

Equities

Region / Country	Index	Close	Net Change	Performance	
				Year-to-date	52-week
ASIA-PACIFIC					
Hong Kong	HSI	24309.93	741.26	10.52%	18.56%
India	BSE 30	29648.99	702.76	11.40%	20.15%
Japan	Nikkei	19521.59	(83.02)	2.13%	15.26%
Singapore	STI	3169.38	36.03	9.35%	10.04%
South Korea	KOSPI	2164.58	67.23	6.82%	8.88%
Taiwan	WSE	9908.69	280.80	7.08%	13.44%
Shanghai	COMPOSITE	3237.45	24.69	(0.34%)	11.45%
EUROPE					
France	CAC	5029.24	35.92	3.41%	13.20%
Germany	DAX	12095.24	132.06	5.35%	22.27%
Italy	FTSE MIB	20074.28	415.91	4.37%	7.88%
Russia	RTSI	1106.36	50.43	(3.76%)	26.61%
UK	FTSE 100	7424.96	81.88	3.95%	19.74%
AMERICAS					
Brazil	IBOV	64209.94	(465.52)	6.61%	26.12%
Mexico	IPC	48593.44	1491.13	6.46%	6.95%
Nasdaq	CCMP	5901.00	39.27	9.62%	23.58%
US	S&P 500	2378.25	5.65	6.23%	16.55%
US	DOW	20914.62	11.64	5.83%	19.64%

Bonds

	Close	Previous	Yield Month ago	Year ago
10 Year Gilt	1.2440	1.2310	1.2110	1.4810
10 Year OAT	1.1090	1.1160	1.0380	0.5690
10 Year Bund	0.4350	0.4850	0.3020	0.2300
10 Year Japan	0.0700	0.0840	0.0870	-0.0520
10 Year Treasuries	2.5010	2.5750	2.4160	1.8970

Base lending rates

Prime Rates	Latest	6 months ago	12 months ago
US	4.00	3.50	3.50
Canada	2.70	2.70	2.70
Japan	1.48	1.48	1.48
Britain	0.25	0.25	0.50
ECB	0.00	0.00	0.05
Switzerland	0.50	0.50	0.50
Australia	1.50	1.50	2.00
Hong Kong	5.25	5.25	5.25

% change is for indication only; local currency except where stated.

