

All major equity indices have made gains over the last 12 months in Sterling terms. Whilst the FTSE 100 one year return of 14% appears modest in comparison with a 26% return from the FTSE World Europe ex UK it is still appreciable. Over 5 years the S&P 500 has produced the best total return for Sterling based investors of 133%.

Global equity markets advanced in August and the FTSE World index returned 2.7%. Once again, the riskier areas of the market saw the largest gains, and the FTSE Emerging index was up 5.4%. This is mainly due to momentum from large scale flows to tracker funds, rather than any improvement in fundamental data, an issue discussed in more detail in our two most recent Economic Commentaries. The FTSE World Europe ex UK, World Asia Pacific ex Japan and S&P 500 indices had fairly equivalent returns in a narrow range between 2.6% and 2.8%.

Despite rollercoaster moves for individual stocks such as Provident Financial, the FTSE 100 made headway, gaining 1.6% by the end of the month. The index remains the key barometer of the UK stock market despite its constituents being dominated by international finance, mining, pharmaceuticals and other global businesses. The quarterly rebalance at the end of the month saw two beleaguered UK domestic companies move out of the index: Provident Financial and Royal Mail. They will be replaced by housebuilder Berkeley and UAE-based healthcare group NMC.

The FTSE Actuaries UK Conventional Gilts All Stocks index gained 1.9% in August, trimming the 1-year loss to 3.3%.

Brent oil gained 2.8% in the last month, trimming losses to 14.4% for the year to date and to 57.9% on a 5-year basis. Geopolitical events positively influenced gold prices, extending recovery for the year to date to 9.2%. The gold price is still down 6.3% in Sterling terms on a 5-year view, however, and the price remains volatile, as is the case for all commodities.

