

Following a torrid final quarter to 2018, the majority of global equity markets posted positive returns in January due to a rally stretching back to 27 December. Despite concerns over Brexit, Sterling strengthened against the Dollar, Euro and Yen in January which dampened the gains in developed equity markets to between 2.7% and 4.5%. Over one year most major equity indices are still negative in local currency terms with the S&P500 and FTSE100 proving slightly more resilient on a relative basis than the regional indices we track.

The FTSE100 ended 2018 on 6,728 and during January has increased to 6,968, the highest it has been since early December. This is still over 11% lower than the all-time high set in May 2018 and the market continues to exhibit short term volatility, often in response to news flow surrounding Brexit. Over one year the total return of the UK index, including reinvested dividends, represents a small loss of around 3.5%<sup>1</sup>.

The S&P 500 had a strong month and increased in value by around 8% in Dollar terms, although relative weakness for the currency muted sterling investor returns to a more modest 4.5%. The MSCI World index, which has a weighting of over 60% to the US equities, achieved a similar return of 4.4%.

Japanese markets finished the month with a gain of 2.7% reducing the total loss over one year to 4.5%. The MSCI Asia Pacific ex Japan, Emerging Markets, and Europe ex UK indices produced gains of 3.9%, 5.3%, and 3.0% respectively in January, but were down by between 6.5% and 8.2% over the year.

The yield on the 10 year US Treasury index remained fairly flat in January, dropping marginally from 2.7% to 2.6%. The benchmark 10-year UK Gilt yield dropped by a similar amount to 1.2% having begun the year at 1.3%. Yields have an inverse relationship to the price of a fixed interest asset and as such the FTSE Actuaries UK Conventional Gilts All Stocks index rose 1.1% over the month. Japanese 10 year government debt yield remains close to zero and the equivalent Swiss yield has now fallen to -0.3%. German 10 year bond yields continue to trade around 0.2%.

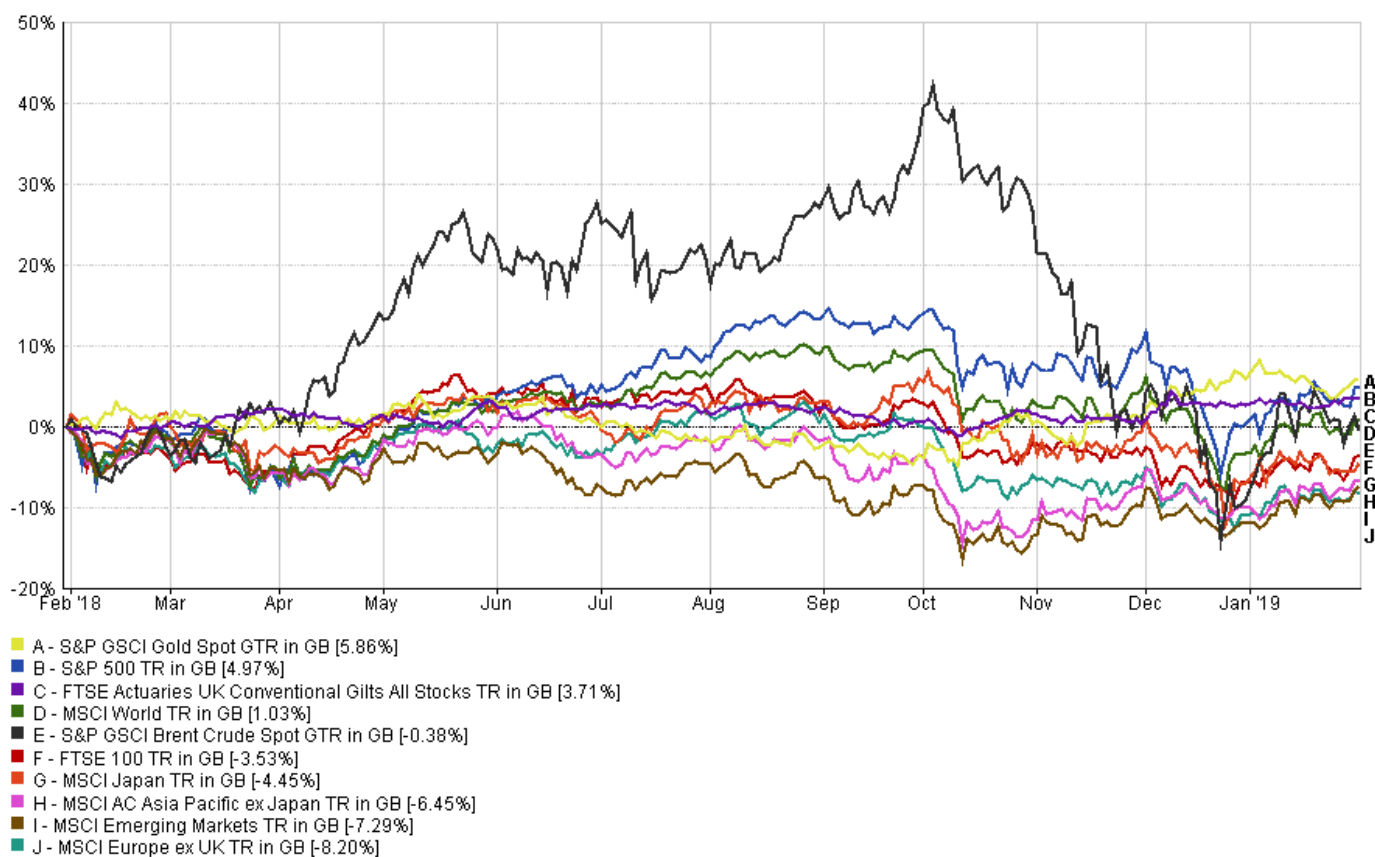
The Brent Crude spot price reversed falls from December and was up over 9% meaning prices are broadly flat over one year. This belies the underlying volatility that has continued to occur over a number of years and indeed the spot price has fallen nearly 50% over 5 years. Gold was flat in January although has delivered a strong performance relative to other assets of 7.3% over 6 months.