EQUITY MARKETS

US

- The Dow Jones Industrial Average inched up 0.06% for the week to close at 20,914.62 points compared with 20,902.98 points a week earlier. The Standard & Poor's 500 index rose 0.24% to close the week at 2,378.25 points while the Nasdaq put in the period's best showing of all the three main indexes with a 0.67% rise to 5,901.00 points. The U.S. Federal Reserve's interest-rate rise on Wednesday had been largely priced in by market participants and had little effect on share prices. However, the Fed's statement used language that was seen by market participants as not as aggressive as their outlook.
- Coal miner Peabody Energy agreed with some opponents of its plan to exit an \$8 billion Chapter 11 bankruptcy, lawyers said in court Thursday. One settlement was with a group of investors who had argued they were blocked from a private stock sale to raise financing for the company. They will end an action against Peabody and others following an agreement Wednesday, a Peabody lawyer said at hearing in U.S. Bankruptcy Court in St. Louis. Peabody' plans to cut debt of about \$2 billion.
- 3M Co said Thursday it would buy Johnson Controls International's safety-gear business, Scott Safety, in deal with an enterprise value of \$2 billion. Scott Safety makes protective equipment and other safety products for firefighters, industrial workers, police and the U.S. military. Scott Safety's 2016 revenue was about \$570 million.
- AT&T has won European Commission approval for its \$85.4 billion acquisition of Time Warner, the No. 2 U.S. wireless carrier said Wednesday. The merger was expected to be cleared in Europe but still requires approval from the U.S. Department of Justice. The deal should close by the end of the year, AT&T said. U.S. President Donald Trump said he opposed the merger. The U.S. Federal Communications Commission doesn't expect to review the deal, a spokesman for the agency said last month. The Justice Department, which is reviewing documents submitted on the proposed merger, must prove a proposed deal harms competition to block it.
- Tesla said Friday it had raised about \$1.2 billion by selling common shares and convertible debt ahead of the launch of its Model 3 sedan. It sold 1.3 million common shares at \$262 each to raise \$350 million and raised another \$850 million through the sale of convertible senior notes due in 2022. The electric car company said Wednesday it planned to sell \$250 million worth of stock and \$750 million in notes. Tesla had been expected to raise capital since late last year. The Model 3 is a \$35,000 mass-market vehicle on which the company's future profitability hinges.
- U.S. electronic payments company Euronet Worldwide launched a \$1 billion bid for rival MoneyGram International on Tuesday and said its all-U.S. deal would face less regulatory scrutiny than a lower bid by China's Ant Financial Services. Ant Financial, a financial services affiliate of Alibaba Group Holding, said it remained committed to its deal. "MoneyGram and Ant Financial continue to work cooperatively under the terms of our merger agreement, and together, we are making progress on schedule toward obtaining all required regulatory and shareholder approvals," it said in a statement. MoneyGram said it would "carefully review and consider" the proposal from Euronet.
- Russia said Thursday its FSB domestic spy service wasn't involved in any unlawful cyber activity. The U.S. has charged two Russian agents and two others with hacking 500 million Yahoo accounts. Russia has received no official information about the charges, it said. Four men, including the agents, allegedly used unauthorized access to Yahoo's systems to steal information from about at least 500 million Yahoo accounts starting in January 2014, according to an indictment in The U.S. They used some of that information to obtain unauthorized access to the contents of accounts at Yahoo, Google and other webmail providers, the Justice Department said in a statement Wednesday. Yahoo last year had linked its 2014 breach to "state-sponsored" hackers. Yahoo's servers were hacked in 2013, too, which the company said led to data on more than 1 billion accounts being stolen. Meanwhile, Yahoo is giving a \$23 million severance package to Chief Executive Marissa Mayer. Yahoo is selling much of the company to Verizon Communications. The companies struck a \$4.83 billion deal in July but reopened talks after Yahoo revealed that personal information had been stolen.
- Intel is buying Mobileye for \$15.3 billion to get into the self-driving car market. Mobileye is a small Israel company that makes autonomous driving technology. Founded in 1999, it has pioneered computer vision systems that detect cars, pedestrians and objects on the road. Its chips and cameras are installed in 15 million vehicles - including BMW and General Motors cars. Intel said it would buy the New York-listed shares for \$63.54 each in cash - valuing the group at \$15.3 billion.
- Luxury fashion retailer Neiman Marcus Group said Tuesday it was exploring changes to its capital structure or a sale of the company. The statement last week follows a report earlier this month that the company had turned to investment bank Lazard to explore ways to bolster its balance sheet. Neiman Marcus has total liabilities of \$6.4 billion - including \$1.2 billion of deferred income taxes.

UK

- The FTSE 100 had a good week, adding 1.12% to close the trading period at 7,424.96 points as politics dominated market participants' thoughts during the week.
- Rupert Murdoch's GBP11.7 billion takeover bid for Sky will be investigated by regulators. They will ask if Murdoch has too much control of news in the U.K. and if the Murdoch family is a "fit and proper" owner. Culture secretary Karen Bradley referred 21st Century Fox's bid to buy the 61% of Sky it does not already own to the Office of Communications, or Ofcom, to investigate potential public interest issues.
- Unilever is considering returning cash to shareholders, making medium-sized acquisitions and more aggressive cost cuts as part of its business review, the Financial Times reported this past week. Unilever turned down a \$143 billion takeover offer from Kraft Heinz last month. Unilever will examine its portfolio, organization, cost structures, balance sheet and uses of cash. Meanwhile, Unilever asked the government to help Britain's largest companies targeted by foreign takeovers.
- The U.K. government's stake in Lloyds Banking Group has been reduced to less than 3% and it continues to sell shares. U.K. Financial Investments, which manages the stake in Lloyds, cut its holding by around one percentage point to 2.95% this past week. The latest sale of shares means more than GBP19.5 billion has now been returned to the government since the lender's GBP20.3 billion bailout during the latest financial crisis. This includes around GBP500 million in payouts to shareholders.
- Homebuilder Bovis Homes is in talks with competitor Galliford Try over a merger that would create one of Britain's biggest housebuilders. Bovis, which has recently come under fire for the quality of its new homes, said this past week it had received takeover approaches from both Galliford and Redrow.
- HSBC named Mark Tucker as its new chairman - ending a yearlong hunt for a replacement for Douglas Flint. Tucker is a former boss of insurance company Prudential and, briefly, the finance chief of HBOS. Tucker is the first outsider to be chairman of HSBC and is said to be knowledgeable of the U.K. and Asian markets where the bank principally operates.

