

Despite an extraordinary start to the year where the FTSE 100 index hit a new high on each of the first 12 trading days of the year, the index ultimately lost 0.57% in January. European markets also had a lack lustre start to the year, with the FTSE World Europe ex UK losing 0.12% in local currency terms. This translated to a modest 0.68% gain in Sterling terms.

US equity markets saw all of the major equity indices hit record highs over the month, despite the uncertainty created by the transition to a new administration led by a “political outsider”. The S&P 500 had a total return of 1.86% in US Dollar terms, but produced a more muted 0.05% in Sterling terms. This was because the Pound strengthened 0.6% over the month in comparison to the US Dollar. A number of US companies released their quarterly earnings statements in January. More cyclical companies such as energy and financials have been at the forefront of earnings growth. It remains to be seen if this will be sustainable as it was driven by higher oil prices and the modest interest rate increase in December.

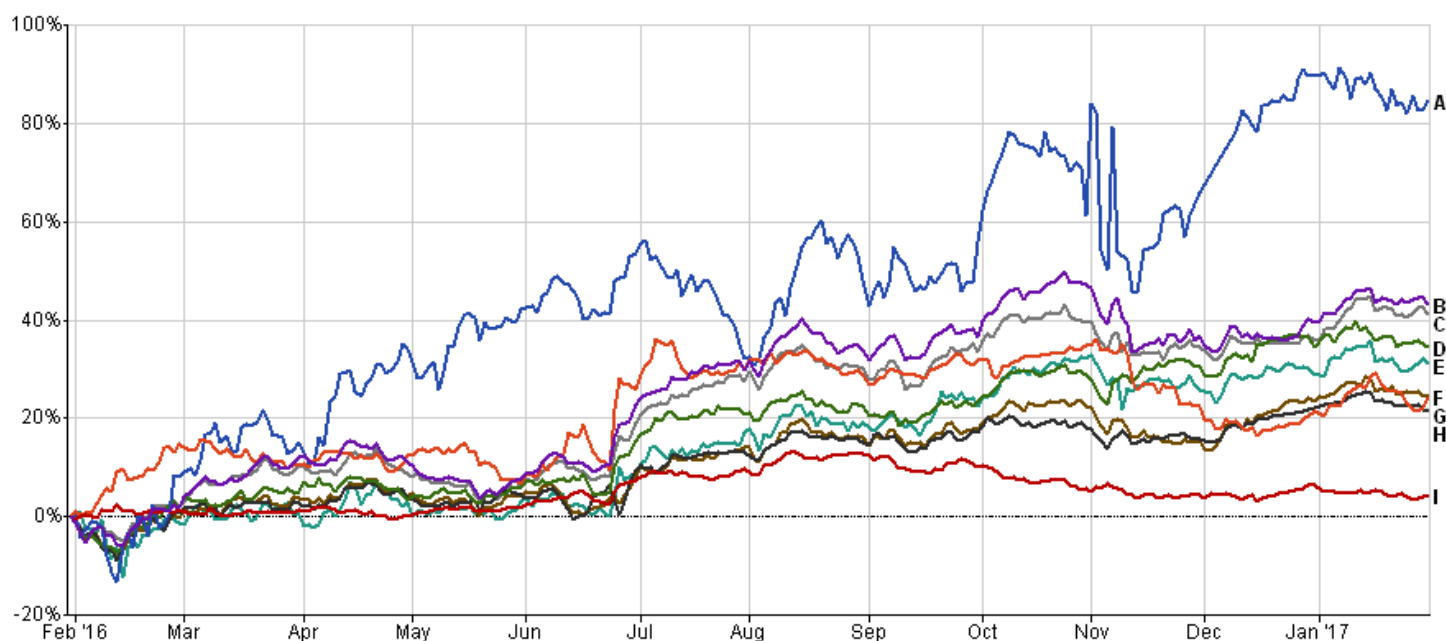
Despite the threat of a more protectionist trade environment the FTSE World Asia Pacific ex Japan index returned 2.59% in local terms and 3.92% in Sterling terms. The FTSE Emerging market index also recovered from the weakness seen at the end of 2016 with a total return of 3.58% in local currency terms and 2.78% in Sterling terms. The FTSE Japan returned just 0.04% in Yen terms but this equated to 1.80% in Sterling terms.

