

The majority of global equity markets continued their positive start to the year by posting gains in local terms although, due to Sterling strengthening against a broad basket of currencies, returns for UK investors were more muted. Of the major indices we track only the FTSE100 and S&P500 have delivered positive returns in the last 12 months.

The FTSE100 rose to a high of 7,237 on 15 February before ending the month on 7,075 translating into a return of 2.3%¹. The UK benchmark is now positive over 12 months with a return of 2.2% despite being around 10% below the all-time high from May 2018.

The S&P 500 had a month of modest growth with a total return of 2.0% in February. In Dollar terms this rises to more than 3.1% and year to date the index is up nearly 11.4%. The MSCI World index, which has a weighting of over 60% to the US equities, achieved a lower return in sterling terms of 1.9% but a higher return in local terms of 3.3% with the difference being driven by a weakening Euro and Yen.

Japanese markets finished the month with a loss of 1.1% due to currency translation effects, despite the index returning nearly 2.3% in local terms, making it the weakest performing equity market we track for UK investors. The more volatile MSCI Emerging Markets also posted a negative return of 0.9% and has lost nearly 6.7% over the last year. The MSCI Asia Pacific ex Japan and Europe ex UK indices both produced positive gains of 1.2% and 2.2% respectively in February but despite this remain negative over the last 12 months.

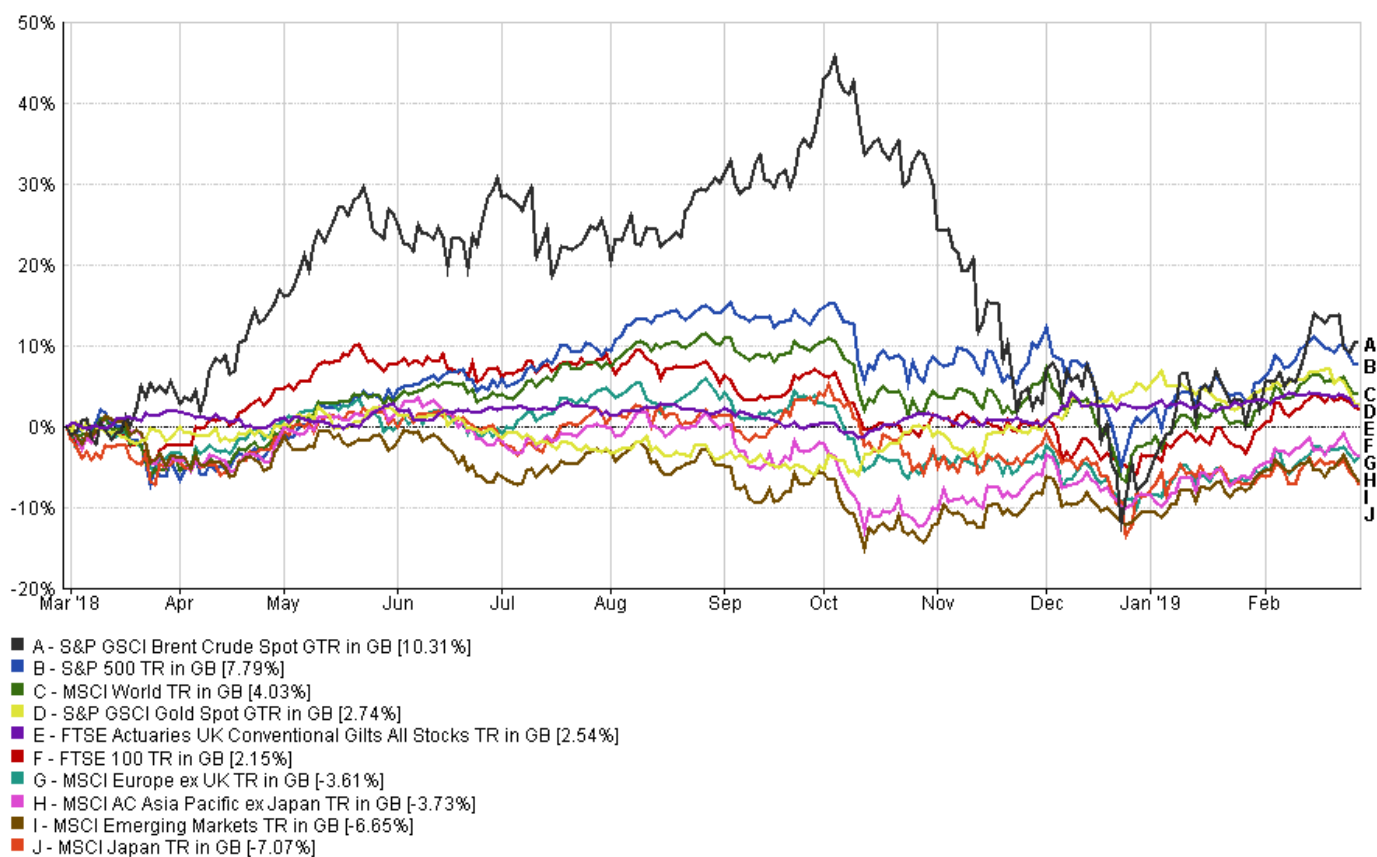
The yield on the 10 year US Treasury index ended February at 2.7%, around the same level as a year ago, having spent the month oscillating between 2.7% and 2.6%. This is substantially lower than the recent peak of 3.2% in November 2018 but significantly higher than the 1.4% registered in mid-2016. The benchmark 10-year UK Gilt yield had dropped early in the month but after a resurgence in the last few days it finished around the same level it began the year, at 1.3%. The FTSE Actuaries UK Conventional Gilts All Stocks index returned a corresponding loss of 0.9% due to the inverse relationship between yields and prices for fixed interest assets. Japanese 10 year government debt yield remains close to zero and the equivalent Swiss and German bond yields continue to trade around -0.2% and 0.2% respectively.

