

The FTSE World index was broadly flat in Sterling terms in January, gaining just 0.3%. Global equities continued their ascent in the early part of the month, but there was some turbulence towards the end and currency effects also trimmed gains for UK-based investors. Sterling has appreciated 7% against the US Dollar over the last 3 months, so although the S&P 500 continued to hit new highs in January, in Sterling terms the index was flat, gaining 0.5%

Sterling strength has also created a headwind for the FTSE 100 because 70% of the revenues for the companies in the index are generated from abroad. Some stock specific issues, such as the collapse of Carillion and the ripple effect to the outsourcing sector in general, also impaired returns. The FTSE 100 lost 2% across the month.

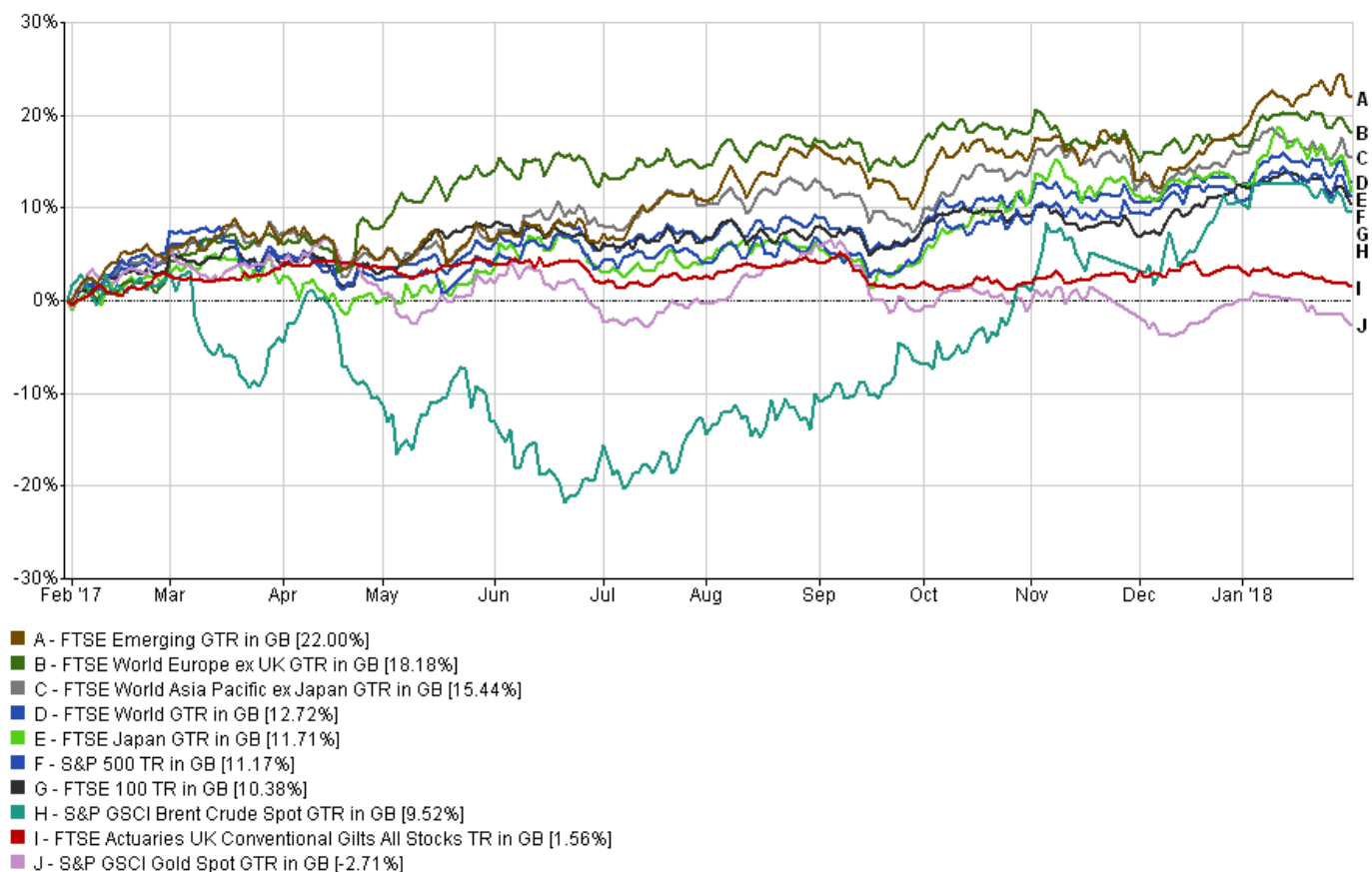
The more speculative FTSE Emerging Markets index gained 3.6% in January. Gains from other indices were muted with the FTSE World Europe ex UK index advancing 1.2%, the Asia Pacific ex Japan index broadly flat. The FTSE Japan index lost around 1%.