Gilt prices have fallen and yields have risen in tandem due to the inverse relationship between price and yield. The FTSE Actuaries UK Conventional Gilts All Stocks index was down 1.74% for the month of January and has lost 4.82% in the six months between July and January. The 10-year benchmark gilt yield is now 1.29% compared to 0.75% in September. Stronger growth, higher inflation and the potential for an early end to QE operations have put upwards pressure on European government bond yields and a decline in prices. The German 10-year Bund yield reached 0.4% in January, its highest level since January 2016. The percentage of Eurozone government bonds trading with a negative yield has fallen from a high of 52% in September to below 25% in January. Nevertheless, the difference between the 2.45% yield on the US 10-year Treasury and the 10-Year Bund is now the largest it has been in over 20 years.

Oil prices moderated slightly, with Brent crude down 1% in US Dollar terms and 2.75% in Sterling terms. Gold prices strengthened in the last month up 4.23% in US Dollar terms and 2.37% in Sterling terms. It is worth keeping in mind that like all commodities, gold prices are volatile and on a 5-year view the price is down 26.85% in US Dollar terms and 10.42% in Sterling terms.

Georgina Ogilvie-Jones

1-Year Performance in Sterling Terms to January 2017



- A - Commodity Prices Oil Price Brent Crude (\$) in GB [84.57%]
- B - FTSE Emerging GTR in GB [43.31%]
- C - FTSE World Asia Pacific ex Japan TR in GB [41.11%]
- D - S&P 500 TR in GB [34.46%]
- E - FTSE Japan GTR in GB [31.00%]
- F - FTSE World Europe ex UK TR in GB [24.41%]
- G - LBMA Gold Bullion LBMA Sterling/Troy Ounce in GB [24.21%]
- H - FTSE 100 TR in GB [21.41%]
- I - FTSE Actuaries UK Conventional Gilts All Stocks TR in GB [4.40%]

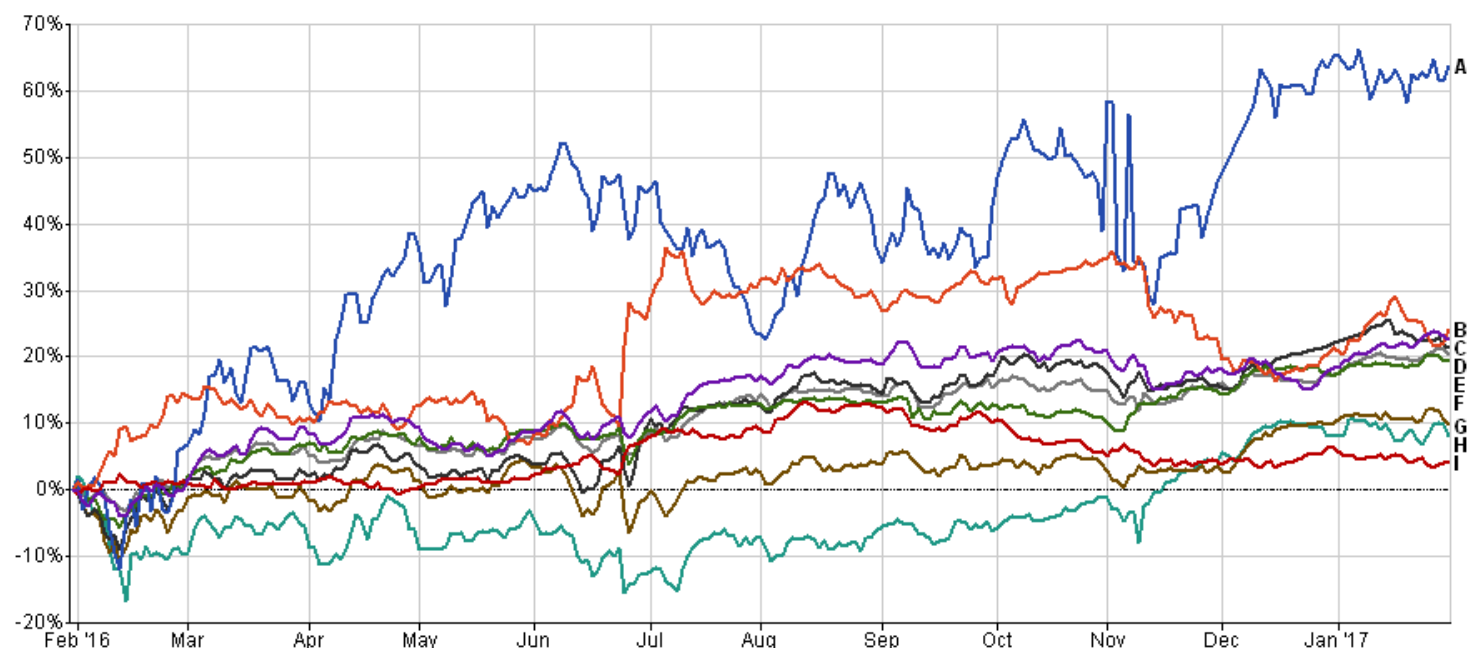
29/01/2016 - 31/01/2017 Data from FE 2017