The Brent Crude spot price continued to rise and increased by 8% in February. Over three years it has now increased by over 80% yet over 5 years it has fallen nearly 45%, indicating the highly volatile nature of market. Gold fell by around 1.6% and over 3 years has returned less than 10%.

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

1-Year Performance in Sterling Terms to 28 February 2019



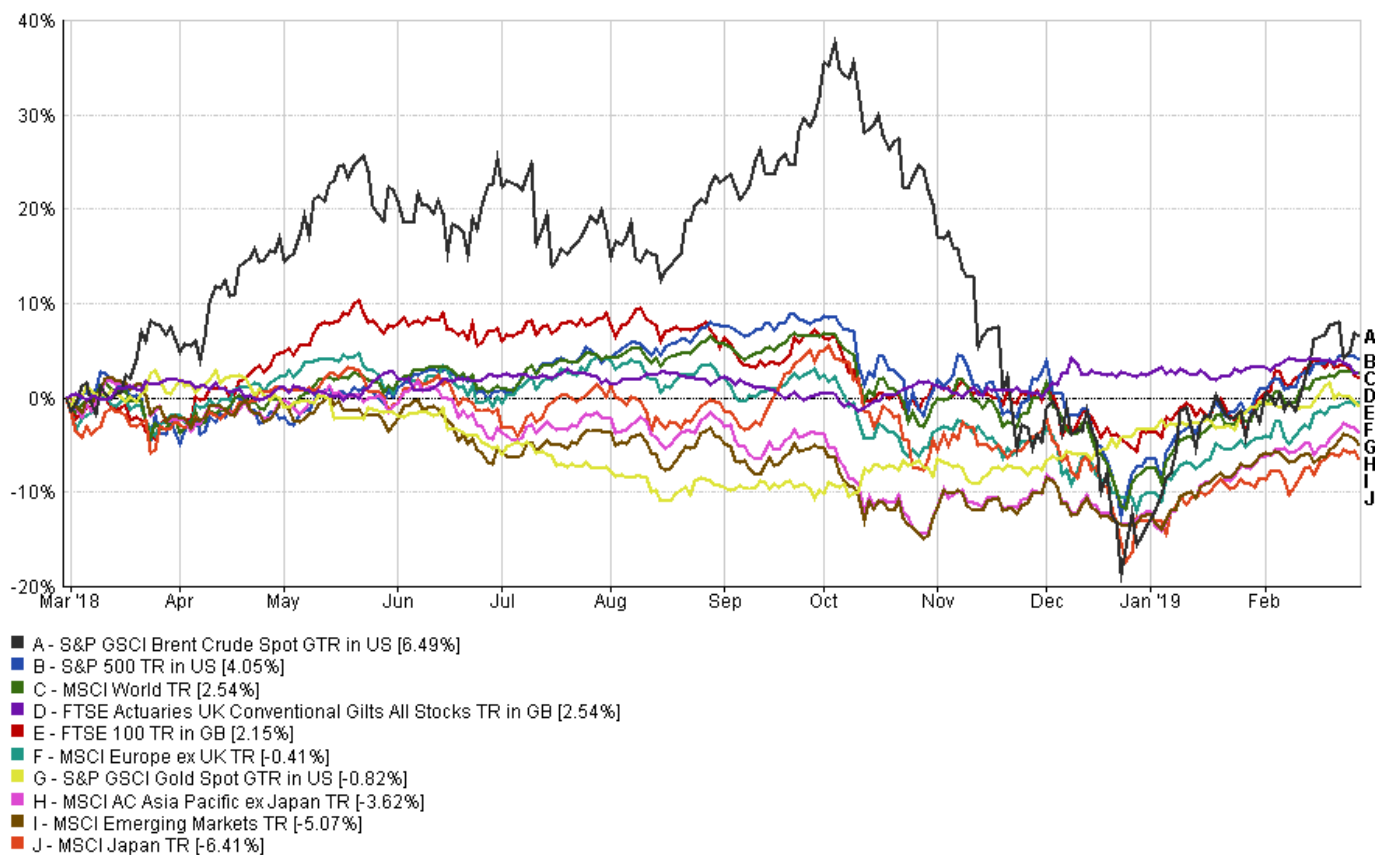
28/02/2018 - 28/02/2019 Data from FE 2019