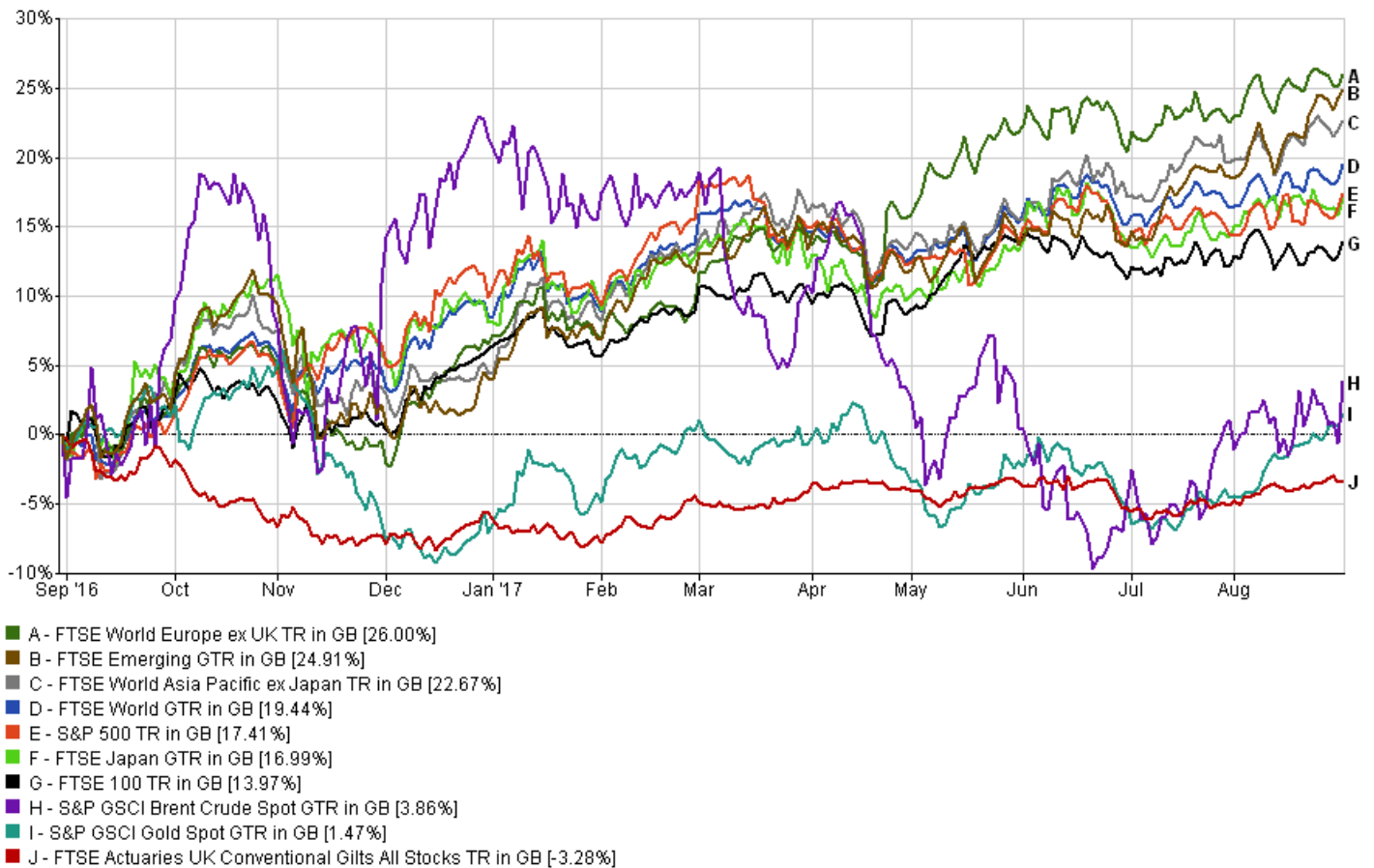
Note on Currency Movements in August

The Euro has strengthened throughout 2017. On a trade-weighted basis, the currency reached its highest level since 2014 in August. It rose by 0.4% versus the US dollar and 2.8% versus Sterling over the month and this was a positive influence on Sterling denominated returns for the FTSE World Europe ex UK index, translating a local currency loss of 1% into a gain of 2%.

Aggressive rhetoric and missile tests from North Korea were a short term influence on some markets when considered in their local currencies, in particular, Japan and the US. The S&P 500 and FTSE Japan indices were flat in local terms in the last month. Sterling weakened against both the Dollar and the Yen in August though, creating positive returns for these indices in Sterling terms.