Cumulative Performance in Sterling Terms to January 2017

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	-1.74%	-1.26%	-4.82%	4.40%	21.47%	22.77%
FTSE 100 (GBP)	-0.57%	2.67%	7.36%	21.41%	21.91%	50.50%
S&P 500 (GBP)	0.05%	4.40%	11.47%	34.46%	74.57%	134.76%
FTSE World Europe ex UK (GBP)	0.68%	1.66%	9.07%	24.41%	31.02%	79.88%
FTSE World Asia Pacific ex Japan (GBP)	3.92%	1.07%	10.74%	41.11%	43.54%	54.23%
FTSE Emerging (GBP)	2.78%	-2.64%	10.44%	43.31%	43.18%	30.81%
FTSE Japan (GBP)	1.80%	-0.92%	11.82%	31.00%	55.59%	89.37%
Brent Crude Spot Price (GBP)	-2.75%	14.40%	39.62%	84.57%	-32.07%	-36.43%
LBMA Gold Bullion Spot Price (GBP)	2.37%	-7.77%	-4.66%	24.21%	27.41%	-10.42%

Source: Financial Express

1-Year Performance in Local Currency Terms to January 2017



- A - Commodity Prices Oil Price Brent Crude (\$) in US [63.70%]
- B - LBMA Gold Bullion LBMA Sterling/Troy Ounce in GB [24.21%]
- C - FTSE Emerging GTR [22.70%]
- D - FTSE 100 TR in GB [21.41%]
- E - FTSE World Asia Pacific ex Japan TR [20.31%]
- F - S&P 500 TR in US [19.26%]
- G - FTSE World Europe ex UK TR [9.83%]
- H - FTSE Japan GTR [8.04%]
- I - FTSE Actuaries UK Conventional Gilts All Stocks TR in GB [4.40%]

