE World index was up by around 3.7%<sup>1</sup>.

The FTSE 100 is currently trading around its all-time high, beginning the month at 7,509 before reaching over 7,900 during trading on 22 May, falling back slightly to close the month at 7,678. 2018 has seen the FTSE trading between 7,900 in May and 6,900 in March compared with a high of 7,687 and a low of 7,099 in the whole of 2017. Despite strong growth in April and May the FTSE100 index was lower at the end of May than at the start of the year. When dividends are included this yields a positive total return of around 1.9% since the start of the year.

The FTSE World index is now showing a similar gain for sterling investors and has returned just under 2% year to date. The FTSE World Europe ex UK index slipped further into negative territory year to date losing around 1.7% and is flat over the past 12 months having only returned just under 1%. FTSE Asia Pacific ex Japan and the FTSE Japan indices were up by around 1.8% and 2.5% respectively in May whilst the more volatile FTSE Emerging Markets index was broadly flat. Returns from Japanese equities have been heavily impacted by currency movements during 2018, with the index down by 2.9% in Yen year to date but generating a positive return of 2.4% in Sterling.

Yields on government bonds fell during the month with the yield on the benchmark 10-year UK gilt decreasing to 1.23%. The price of fixed interest investments falls as bond yields rise and the FTSE Actuaries UK Conventional Gilts All Stocks index rose by 1.75% in May and is flat over the last 12 months having gained only 0.5%. Having started the year at 2.4%, the yield on 10 US Treasury stocks also finished the month lower at around 2.82% but had been over 3% during May. Yields on Italian government bonds rose around 1% to 2.7% in May as investors sold off large quantities in the wake of political unrest. Japanese and Swiss 10 year government debt yields remain close to zero.

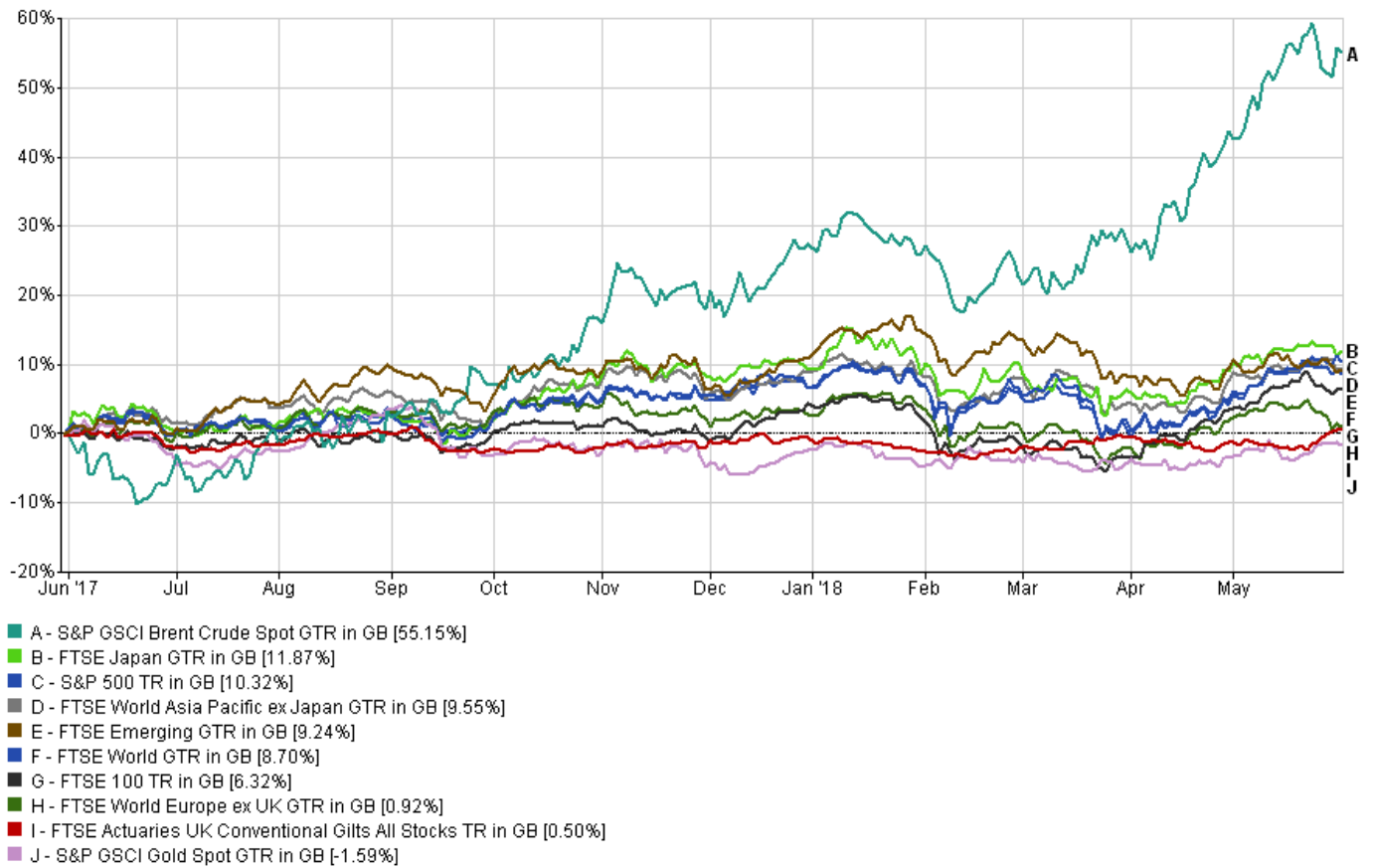
Oil prices continued their ascent and increased by around 8% in Sterling terms in May, 55% higher than the previous year. Despite this oil prices are only around 6% higher than they were 3 years ago, and are 35% lower than 5 years ago. Gold prices gained around 2% and are flat year to date with growth of less than 1%. Prices are now only 3.4% higher than in May 2013.