Yields on government bonds are rising and capital returns are falling. The yield on the benchmark 10-year US Treasury is now 2.85%, whilst the 10-year Gilt yield is 1.56%, the highest level in 18 months. The FTSE Actuaries UK Conventional Gilts All Stocks index lost 2% in the last month and gained just 1.6% in the last 12 months, in comparison to a 10.4% gain for the FTSE 100.

Oil prices have increased 25% in Sterling terms over the last 6 months due to a mixture of supply cuts and stronger demand; a longer term perspective reveals they have dropped a little over 50% in the last five years though. Gold prices also lack lustre, falling by nearly 13% in the last five years and losing circa 3% in the last month.

Georgina Ogilvie-Jones

1-Year Performance in Sterling Terms to 31 January 2018



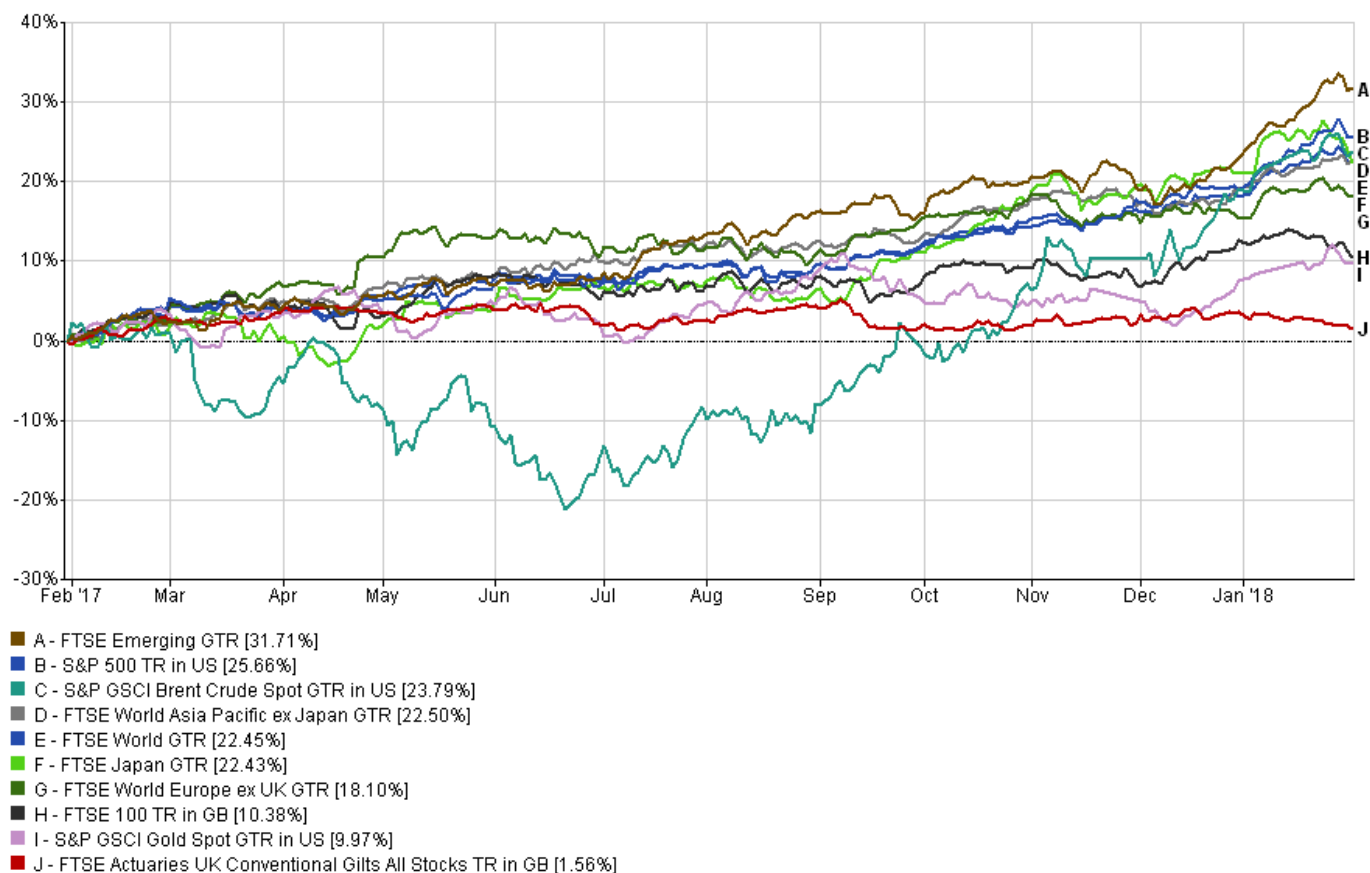
31/01/2017 - 31/01/2018 Data from FE 2018