29/01/2016 - 31/01/2017 Data from FE 2017

Cumulative Performance in Local Currency Terms to January 2017

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	-1.74%	-1.26%	-4.82%	4.40%	21.47%	22.77%
FTSE 100 (GBP)	-0.57%	2.67%	7.36%	21.41%	21.91%	50.50%
S&P 500 (USD)	1.86%	7.59%	5.63%	19.26%	33.64%	87.17%
FTSE World Europe ex UK (Composite)	-0.12%	5.73%	6.67%	9.83%	22.72%	71.54%
FTSE World Asia Pacific ex Japan (Composite)	2.59%	4.71%	6.08%	20.31%	19.74%	43.75%
FTSE Emerging (Composite)	3.58%	1.60%	5.52%	22.70%	23.12%	34.36%
FTSE Japan (Yen)	0.04%	9.38%	16.39%	8.04%	31.48%	122.89%
Brent Crude Spot Price (USD)	-0.99%	17.89%	32.30%	63.70%	-47.99%	-49.32%
LBMA Gold Bullion Spot Price (USD)	4.23%	-4.96%	-9.65%	10.16%	-2.47%	-26.85%

Source: Financial Express

Calendar Performance in Sterling Terms

	YTD	2016	2015	2014	2013	2012
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	-1.74%	10.10%	0.57%	13.86%	-3.94%	2.51%
FTSE 100 (GBP)	-0.57%	19.07%	-1.32%	0.74%	18.66%	9.97%
S&P 500 (GBP)	0.05%	32.67%	6.58%	20.02%	29.10%	10.16%
FTSE World Europe ex UK (GBP)	0.68%	19.69%	5.35%	0.16%	25.18%	17.82%
FTSE World Asia Pacific ex Japan (GBP)	3.92%	31.69%	-4.40%	5.01%	2.72%	17.72%
FTSE Emerging (GBP)	2.78%	35.43%	-10.31%	7.87%	-5.29%	12.76%
FTSE Japan (GBP)	1.80%	22.68%	17.58%	2.73%	24.95%	3.34%
Brent Crude Spot Price (GBP)	-2.75%	88.37%	-31.97%	-46.75%	-0.94%	-2.56%
LBMA Gold Bullion Spot Price (GBP)	2.37%	31.58%	-6.95%	5.56%	-29.15%	0.10%

Source: Financial Express

Calendar Performance in Local Currency Terms

	YTD	2016	2015	2014	2013	2012
FTSE Actuaries UK Conventional Gilts All Stocks (GBP)	-1.74%	10.10%	0.57%	13.86%	-3.94%	2.51%
FTSE 100 (GBP)	-0.57%	19.07%	-1.32%	0.74%	18.66%	9.97%
S&P 500 (USD)	1.86%	11.23%	0.75%	12.99%	31.55%	15.22%
FTSE World Europe ex UK (Composite)	-0.12%	3.42%	8.66%	7.58%	23.37%	20.54%
FTSE World Asia Pacific ex Japan (Composite)	2.59%	11.16%	-2.73%	4.18%	11.36%	19.07%
FTSE Emerging (Composite)	3.58%	12.06%	-5.83%	7.17%	3.92%	18.79%
FTSE Japan (Yen)	0.04%	-0.28%	11.52%	10.32%	54.77%	21.46%
Brent Crude Spot Price (USD)	-0.99%	56.92%	-35.28%	-49.87%	0.93%	1.92%
LBMA Gold Bullion Spot Price (USD)	4.23%	10.31%	-12.04%	-0.40%	-27.97%	4.76%

Source: Financial Express

This document reflects the general views and opinions of Dewhurst Torevell & Co Ltd only and these are subject to change without notice. This document and its contents do not constitute advice or a personal recommendation and do not take into account individual client circumstances or needs.

The value of investments can go down in value as well as up, so you could get back less than you invest. It should be remembered that past performance is not necessarily a guide to future performance.

Our research is undertaken and views are expressed with all reasonable care and are not knowingly misleading. Any information provided in this document is obtained from sources that we consider to be reasonable and trustworthy but accuracy cannot be guaranteed.

Issued by Dewhurst Torevell & Co Ltd, 5 Oxford Court, Manchester M2 3WQ. Tel 0161 281 6400. www.dewhurst-torevell.co.uk. Dewhurst Torevell & Co Ltd is a company registered in England 3279315 and is authorised and regulated by the Financial Conduct Authority (FCA number 183210).