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

## 1-Year Performance in Sterling Terms to 31 January 2019



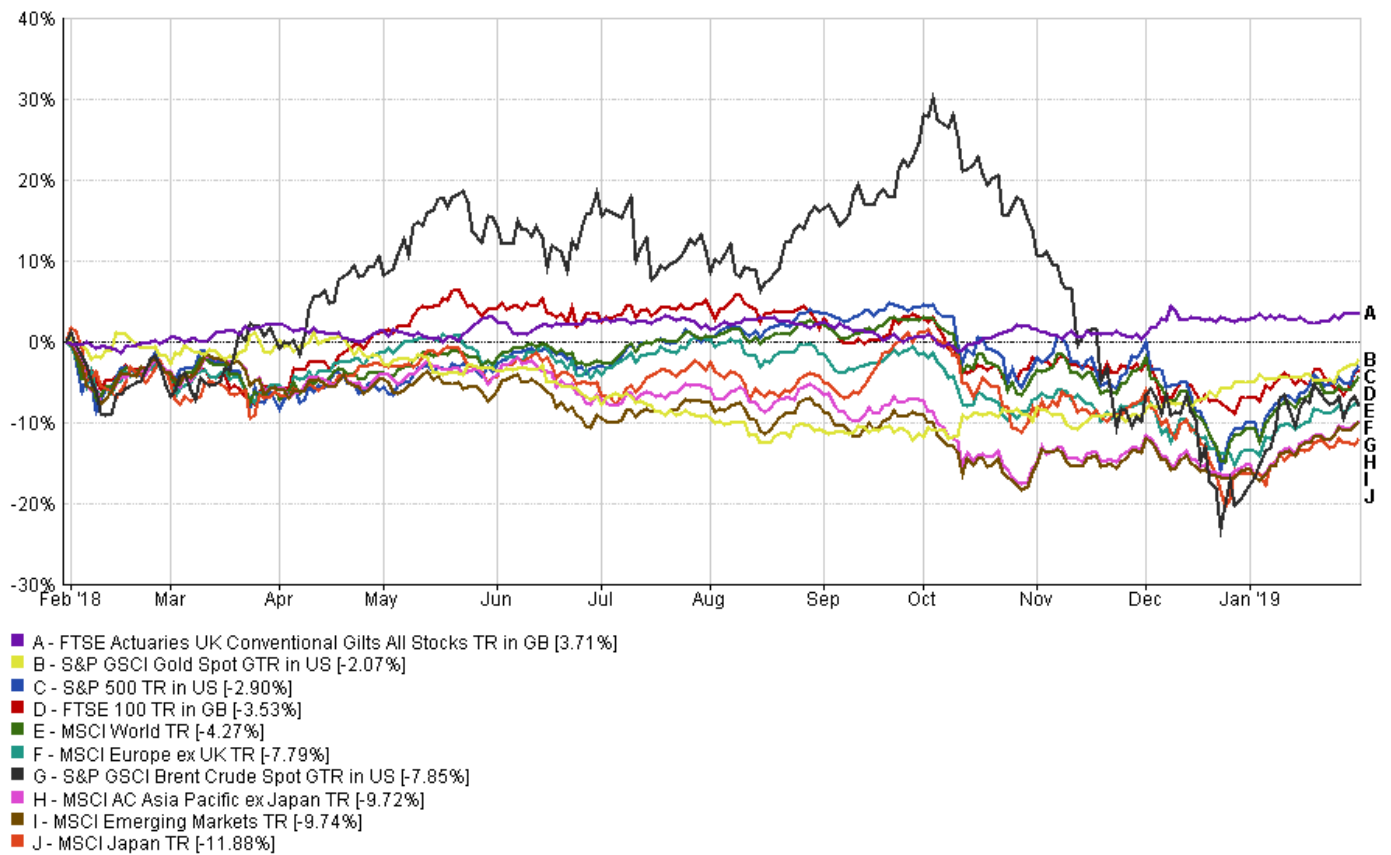
31/01/2018 - 31/01/2019 Data from FE 2019

