

Global equity indices fell sharply in October with the MSCI World index down around 5.4%¹ over the month.

The FTSE 100 index fell below 7,000 during the month but finished October at 7,128, representing a loss of nearly 5% for the month and nearly 10% below its all-time high achieved earlier this year. Since the start of the year the benchmark UK index has generated a loss of around 3.9% with the FTSE All-share index down by 4.4%.

The S&P 500 index fell by 5.0% in October but remains positive since the start of the year, with currency movements amplifying a small positive return from the Dollar denominated US index. Both the Yen and the US Dollar continued to appreciate against Sterling over the month and Sterling's relative weakness has enhanced returns from many global indices since the start of the year. The MSCI World index is down slightly in local currency terms, but this translates into a positive total return of 3.4% for UK investors.

Many global indices are down in value since the start of the year. The MSCI Europe ex UK, Japan and Asia Pacific ex Japan indices fell by between 6.1% and 8.4% in October. The Europe ex UK index has fallen by 5% since the start of the year whilst the MSCI AC Asia Pacific ex Japan, and MSCI Emerging Markets are down by more than 10%. The Chinese Shanghai composite index is down by over 25% since it peaked in late January.

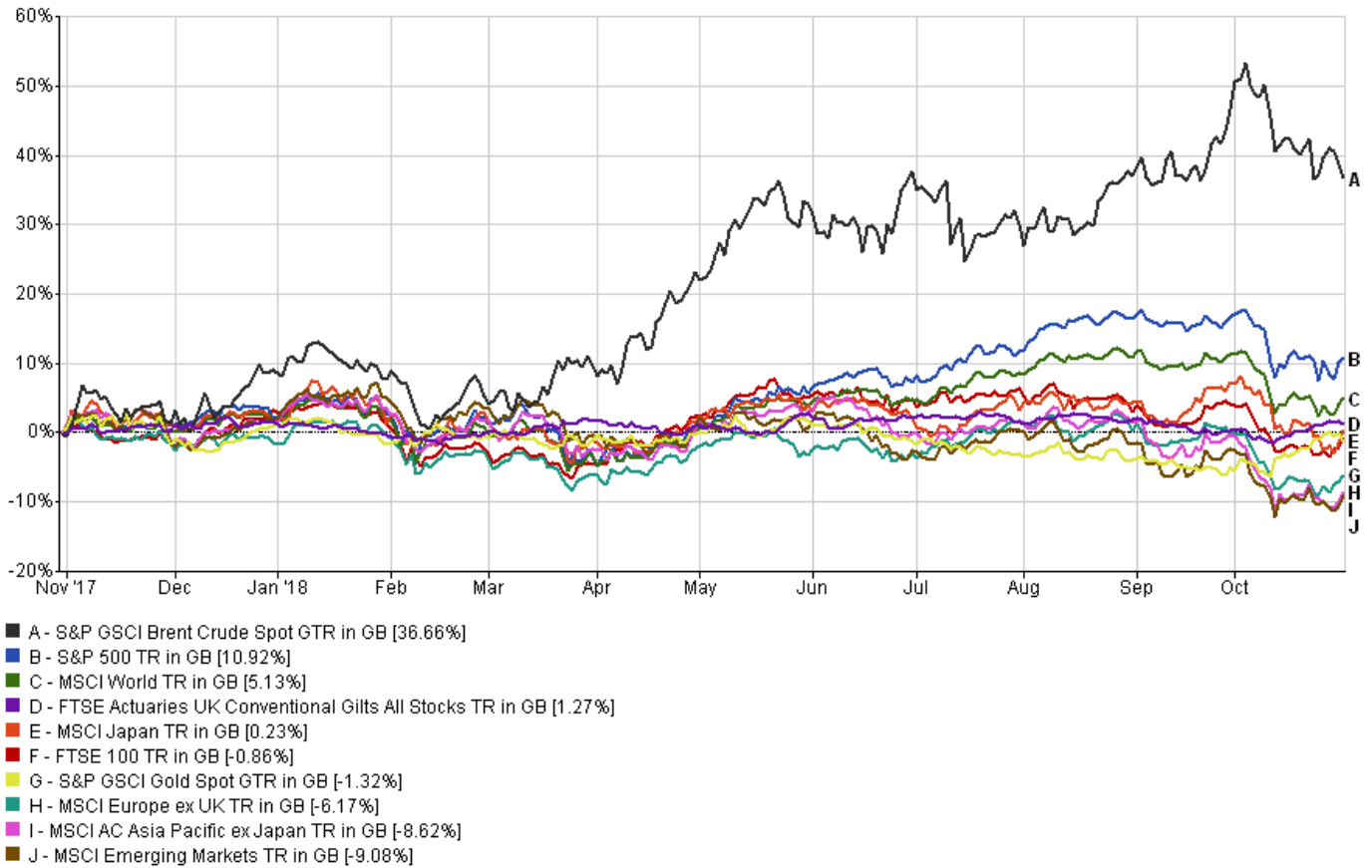
The yield on the 10 year US Treasury index rose above 3.2% in early October, but as global equities fell some bond markets rallied. The benchmark 10-year UK Gilt yield rose from 1.6% to over 1.7% in early October before falling sharply to finish at around 1.4%. The FTSE Actuaries UK Conventional Gilts All Stocks index has made a small loss for the year to date of 0.4%. Japanese and Swiss 10 year government debt yields remain close to zero and German 10 year bonds yield around 0.25%.