**Richard O’Sullivan**

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<sup>1</sup> All returns are expressed in Sterling terms unless otherwise specified

## 1-Year Performance in Sterling Terms to 31 May 2018



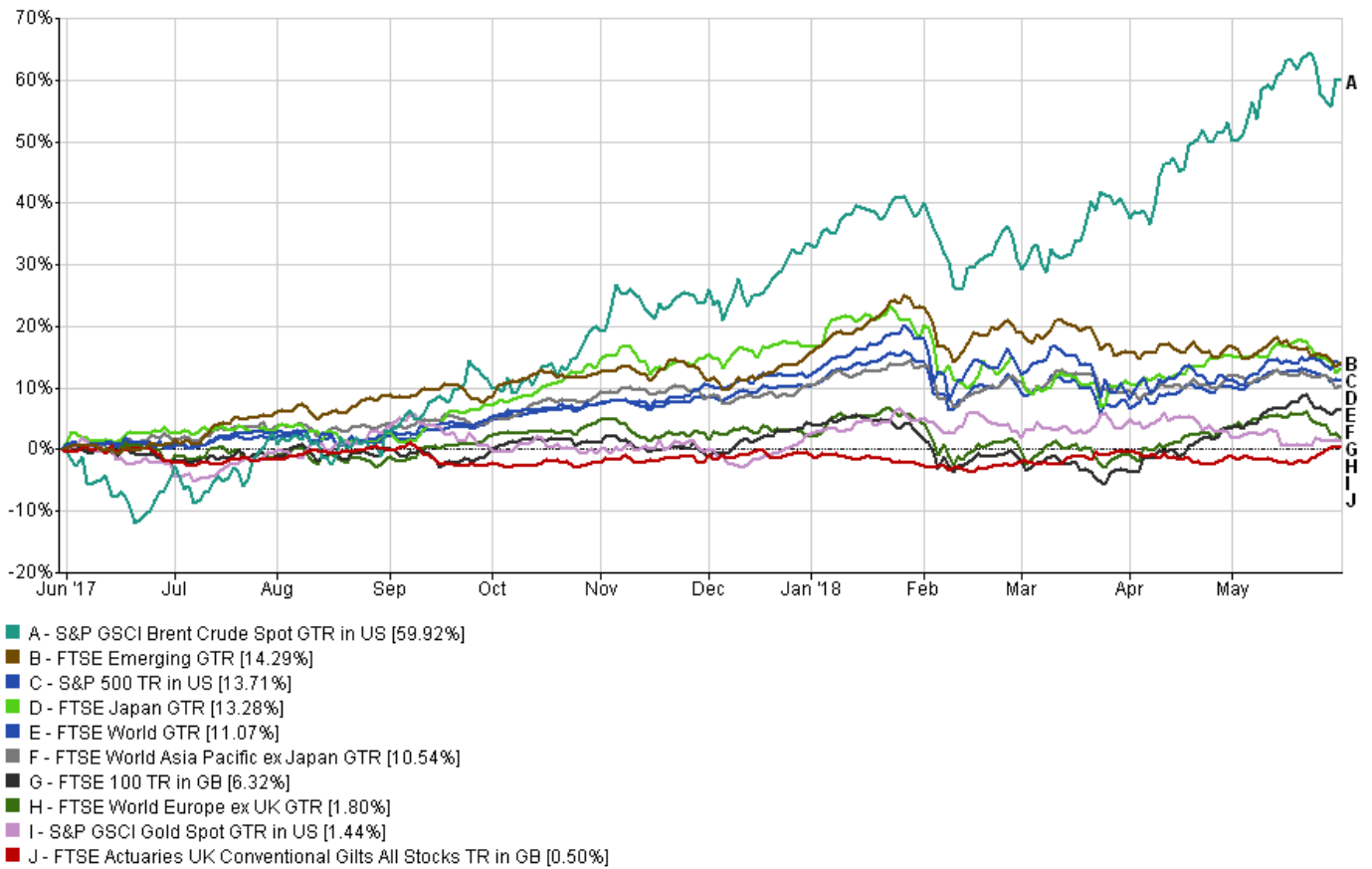
31/05/2017 - 31/05/2018 Data from FE 2018