Europe (ex. UK)

- On the continent, the Eurofirst 300 closed the week at 1,491.85 points with most attention being on elections in the Netherlands and ahead to further polls in France where far-right candidates are giving market participants fits.
- German utility Eon reported a EUR16 billion loss for 2016 – its largest. It announced a 10% capital increase to reduce debt by EUR7 billion. Last year the Germany government told Eon and the country's other nuclear operators that they would have to pay EUR23.6 billion to pay for disposal and storage of nuclear waste. Eon will have to pay about EUR10 billion. It said Thursday it would increase share capital from EUR2 billion to EUR2.2 billion by issuing 200 million shares. Eon hived off its coal and gas-fired power stations into a new company, Uniper, which was listed in September.
- Alitalia workers' trade unions said they will strike April 5 to protest job and salary cuts that are part of the company's plans to relaunch the struggling airline. Workers will strike against plans to lay off more than 2,000 ground personnel and cut salaries of flight personnel by between 25% and 35%. The 2,000 job cuts will reduce office staff by half and ground staff by 20%, the airline said in a statement. Alitalia employs 12,500 people worldwide. Alitalia said "headcount reductions are a painful but necessary action that, alongside other cost reductions, will stabilize our financial situation and create long-term sustainability." Unions are seeking to meet with the Italian government this week to discuss alternatives. Alitalia presented Thursday its business plan that includes EUR1 billion in cost-cutting in a bid to compete with low-cost carriers. The new plan comes nearly three years after Abu Dhabi carrier Etihad Airlines took a controlling stake in the long-troubled airline. Alitalia will introduce services common to budget carriers on flights of less than four hours - including charges for meals.
- France's finance investigator is looking at alleged wrongdoing at Airbus Group SE, the company said Thursday. Airbus said the French Parquet National Financier was investigating alleged missteps already under scrutiny since last year by Britain's top corruption watchdog, the Serious Fraud Office. Both are examining potential corruption in Airbus commercial plane deals overseas and the possible misuse of middlemen to secure contracts. Airbus said it would "cooperate fully with both authorities."
- The world's second-largest brewer, Heineken, is looking to expand in Southeast Asia. The Dutch company plans to expand production capacity more than tenfold at its Vietnam plant and has begun operating new plants in other locations like Myanmar. In 2015 it moved up to third place in terms of market share in the region.
- ABB said lax controls played a part in the fraud and embezzlement at its South Korean unit that cost the Swiss company an estimated \$73 million in lost pretax profit. ABB "failed to provide adequate management oversight and review of the local treasury activities," the Swiss power-equipment and

automated-technology company said Monday. "Management has concluded that these deficiencies in the operation of ABB's internal controls constituted a material weakness," the company said in its annual report.

- Volkswagen raised the possibility of striking up an alliance with Fiat Chrysler when it said it was open to talks with the rival motor-vehicle maker. The Germany motor-vehicle maker said the U.S. remained a "core market" for the company despite its diesel-emissions scandal. "We are standing by our investment decisions and intend over the long term to play a significantly greater role there than today." Volkswagen has only a small market share in the U.S. but the region is important for its luxury brands Porsche and Audi. It makes cars in Chattanooga, Tennessee.