The Brent Crude spot price fell by around 7% in October, reversing much of the gains made in the previous month. Oil prices remain highly volatile over time and whilst the oil price has risen by 50% over the last three years it is down by over 36% since 2013. Gold prices recovered from recent weakness registering a positive return of slightly less than 4% but are down around 1% for the year.

Richard O'Sullivan and Martyn Torevell

¹ All returns are expressed in Sterling terms and inclusive of reinvested dividends unless otherwise specified

1-Year Performance in Sterling Terms to 31 October 2018



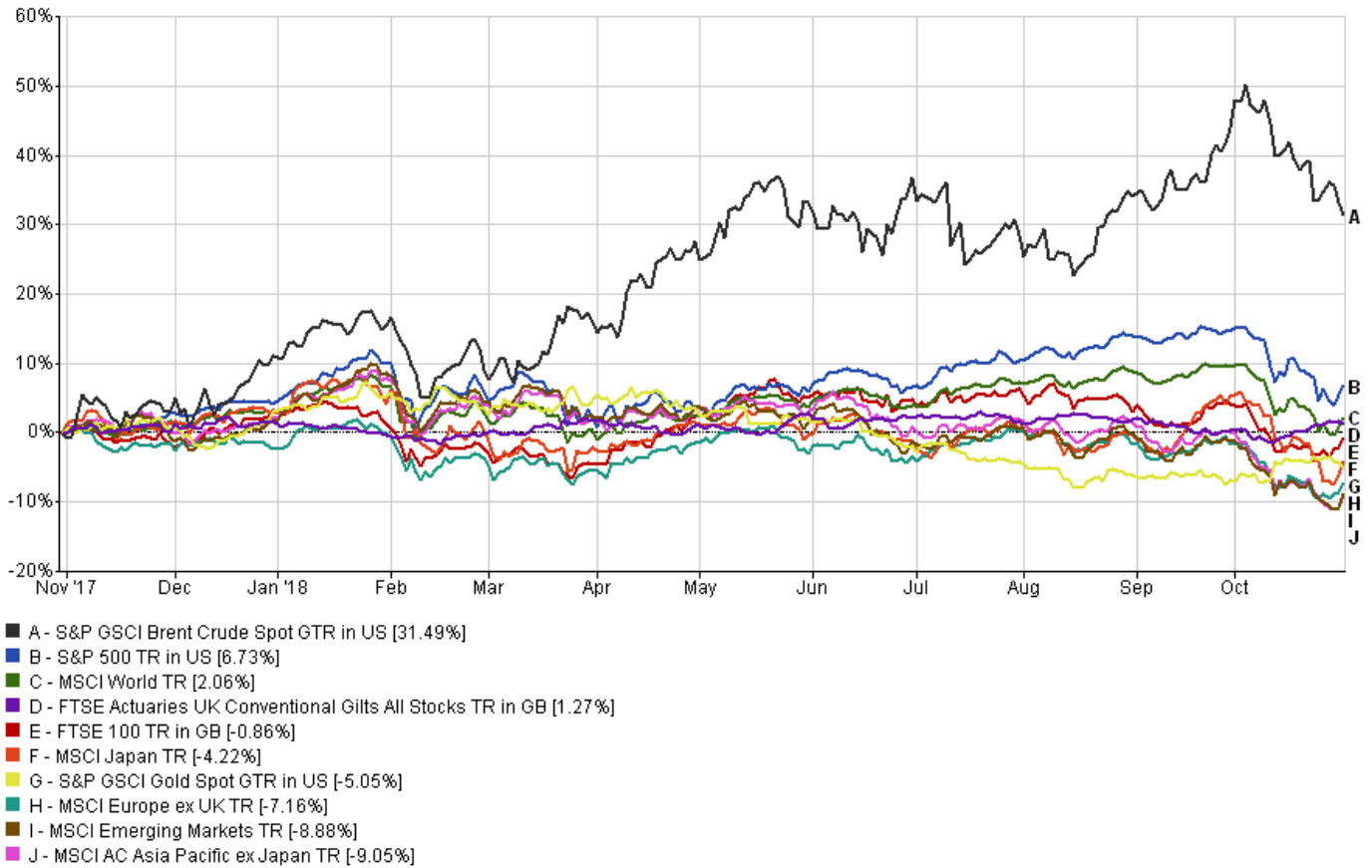
31/10/2017 - 31/10/2018 Data from FE 2018