## Cumulative Performance in Sterling Terms to 31 January 2019

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	1.06%	2.05%	1.58%	3.71%	9.97%	27.95%
MSCI World	4.35%	-2.17%	-5.27%	1.03%	48.50%	74.74%
FTSE 100	3.63%	-1.59%	-8.37%	-3.53%	29.29%	29.82%
S&P 500	4.54%	-2.77%	-3.57%	4.97%	56.91%	103.72%
MSCI Europe ex UK	3.02%	-2.38%	-10.01%	-8.20%	31.80%	37.10%
MSCI Asia Pacific ex Japan	3.87%	5.81%	-4.94%	-6.45%	58.01%	65.65%
MSCI Emerging Markets	5.31%	7.08%	-2.88%	-7.29%	63.54%	57.70%
MSCI Japan	2.72%	-3.45%	-6.29%	-4.45%	37.86%	60.34%
S&P GSCI Gold Spot	-0.16%	5.53%	7.29%	5.86%	24.74%	29.27%
S&P GSCI Brent Crude Spot	9.42%	-21.42%	-17.46%	-0.38%	64.77%	-47.85%

Source: Financial Express

## 1-Year Performance in Local Currency Terms to 31 January 2019



31/01/2018 - 31/01/2019 Data from FE 2019

## Cumulative Performance in Local Currency Terms to 31 January 2019

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	1.06%	2.05%	1.58%	3.71%	9.97%	27.95%
MSCI World	7.24%	-0.06%	-4.92%	-4.27%	35.62%	48.61%
FTSE 100	3.63%	-1.59%	-8.37%	-3.53%	29.29%	29.82%
S&P 500	7.97%	0.10%	-3.29%	-2.90%	45.51%	63.06%
MSCI Europe ex UK	6.33%	-0.73%	-8.19%	-7.79%	16.62%	28.63%
MSCI Asia Pacific ex Japan	6.55%	7.04%	-4.36%	-9.72%	42.61%	42.00%
MSCI Emerging Markets	7.18%	7.58%	-2.48%	-9.74%	45.62%	43.16%
MSCI Japan	5.24%	-4.14%	-8.64%	-11.88%	14.92%	36.95%
S&P GSCI Gold Spot	3.12%	8.64%	7.59%	-2.07%	15.68%	3.47%
S&P GSCI Brent Crude Spot	13.02%	-19.10%	-17.22%	-7.85%	52.80%	-58.26%

Source: Financial Express

## Calendar Performance in Sterling Terms to 31 January 2019

	2019	2018	2017	2016	2015	2014
FTSE Actuaries UK Conventional Gilts All Stocks	1.06%	0.57%	1.83%	10.10%	0.57%	13.86%
MSCI World	4.35%	-3.04%	11.80%	28.24%	4.87%	11.46%
FTSE 100	3.63%	-8.73%	11.95%	19.07%	-1.32%	0.74%
S&P 500	4.54%	0.96%	10.62%	32.67%	6.58%	20.02%
MSCI Europe ex UK	3.02%	-9.87%	15.84%	18.62%	5.11%	-0.73%
MSCI Asia Pacific ex Japan	3.87%	-8.57%	25.13%	27.34%	-4.12%	9.21%
MSCI Emerging Markets	5.31%	-9.27%	25.40%	32.63%	-9.99%	3.90%
MSCI Japan	2.72%	-7.47%	13.25%	22.12%	15.91%	1.95%
S&P GSCI Gold Spot	-0.16%	3.23%	3.02%	28.52%	-5.72%	4.36%
S&P GSCI Brent Crude Spot	9.42%	-10.04%	5.49%	53.23%	-42.51%	-44.83%

Source: Financial Express

## Calendar Performance in Local Currency Terms to 31 January 2019

	2019	2018	2017	2016	2015	2014
FTSE Actuaries UK Conventional Gilts All Stocks	1.06%	0.57%	1.83%	10.10%	0.57%	13.86%
MSCI World	7.24%	-7.38%	18.48%	9.00%	2.08%	9.81%
FTSE 100	3.63%	-8.73%	11.95%	19.07%	-1.32%	0.74%
S&P 500	7.97%	-4.94%	21.10%	11.23%	0.75%	12.99%
MSCI Europe ex UK	6.33%	-11.31%	13.59%	2.31%	8.30%	6.79%
MSCI Asia Pacific ex Japan	6.55%	-10.60%	30.17%	7.41%	-4.10%	6.92%
MSCI Emerging Markets	7.18%	-10.08%	30.55%	9.69%	-5.76%	5.17%
MSCI Japan	5.24%	-15.15%	19.75%	-0.74%	9.93%	9.48%
S&P GSCI Gold Spot	3.12%	-2.81%	12.79%	7.75%	-10.88%	-1.75%
S&P GSCI Brent Crude Spot	13.02%	-15.30%	15.49%	28.46%	-45.66%	-48.07%

Source: Financial Express

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