Japan

- Japan's Nikkei 225 Index dipped 0.42% for the week to 19,521.59 points. Naturally, market participants were concentrated on the U.S. Federal Reserve's rate decision and the language contained in its post-meeting statement, particularly the effect on the US dollar-yen exchange rate. Data and Bank of Japan statements were on the radar, too.
- The Japan government said it wasn't considering supporting Toshiba Corp. and will share information with the U.S. on the company's potential sale of its U.S. nuclear unit Westinghouse. The government will watch closely the sale of Toshiba's memory-chip business. However, sources familiar with the matter have said a state-backed fund may invest as a minority shareholder to prevent a sale to bidders deemed risky to national security. "Toshiba's chip business is highly competitive globally and important in terms of keeping jobs in Japan," the government said. On Friday Standard & Poor's cut its long-term credit ratings for Toshiba to CCC-, saying it was increasingly likely that the conglomerate would be unable to fulfil its financial obligations. Toshiba reported a possible \$6.3 billion write-down for the U.S. nuclear unit and is worried about future potential losses. Toshiba plans to sell off at least half of Toshiba Memory. About 10 companies are interested, including U.S. hard-drive maker Western Digital. Toshiba asked creditors Wednesday to extend loans until the end of April in exchange for shares of its memory chip unit and other assets as collateral. Toshiba's plan to push back an earnings release yet again looks likely to derail its bid to come off the Tokyo Stock Exchange's watch list.
- Nissan is recalling more than 54,000 cars because of air bags that may unexpectedly deploy if doors are slammed. Nissan North America says the recall affects the 2012 Nissan Versa vehicles. The problem may be caused by the degradation of the side-impact sensor. Meanwhile, Mitsubishi Motors on Tuesday said an additional four Nissan executives would join its management team as Nissan gains more control over the motor-vehicle maker in which it took a controlling stake last year. From April, vice president positions for roles including product development and marketing and sales would be occupied by officials from Nissan, Mitsubishi Motors said. The number of Nissan executives on Mitsubishi Motors' management team will rise to seven from two.
- Nippon Life Insurance said it will try to double net profit from its group businesses - which include overseas insurance and asset management - to about Y70 billion yen by fiscal 2020, according to its new four-year management plan. It will spend about Y500 billion on mergers and acquisitions in the four years beginning fiscal 2017.
- Murata Manufacturing plans to purchase American startup Arctic Sand Technologies for about Y7 billion to reduce the Japan company's dependence on smartphone parts. The Massachusetts Institute of Technology spinoff was founded in 2011 and is strong in energy-saving and miniaturization technologies for power management chips used in IT technology equipment and motor vehicles. Murata now generates roughly 60% of its sales from smartphone parts.
- Fast Retailing said Thursday operating profit in the quarter ending November rose 16.7% on the year to reach Y88.6 billion – beating forecasts for Y87 billion – as a strong yen offset softer sales volume. Revenues were up 1.6% at Y528.9 billion, about Y10 billion below expectations, as the company retained its 2017 forecast, giving investors little reason to buy back shares after a sharp fall last week on news that December same-store sales in Japan had declined 5% on the year as a result of unseasonably warm weather.
- Toyota Motor president Akio Toyoda said Monday the motor-vehicle maker plans to spend \$10 billion in the U.S. over the next five years on new plants and productivity improvements, on top of an existing \$22 billion already deployed, as it seeks to counter pressure from U.S. president elect Donald Trump over its commitment to creating jobs in America. Earlier in the day Toyota reminded Trump that Toyota employs some 136,000 people in the U.S. after he had threatened to impose border taxes on the company because it was choosing to build a new factory in Mexico rather than the U.S.
- Takeda Pharmaceutical said Monday it will purchase Ariad Pharmaceuticals, a U.S. maker of cancer drugs that attracted criticism for aggressive price rises of its Leukaemia treatment Iclusig last year, for \$5.2 billion. Analysts said the price of \$24 a share looks expensive at a premium of 75% over

Ariad's Friday clothing price and highlights Takeda's need to restock its drugs pipeline after a surprise court ruling ensured it would lose patent protection for its popular Velcade cancer treatment.