Cumulative Performance in Sterling Terms to 31 October 2018

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	0.93%	-0.47%	0.35%	1.27%	11.54%	25.30%
MSCI World	-5.44%	-3.16%	5.46%	5.13%	51.89%	74.75%
FTSE 100	-4.85%	-6.89%	-3.06%	-0.86%	26.33%	28.28%
S&P 500	-4.95%	-0.82%	11.14%	10.92%	64.57%	108.61%
MSCI Europe ex UK	-6.08%	-7.81%	-3.85%	-6.17%	32.05%	36.63%
MSCI Asia Pacific ex Japan	-8.41%	-10.16%	-8.99%	-8.62%	46.52%	41.93%
MSCI Emerging Markets	-6.83%	-9.30%	-10.02%	-9.08%	46.10%	30.73%
MSCI Japan	-6.57%	-2.95%	-1.25%	0.23%	41.70%	59.65%
S&P GSCI Gold Spot	3.88%	1.67%	-1.05%	-1.32%	25.81%	12.03%
S&P GSCI Brent Crude Spot	-6.78%	5.04%	11.07%	36.66%	53.75%	-36.33%

Source: Financial Express

1-Year Performance in Local Currency Terms to 31 October 2018



31/10/2017 - 31/10/2018 Data from FE 2018

Cumulative Performance in Local Currency Terms to 31 October 2018

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	0.93%	-0.47%	0.35%	1.27%	11.54%	25.30%
MSCI World	-6.80%	-4.87%	-0.30%	2.06%	26.39%	50.06%
FTSE 100	-4.85%	-6.89%	-3.06%	-0.86%	26.33%	28.28%
S&P 500	-6.87%	-3.39%	3.10%	6.73%	36.16%	65.91%
MSCI Europe ex UK	-5.57%	-7.52%	-5.83%	-7.16%	8.10%	29.93%
MSCI Asia Pacific ex Japan	-9.11%	-10.65%	-12.18%	-9.05%	22.03%	27.29%
MSCI Emerging Markets	-7.78%	-9.35%	-12.08%	-8.88%	23.51%	25.86%
MSCI Japan	-9.04%	-4.69%	-5.52%	-4.22%	9.64%	46.06%
S&P GSCI Gold Spot	1.78%	-0.97%	-8.20%	-5.05%	4.09%	-10.90%
S&P GSCI Brent Crude Spot	-8.66%	2.32%	3.04%	31.49%	27.20%	-49.36%

Source: Financial Express

Calendar Performance in Sterling Terms to 31 October 2018

	YTD	2017	2016	2015	2014	2013
FTSE Actuaries UK Conventional Gilts All Stocks	-0.41%	1.83%	10.10%	0.57%	13.86%	-3.94%
MSCI World	3.43%	11.80%	28.24%	4.87%	11.46%	24.32%
FTSE 100	-3.89%	11.95%	19.07%	-1.32%	0.74%	18.66%
S&P 500	8.55%	10.62%	32.67%	6.58%	20.02%	29.10%
MSCI Europe ex UK	-4.88%	15.84%	18.62%	5.11%	-0.73%	25.28%
MSCI Asia Pacific ex Japan	-10.25%	25.13%	27.34%	-4.12%	9.21%	1.49%
MSCI Emerging Markets	-10.77%	25.40%	32.63%	-9.99%	3.90%	-4.41%
MSCI Japan	-1.55%	13.25%	22.12%	15.91%	1.95%	24.80%
S&P GSCI Gold Spot	-2.34%	3.02%	28.52%	-5.72%	4.36%	-29.98%
S&P GSCI Brent Crude Spot	25.27%	5.49%	53.23%	-42.51%	-44.83%	4.96%

Source: Financial Express

Calendar Performance in Local Currency Terms to 31 October 2018

	YTD	2017	2016	2015	2014	2013
FTSE Actuaries UK Conventional Gilts All Stocks	-0.41%	1.83%	10.10%	0.57%	13.86%	-3.94%
MSCI World	-0.61%	19.67%	9.97%	2.26%	9.92%	27.35%
FTSE 100	-3.89%	11.95%	19.07%	-1.32%	0.74%	18.66%
S&P 500	2.53%	21.10%	11.23%	0.75%	12.99%	31.55%
MSCI Europe ex UK	-5.00%	15.25%	3.42%	8.66%	7.58%	23.37%
MSCI Asia Pacific ex Japan	-11.01%	22.20%	11.16%	-2.73%	4.18%	11.36%
MSCI Emerging Markets	-10.42%	27.42%	12.06%	-5.83%	7.17%	3.92%
MSCI Japan	-6.84%	21.00%	-0.28%	11.52%	10.32%	54.77%
S&P GSCI Gold Spot	-7.75%	12.79%	7.75%	-10.88%	-1.75%	-28.65%
S&P GSCI Brent Crude Spot	18.32%	15.49%	28.46%	-45.66%	-48.07%	6.94%

Source: Financial Express

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