

# Current Update

April 2019



## Market Commentary

April was another positive month for investors as equities values continued to appreciate. European and US equities gained the most with Asian and Emerging Markets lagging but still positive. Anchor assets, particularly Gilts, lost some of their gains year to date but overall investment sentiment continued to be positive.

In the UK Brexit continued to dominate headlines. The EU Elections now set for May 22nd and the latest extension date for any deal is now October 31st. The biggest effect for investors has once again been seen in the ever changing value of sterling as investors continue to guess the possible outcome. Economically despite the usual worries regarding retail Manufacturing and Consumer spending was up, and unemployment down to mid-1970's levels. GDP was also up, although some commentators were quick to point out that stock piling for a no-deal Brexit may not last for ever.

European stock markets enjoyed good months in April. But look below the surface and the month which brought the Notre Dame fire also brought some worrying straws in the wind for the French and German economies. France is on course to overtake Italy as the world's fourth most indebted country while the forecast for German growth in 2019 has been slashed to just 0.5%.

As well as equities rising in the US the economic news was also positive. The payroll report was positive and the US trade deficit continued to shrink as exports to China rose. GDP growth also remained strong at an annualised rate of 3.2%.

In China the equivalent of our Purchasing Managers' Index rose to 50.8 in March from 49.9 in February - with any figure above 50 indicating that the economy is expanding. Official manufacturing figures also pointed to a jump in activity, and the positive news was confirmed in mid-month as figures showed that the Chinese economy had grown by 6.4% in the first three months of the year, ahead of expectations of 6.3%. Despite all this China's Shanghai Composite index was the one market that barely moved during April.

Finally voting is underway in India, the world's biggest democracy. The polls opened on 11th April and the final votes will not be cast until 19th May, with current Prime Minister Narendra Modi likely to win again. The campaign has been dominated by jobs, as India's unemployment rate continues to rise: some estimates suggest that the country needs to create 8-10m new jobs a year to tackle the problem.

## 10 Key Events to Watch:

UK		Previous	Forecast
Friday, May 10, 2019	GDP (QoQ) (Q1)	0.2%	0.2%
Tuesday, May 14, 2019	Unemployment Rate (Mar)	3.9%	-
Tuesday May 14, 2019	Claimant Count Change (Apr)	28.3K	20.0K
Wednesday, May 22, 2019	CPI (YoY) (Apr)	1.9%	1.8%
GLOBAL			
Friday, May 10, 2019	USA CPI (YoY) (Apr)	1.9%	2.1%
Monday, May 13, 2019	India CPI (YoY) (Apr)	2.86%	2.80%
Wednesday, May 15, 2019	German GDP (QoQ) (Q1)	-0.2%	0.1%
Wednesday, May 15, 2019	Euro GDP (QoQ) (Q1)	0.4%	-
Sunday, May 19, 2019	Japan GDP (QoQ) (Q1)	0.5%	0.4%

## Key Recent Announcements

### US ISM MANUFACTURING PMI (Mar):

Survey results shows uptrend to 55.3 in February of 2019 from 54.2 in February, against market expectations of 54.5.

### UK MANUFACTURING PMI (Mar):

Manufacturing PMI stood at 55.1 as compared to 52.1 from the previous month.

### UK INFLATION RATE YoY (MAR):-

The rate of inflation across the UK stood at 1.9 percent in March 2019, compared to 1.9 percent the previous market expectations of 2.0 percent.

### UK BOE INTEREST DECISION:-

The Interest rate remains same at 0.75%.

UK	30-Apr-19	31-Dec-18
FTSE 100	7,418	6,728
FTSE 100 %Change	10.26%	-12.5%
BoE Interest Rate	0.75%	0.75%
CPI	1.90%	2.30%
Govt, 10YR Yield	1.19%	1.15%
FTSE 350	4,121	3,772

Currency	30-Apr-19	31-Dec-18
GBP/USD	1.30	1.28
GBP/EURO	1.16	0.90

Commodity (\$)	30-Apr-19	31-Dec-18
Gold	1,285	1,283.0
Silver	14.98	15.44
Brent Crude Oil	63.91	54.16

Govt 10YR Bond	30-Apr-19	31-Dec-18
US	2.5	2.68
Japan (JGB)	-0.03	0.00
Germany (Bund)	0.02	0.24

Global Markets	30-Apr-19	31-Dec-18
Dow Jones	26,592	23,327
Dax	12,344	10,558
CAC	5,586	4,730
Nikkei 225	22,258	20,014
Shanghai	3,078	2,493
Sensex	39,031	36,068
Nifty 50	11,748	10,862

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