Cumulative Performance in Sterling Terms to 28 February 2019

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-0.88%	2.36%	0.52%	2.54%	8.26%	26.64%
MSCI World	1.87%	-1.60%	-5.54%	4.03%	48.27%	72.87%
FTSE 100	2.29%	2.30%	-3.08%	2.15%	31.20%	26.43%
S&P 500	2.00%	-2.87%	-5.55%	7.79%	55.50%	102.78%
MSCI Europe ex UK	2.21%	0.28%	-6.76%	-3.61%	34.57%	33.00%
MSCI Asia Pacific ex Japan	1.18%	2.35%	-3.61%	-3.73%	56.89%	63.49%
MSCI Emerging Markets	-0.88%	1.79%	-1.96%	-6.65%	58.75%	54.28%
MSCI Japan	-1.13%	-5.05%	-8.41%	-7.07%	36.71%	62.52%
S&P GSCI Gold Spot	-1.60%	3.07%	6.75%	2.74%	9.71%	21.68%
S&P GSCI Brent Crude Spot	8.03%	7.12%	-15.32%	10.31%	80.48%	-44.24%

Source: Financial Express

1-Year Performance in Local Currency Terms to 28 February 2019



28/02/2018 - 28/02/2019 Data from FE 2019

Cumulative Performance in Local Currency Terms to 28 February 2019

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-0.88%	2.36%	0.52%	2.54%	8.26%	26.64%
MSCI World	3.34%	2.11%	-3.05%	2.54%	41.61%	47.36%
FTSE 100	2.29%	2.30%	-3.08%	2.15%	31.20%	26.43%
S&P 500	3.14%	1.26%	-3.34%	4.05%	49.20%	60.94%
MSCI Europe ex UK	4.15%	4.12%	-2.43%	-0.41%	25.73%	27.85%
MSCI Asia Pacific ex Japan	2.96%	7.17%	-1.23%	-3.62%	47.28%	41.33%
MSCI Emerging Markets	1.10%	5.62%	-0.87%	-5.07%	46.87%	41.67%
MSCI Japan	2.25%	-2.96%	-5.90%	-6.41%	28.17%	40.68%
S&P GSCI Gold Spot	-0.50%	7.45%	9.24%	-0.82%	5.26%	-3.43%
S&P GSCI Brent Crude Spot	9.23%	11.67%	-13.34%	6.49%	73.16%	-55.74%

Source: Financial Express

Calendar Performance in Sterling Terms to 28 February 2019

	2019	2018	2017	2016	2015	2014
FTSE Actuaries UK Conventional Gilts All Stocks	0.17%	0.57%	1.83%	10.10%	0.57%	13.86%
MSCI World	6.31%	-3.04%	11.80%	28.24%	4.87%	11.46%
FTSE 100	6.01%	-8.73%	11.95%	19.07%	-1.32%	0.74%
S&P 500	6.63%	0.96%	10.62%	32.67%	6.58%	20.02%
MSCI Europe ex UK	5.29%	-9.87%	15.84%	18.62%	5.11%	-0.73%
MSCI Asia Pacific ex Japan	5.10%	-8.57%	25.13%	27.34%	-4.12%	9.21%
MSCI Emerging Markets	4.38%	-9.27%	25.40%	32.63%	-9.99%	3.90%
MSCI Japan	1.56%	-7.47%	13.25%	22.12%	15.91%	1.95%
S&P GSCI Gold Spot	-1.76%	3.23%	3.02%	28.52%	-5.72%	4.36%
S&P GSCI Brent Crude Spot	18.21%	-10.04%	5.49%	53.23%	-42.51%	-44.83%

Source: Financial Express

Calendar Performance in Local Currency Terms to 28 February 2019

	2019	2018	2017	2016	2015	2014
FTSE Actuaries UK Conventional Gilts All Stocks	0.17%	0.57%	1.83%	10.10%	0.57%	13.86%
MSCI World	10.82%	-7.38%	18.48%	9.00%	2.08%	9.81%
FTSE 100	6.01%	-8.73%	11.95%	19.07%	-1.32%	0.74%
S&P 500	11.36%	-4.94%	21.10%	11.23%	0.75%	12.99%
MSCI Europe ex UK	10.74%	-11.31%	13.59%	2.31%	8.30%	6.79%
MSCI Asia Pacific ex Japan	9.70%	-10.60%	30.17%	7.41%	-4.10%	6.92%
MSCI Emerging Markets	8.35%	-10.08%	30.55%	9.69%	-5.76%	5.17%
MSCI Japan	7.62%	-15.15%	19.75%	-0.74%	9.93%	9.48%
S&P GSCI Gold Spot	2.60%	-2.81%	12.79%	7.75%	-10.88%	-1.75%
S&P GSCI Brent Crude Spot	23.45%	-15.30%	15.49%	28.46%	-45.66%	-48.07%

Source: Financial Express

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