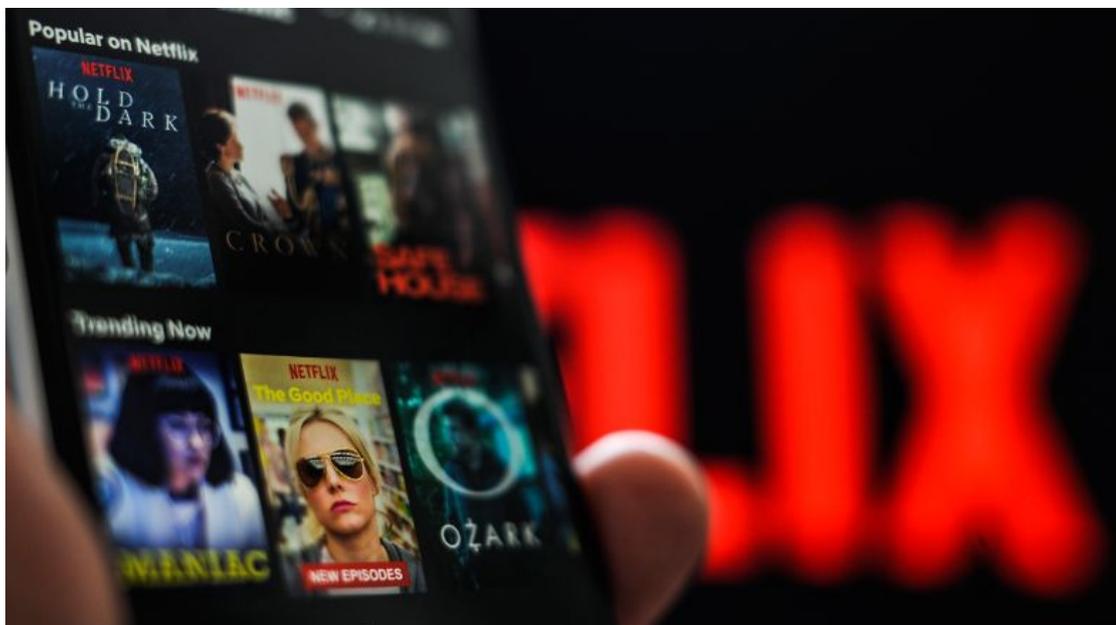




Monthly Market Roundup October 2018 (covering September)

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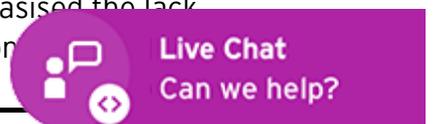


We review global market developments in September, highlighting the best and worst performing sectors globally.

Global



- Global equity markets proved resilient in the face of mounting political, trade and monetary policy headwinds
- Optimism over corporate earnings and economic growth saw global equity markets reach a seven-month high
- China's refusal to take part in bilateral talks on trade emphasised the lack of resolution on tariffs between the world's two largest economies



US



- September rounded off the strongest quarter for the US equity market since 2013
- The interest rate rise reflected an upbeat assessment of the US economy
- The communication services sector launched amid an increasing overlap in services provided by telecoms, media and some internet companies

Europe



- European equity markets were broadly flat during September
- Italy was the best performing market, despite sharp falls at month end
- Draghi notes "vigorous" pick-up in inflation

UK



- UK equity markets were broadly unchanged during September
- The European Union (EU) rejected the Prime Minister's Chequers plan towards month-end, leading the pound weaker versus the US dollar and euro
- There were encouraging signs from the UK Retail sector in September, as data released during the month showed a higher-than-anticipated rise in consumer spending

Asia Pacific



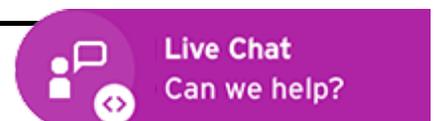
- Concerns about Chinese economic growth continued
- The China-US trade war escalated
- Japan made solid gains, as trade tensions with the US eased slightly from their perspective

Emerging Markets



- There were calmer conditions in emerging equity markets, with higher US interest rates and growing trade tensions being brushed aside
- Turkey raised eyebrows as it hiked interest rates by 675 basis points to address risks of rising inflation and capital flight
- Confidence towards Mexico was boosted by a new trilateral trade agreement with Canada and the US

Fixed Interest



- Government bond yields rose during September as concerns over emerging markets abated

- The Italian Government announced a budget of 2.4% of GDP - higher than the market and European Commission were anticipating
- The US Federal Reserve hiked interest rates for the eighth time this cycle

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

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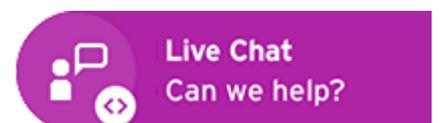
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