Asia-Pacific (ex. Japan)

- Mainland China China's Shanghai Composite Index added 0.77% for the week to head into the weekend at 3,237.45 points. China said it will crack down on "blind and irrational" acquisitions because of worries about money leaving the country. Meanwhile, weekly data showed industrial output rose 6.3% in January-February from a year earlier, while fixed-asset investment growth accelerated to 8.9%, according to the National Bureau of Statistics showed Tuesday. Real-estate investment increased 8.9% in the period from 3% over the same period of last year and in spite of regulations to curb speculation and contain property bubbles. Consumer inflation grew 1.7% while the unemployment rate stayed stable in January-February.
- Hong Kong's Hang Seng index rose 3.15% to end the week at 24,309.93. The U.S. Federal Reserve's rate hike wasn't seen as triggering capital outflows from Hong Kong. But, the Hong Kong Monetary Authority, the city's central bank, raised its base interest rate by 25 basis points to 1.25% on Thursday. In other news, Hong Kong Exchanges & Clearing said Wednesday it was in preparatory work for program to allow foreign investors to buy mainland Chinese bonds through a Hong Kong intermediary.
- Taiwan's Taiex index added on 2.92% to end the week at 9,908.69. The country's central bank has a quarterly policymaking meeting March 23. At its previous quarterly meeting in late December it maintained its interest rates with the discount rate unchanged at 1.375% for the second consecutive quarter. Taiwan's exports for February rose 27.7% from a year earlier to \$22.66 billion - recording year-over-year growth for the fifth consecutive month.
- South Korea's Kospi rose 3.21% for the past week to close at 2,164.58 Friday. The country is preparing for an election after former leader Park Geun-hye was ousted by the country's top court. Polls are expected May 9. Park will likely now be prosecuted for alleged bribery and influence peddling. Economic tensions are brewing with China - South Korea's largest trading partner - over the government's plan to allow the U.S. to deploy the THAAD anti-ballistic missile defense system, a move China strongly opposes.
- Singapore Straits Times Index gained 1.15% over the past trading period to settle at 3,169.38 points. Singapore plans to become the first Asian market to allow dual-class share listings, which is proving an attraction. The Singapore Exchange's move is designed to make it the go-to place for potential IPOs for Southeast Asian startups. Singapore could by the end of this year implement a split share system that allows entrepreneurs to retain control even with minority stakes by giving some shares more weight.

Emerging Markets

- Brazil's Bovispa headed into the weekend with a 0.72% drop for the week, with the index closing at 64,209.94 points. The government said gross domestic product shrank 3.6% last year, including a 0.9% fall in the fourth quarter compared with the third. "The Brazilian economy has begun to show signs of growth," the finance ministry said a statement. Inflation has started to fall and is approaching the middle of the central bank's target range of 4.5% and the central bank has cut interest rates. The main stock index has risen 32.7% over the past 12 months and the real currency has appreciated 13% against the dollar.
- Mexico's IPC tacked on 3.17% for the week to finish at 48,593.44 points. Donald Trump's top trade adviser said Wednesday he saw a regional manufacturing "powerhouse" that would include the U.S., Mexico and Canada. The comments suggested the White House may be taking a somewhat lighter stance on trade. The peso has risen 6.4% against the U.S. dollar this year.
- India's BSE 30 put in a 2.43% increase over the past week to end at 29,648.99 points. The U.S. Federal Reserve's gradual approach to U.S. rate rises was a positive for market participants in India. They were upbeat about the government's economic changes, too. Continued foreign inflows have boosted the rupee. There was significant buying by foreign institutional investors during the week.
- Russia's RSTI gained 4.78% on the week to close at 1,106.36 points. Russia won't end its oil export duty until 2022-2025, Finance Minister Anton Siluanov said Monday. Previously the finance ministry had considered cutting the oil export duty to zero between 2018 and 2020. Government officials have said it would be easier to just tax oil and gas producers at home instead of collecting export duties as well. Oil and gas companies support the changes, saying taxing their profits rather than exports and exploration would spur production as it better reflects exploration costs and risks.