Georgina Ogilvie-Jones

1-Year Performance in Sterling Terms to 31 August 2017

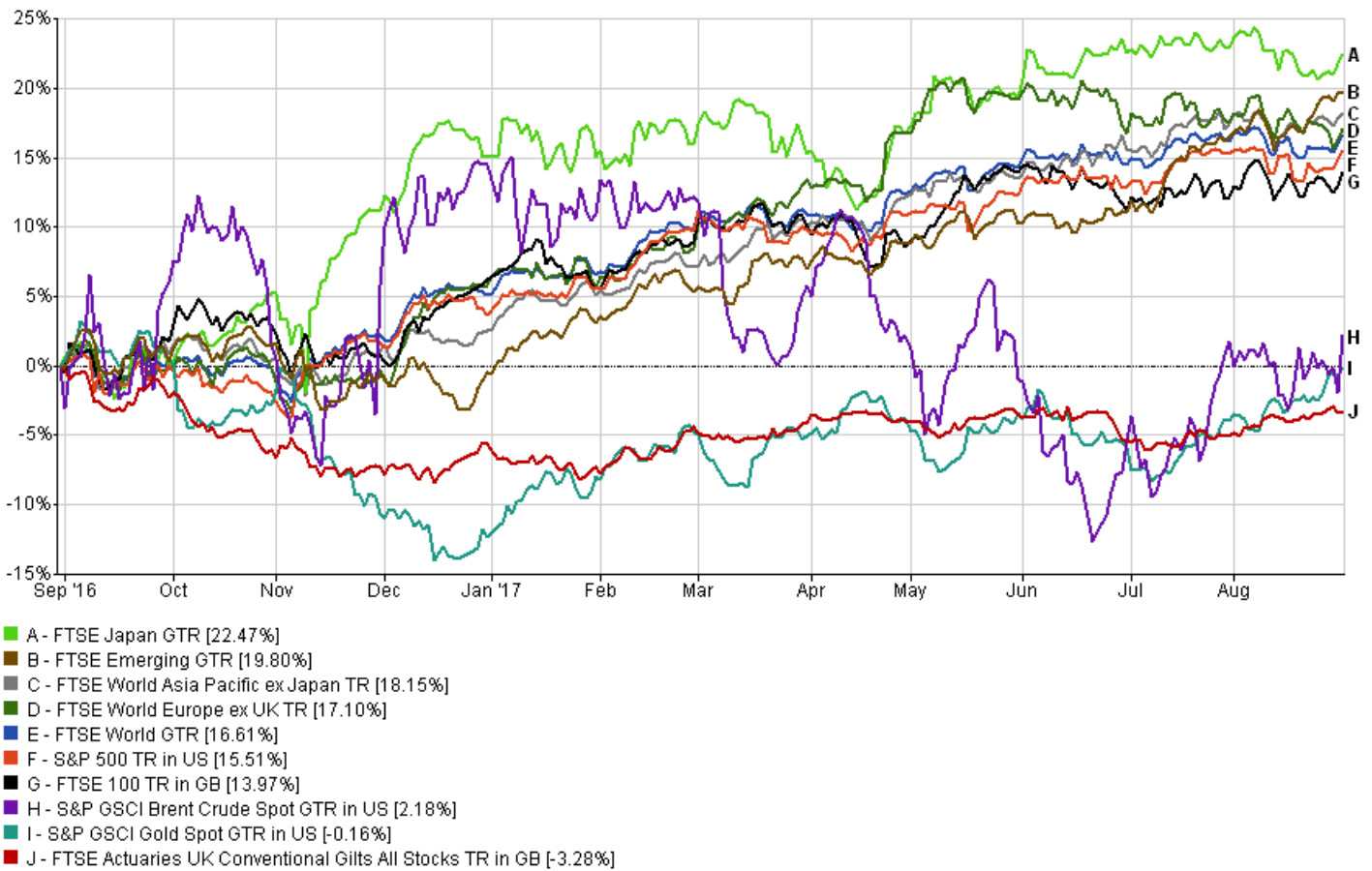


Cumulative Performance in Sterling Terms to 31 August 2017

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	1.89%	0.18%	1.21%	-3.28%	19.92%	22.80%
FTSE World	2.65%	3.59%	5.01%	19.44%	54.52%	110.28%
FTSE 100	1.63%	0.01%	4.69%	13.97%	22.29%	56.97%
S&P 500	2.55%	3.04%	1.72%	17.41%	66.23%	133.34%
FTSE World Europe ex UK	2.83%	3.37%	15.12%	26.00%	47.28%	105.49%
FTSE World Asia Pacific ex Japan	2.58%	6.25%	8.35%	22.67%	40.41%	72.67%
FTSE Emerging	5.36%	9.87%	11.85%	24.91%	39.35%	63.04%
FTSE Japan	2.39%	3.35%	3.69%	16.99%	61.27%	112.11%
S&P GSCI Brent Crude Spot	6.33%	3.53%	1.15%	1.47%	29.50%	-6.30%
S&P GSCI Gold Spot	2.77%	3.31%	-12.02%	3.86%	-56.31%	-57.87%

Source: Financial Express

1-Year Performance in Local Currency Terms to 31 August 2017



31/08/2016 - 31/08/2017 Data from FE 2017

Cumulative Performance in Local Currency Terms to 31 August 2017

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	1.89%	0.18%	1.21%	-3.28%	19.92%	22.80%
FTSE World	0.34%	2.09%	6.21%	16.61%	27.06%	84.66%
FTSE 100	1.63%	0.01%	4.69%	13.97%	22.29%	56.97%
S&P 500	0.23%	2.85%	5.33%	15.51%	28.97%	89.30%
FTSE World Europe ex UK	-0.32%	-1.73%	7.96%	17.10%	25.96%	78.08%
FTSE World Asia Pacific ex Japan	0.67%	4.10%	10.35%	18.15%	20.27%	56.71%
FTSE Emerging	2.79%	8.70%	13.76%	19.80%	21.29%	57.17%
FTSE Japan	-0.32%	2.67%	5.62%	22.47%	32.56%	141.86%
S&P GSCI Brent Crude Spot	3.92%	3.34%	4.73%	-0.16%	0.48%	-23.98%
S&P GSCI Gold Spot	0.44%	3.12%	-8.90%	2.18%	-66.10%	-65.82%

Source: Financial Express

Calendar Performance in Sterling Terms to August 2017

	YTD	2016	2015	2014	2013	2012
FTSE Actuaries UK Conventional Gilts All Stocks	2.51%	10.10%	0.57%	13.86%	-3.94%	2.51%
FTSE World	10.13%	29.59%	4.34%	11.29%	22.36%	11.83%
FTSE 100	7.31%	19.07%	-1.32%	0.74%	18.66%	9.97%
S&P 500	6.89%	32.67%	6.58%	20.02%	29.10%	10.16%
FTSE World Europe ex UK	18.30%	19.69%	5.35%	0.16%	25.18%	17.82%
FTSE World Asia Pacific ex Japan	17.48%	31.69%	-4.40%	5.01%	2.72%	17.72%
FTSE Emerging	20.02%	35.43%	-10.31%	7.87%	-5.29%	12.76%
FTSE Japan	8.22%	22.68%	17.58%	2.73%	24.95%	3.34%
S&P GSCI Brent Crude Spot	9.17%	28.52%	-5.72%	4.36%	-29.98%	1.42%
S&P GSCI Gold Spot	-14.41%	53.23%	-42.51%	-44.83%	4.96%	3.91%

Source: Financial Express

Calendar Performance in Local Currency Terms to August 2017

	YTD	2016	2015	2014	2013	2012
FTSE Actuaries UK Conventional Gilts All Stocks	2.51%	10.10%	0.57%	13.86%	-3.94%	2.51%
FTSE World	10.98%	9.97%	2.26%	9.92%	27.35%	16.70%
FTSE 100	7.31%	19.07%	-1.32%	0.74%	18.66%	9.97%
S&P 500	11.47%	11.23%	0.75%	12.99%	31.55%	15.22%
FTSE World Europe ex UK	10.71%	3.42%	8.66%	7.58%	23.37%	20.54%
FTSE World Asia Pacific ex Japan	15.27%	11.16%	-2.73%	4.18%	11.36%	19.07%
FTSE Emerging	20.35%	12.06%	-5.83%	7.17%	3.92%	18.79%
FTSE Japan	6.49%	-0.28%	11.52%	10.32%	54.77%	21.46%
S&P GSCI Brent Crude Spot	13.84%	7.75%	-10.88%	-1.75%	-28.65%	6.08%
S&P GSCI Gold Spot	-10.75%	28.46%	-45.66%	-48.07%	6.94%	8.69%

Source: Financial Express

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