Cumulative Performance in Sterling Terms to 31 January 2018

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-2.00%	-0.35%	-0.81%	1.56%	5.67%	23.19%
FTSE World	0.27%	2.11%	5.94%	12.72%	50.51%	95.12%
FTSE 100	-1.96%	1.13%	3.95%	10.38%	25.34%	44.72%
S&P 500	0.54%	2.74%	6.70%	11.17%	56.22%	126.07%
FTSE World Europe ex UK	1.24%	0.16%	3.43%	18.18%	44.00%	71.99%
FTSE World Asia Pacific ex Japan	-0.28%	1.77%	4.75%	15.44%	44.56%	55.67%
FTSE Emerging	3.58%	6.08%	10.08%	22.00%	45.60%	48.43%
FTSE Japan	-0.63%	1.36%	7.60%	11.71%	54.05%	98.13%
S&P GSCI Gold Spot	-2.64%	-1.64%	-2.31%	-2.71%	8.44%	-12.54%
S&P GSCI Brent Crude Spot	-1.18%	7.80%	25.17%	9.52%	-2.13%	-50.57%

Source: Financial Express

1-Year Performance in Local Currency Terms to 31 January 2018



31/01/2017 - 31/01/2018 Data from FE 2018

Cumulative Performance in Local Currency Terms to 31 January 2018

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-2.00%	-0.35%	-0.81%	1.56%	5.67%	23.19%
FTSE World	3.76%	6.55%	12.27%	22.45%	40.31%	86.42%
FTSE 100	-1.96%	1.13%	3.95%	10.38%	25.34%	44.72%
S&P 500	5.69%	10.02%	15.09%	25.66%	47.92%	102.77%
FTSE World Europe ex UK	2.35%	0.31%	6.21%	18.10%	27.15%	68.79%
FTSE World Asia Pacific ex Japan	2.85%	4.58%	9.76%	22.50%	32.58%	53.66%
FTSE Emerging	7.07%	9.85%	16.51%	31.71%	42.26%	57.03%
FTSE Japan	1.22%	4.27%	14.65%	22.43%	35.55%	112.56%
S&P GSCI Brent Crude Spot	2.34%	5.33%	5.38%	9.97%	2.68%	-21.56%
S&P GSCI Gold Spot	3.88%	15.44%	35.02%	23.79%	-7.33%	-55.66%

Source: Financial Express

Calendar Performance in Sterling Terms to January 2018

	YTD	2016	2015	2014	2013	2012
FTSE Actuaries UK Conventional Gilts All Stocks	-2.00%	1.83%	10.10%	0.57%	13.86%	-3.94%
FTSE World	0.27%	13.34%	29.59%	4.34%	11.29%	22.36%
FTSE 100	-1.96%	11.95%	19.07%	-1.32%	0.74%	18.66%
S&P 500	0.54%	10.62%	32.67%	6.58%	20.02%	29.10%
FTSE World Europe ex UK	1.24%	17.53%	19.69%	5.35%	0.16%	25.18%
FTSE World Asia Pacific ex Japan	-0.28%	20.30%	31.69%	-4.40%	5.01%	2.72%
FTSE Emerging	3.58%	21.06%	35.43%	-10.31%	7.87%	-5.29%
FTSE Japan	-0.63%	14.44%	22.68%	17.58%	2.73%	24.95%
S&P GSCI Brent Crude Spot	-2.64%	3.02%	28.52%	-5.72%	4.36%	-29.98%
S&P GSCI Gold Spot	-1.18%	5.49%	53.23%	-42.51%	-44.83%	4.96%

Source: Financial Express

Calendar Performance in Local Currency Terms to January 2018

	YTD	2016	2015	2014	2013	2012
FTSE Actuaries UK Conventional Gilts All Stocks	-2.00%	1.83%	10.10%	0.57%	13.86%	-3.94%
FTSE World	3.76%	19.67%	9.97%	2.26%	9.92%	27.35%
FTSE 100	-1.96%	11.95%	19.07%	-1.32%	0.74%	18.66%
S&P 500	5.69%	21.10%	11.23%	0.75%	12.99%	31.55%
FTSE World Europe ex UK	2.35%	15.25%	3.42%	8.66%	7.58%	23.37%
FTSE World Asia Pacific ex Japan	2.85%	22.20%	11.16%	-2.73%	4.18%	11.36%
FTSE Emerging	7.07%	27.42%	12.06%	-5.83%	7.17%	3.92%
FTSE Japan	1.22%	21.00%	-0.28%	11.52%	10.32%	54.77%
S&P GSCI Brent Crude Spot	2.34%	12.79%	7.75%	-10.88%	-1.75%	-28.65%
S&P GSCI Gold Spot	3.88%	15.49%	28.46%	-45.66%	-48.07%	6.94%

Source: Financial Express

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