## Cumulative Performance in Sterling Terms to 31 May 2018

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	1.75%	2.79%	2.41%	0.50%	13.34%	25.47%
FTSE World	3.65%	2.66%	3.68%	8.70%	45.43%	80.23%
FTSE 100	2.80%	7.60%	7.03%	6.32%	23.79%	41.06%
S&P 500	5.93%	3.59%	4.64%	10.32%	53.81%	103.27%
FTSE World Europe ex UK	-0.92%	-0.27%	-1.20%	0.92%	31.96%	56.73%
FTSE World Asia Pacific ex Japan	1.80%	1.45%	4.24%	9.55%	42.55%	52.92%
FTSE Emerging	-0.22%	-3.74%	2.67%	9.24%	33.41%	42.49%
FTSE Japan	2.49%	1.38%	3.23%	11.87%	42.23%	76.97%
S&P GSCI Gold Spot	2.05%	2.03%	3.47%	-1.59%	22.76%	3.44%
S&P GSCI Brent Crude Spot	8.03%	26.38%	31.37%	55.15%	5.68%	-34.48%

Source: Financial Express

## 1-Year Performance in Local Currency Terms to 31 May 2018



31/05/2017 - 31/05/2018 Data from FE 2018

## Cumulative Performance in Local Currency Terms to 31 May 2018

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	1.75%	2.79%	2.41%	0.50%	13.34%	25.47%
FTSE World	0.90%	0.67%	2.19%	11.07%	26.31%	67.37%
FTSE 100	2.80%	7.60%	7.03%	6.32%	23.79%	41.06%
S&P 500	2.33%	0.04%	2.86%	13.71%	34.13%	78.40%
FTSE World Europe ex UK	-1.70%	0.80%	-0.83%	1.80%	11.65%	53.47%
FTSE World Asia Pacific ex Japan	-1.14%	-0.60%	2.09%	10.54%	23.56%	46.04%
FTSE Emerging	-2.10%	-3.86%	2.46%	14.29%	21.89%	48.33%
FTSE Japan	-1.69%	-0.31%	-1.48%	13.28%	8.59%	67.13%
S&P GSCI Gold Spot	-1.41%	-1.46%	1.71%	1.44%	7.05%	-9.21%
S&P GSCI Brent Crude Spot	4.37%	22.05%	29.14%	59.92%	-7.84%	-42.50%

Source: Financial Express

## Calendar Performance in Sterling Terms to 31 May 2018

	YTD	2017	2016	2015	2014	2013
FTSE Actuaries UK Conventional Gilts All Stocks	0.99%	1.83%	10.10%	0.57%	13.86%	-3.94%
FTSE World	1.96%	13.34%	29.59%	4.34%	11.29%	22.36%
FTSE 100	1.91%	11.95%	19.07%	-1.32%	0.74%	18.66%
S&P 500	3.46%	10.62%	32.67%	6.58%	20.02%	29.10%
FTSE World Europe ex UK	-1.72%	17.53%	19.69%	5.35%	0.16%	25.18%
FTSE World Asia Pacific ex Japan	0.69%	20.30%	31.69%	-4.40%	5.01%	2.72%
FTSE Emerging	-1.43%	21.06%	35.43%	-10.31%	7.87%	-5.29%
FTSE Japan	2.36%	14.44%	22.68%	17.58%	2.73%	24.95%
S&P GSCI Gold Spot	0.72%	3.02%	28.52%	-5.72%	4.36%	-29.98%
S&P GSCI Brent Crude Spot	21.84%	5.49%	53.23%	-42.51%	-44.83%	4.96%

Source: Financial Express

## Calendar Performance in Local Currency Terms to 31 May 2018

	YTD	2017	2016	2015	2014	2013
FTSE Actuaries UK Conventional Gilts All Stocks	0.99%	1.83%	10.10%	0.57%	13.86%	-3.94%
FTSE World	0.90%	19.67%	9.97%	2.26%	9.92%	27.35%
FTSE 100	1.91%	11.95%	19.07%	-1.32%	0.74%	18.66%
S&P 500	1.77%	21.10%	11.23%	0.75%	12.99%	31.55%
FTSE World Europe ex UK	-0.49%	15.25%	3.42%	8.66%	7.58%	23.37%
FTSE World Asia Pacific ex Japan	0.16%	22.20%	11.16%	-2.73%	4.18%	11.36%
FTSE Emerging	-0.68%	27.42%	12.06%	-5.83%	7.17%	3.92%
FTSE Japan	-2.89%	21.00%	-0.28%	11.52%	10.32%	54.77%
S&P GSCI Gold Spot	-0.92%	12.79%	7.75%	-10.88%	-1.75%	-28.65%
S&P GSCI Brent Crude Spot	19.85%	15.49%	28.46%	-45.66%	-48.07%	6.94%

Source: Financial Express

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