ALTERNATIVE ASSETS

- Oil prices rose for the week even as data showed a significant increase in the number of active U.S. oil rigs and that increased U.S. output was offsetting cuts by other major producers. However, U.S. domestic crude stocks fell. April West Texas Intermediate crude ended the week at \$48.78 a barrel on the New York Mercantile Exchange. May Brent crude on London's ICE Futures Exchange closed the trading period at \$51.76 a barrel. WTI oil was up roughly 0.6% and Brent crude ended 0.8% higher from the previous Friday's settlement. Both marked their first weekly gains in three. Prices were also helped during the week by a weaker U.S. dollar after the U.S. Federal Reserve's less-aggressive interest-rate announcement.
- Gold futures ended higher for a record weekly climb since early February on weakness in the U.S. dollar, following Wednesday's U.S. Federal Reserve interest-rate decision. April gold rose to \$1,230.20 an ounce, gaining 2.4% for the week.

FIXED INCOME

US

- The yield on benchmark 10-year Treasuries fell to 2.5010% from 2.5750% the week before as some market participants headed for safe havens – especially with oil prices showing unpredictability over the past trading period.
- The Federal Reserve raised its benchmark interest rate Wednesday for the second time in three months and forecast two more increases this year. It said the decision reflected a consistently solid U.S. economy. The Fed's main short-term rate rises by a quarter-point to a range of 0.75% to 1%. A stronger jobs market and rising prices had moved employment and inflation closer to the Fed's targets, it said in a statement after the decision Wednesday. The economy no longer needs the support of ultralow borrowing rates and is healthy enough to withstand steadily tighter credit, the Fed said. The decision to increase rates was approved 9-1. The Fed's forecast for future interest-rate rises still projects it will raise rates three times this year. Its outlook for the economy was little changed, with officials expecting growth of 2.1% this year and next year before slipping to 1.9% in 2019.
- U.S. industrial production increased in February for a sixth consecutive month, rising a seasonally adjusted 0.5% last month from January, the Federal Reserve said Friday. That followed a 0.5% gain the previous month. Companies are spending more on big-ticket items such as industrial machinery and U.S. citizens are buying cars at near-record levels. Mining output rose 2.7% in February. Utility production fell 5.7% as warm weather reduced the need for heating.
- U.S. consumer prices rose at a slower pace in February. Consumer prices rose 0.1% in February after a 0.6% jump in January, the Labor Department said Wednesday. Clothing and housing costs rose while motor vehicle and gasoline prices fell.
- U.S. inflation at the wholesale level rose at just half the rate in February as in January as a rise in energy prices slowed. The Labor Department said Tuesday its producer price index, which measures inflation pressures before they reach consumers, increased 0.3% in February following a 0.6% rise in January. Over the past 12 months, wholesale prices are up 2.2%.
- Hopes the Trump Administration and Congress will pass tax and regulatory changes is lifting sentiment among U.S. companies. A survey of large employers showed the biggest jump in economic outlook in almost eight years. Chief executives' plans for investment, hiring and sales in the first quarter rose the most since 2009, according to the Business Roundtable. That left the index above its historical average for the first time in seven quarters. As a result of this chief executives are expecting 2.2% growth in 2017, a 0.2 percentage point increase over their previous expectations.
- U.S. homebuilding rose in February as warm weather helped the construction of single-family houses to near a nine-and-a-half year high. Housing starts increased 3.0% to a seasonally adjusted annual rate of 1.29 million units last month, the Commerce Department said. Homebuilding was up 6.2% compared to February 2016. Single-family homebuilding, which accounts for the largest share of the residential housing market, surged 6.5% to a pace of 872,000 units last month, the highest level since October 2007. Single-family starts rose in the West, Northeast and Midwest, but fell in the South. Starts for multifamily housing fell 3.7% to a pace of 416,000 units.

UK

- The yield on 10-year Gilts rose to 1.2440% from 1.2310% over the past week – one which was dominated by Brexit progress and Scotland and Northern Ireland talking about leaving the Union.

- U.K. Prime Minister Theresa May received parliamentary approval to start exit negotiations with the European Union, which may take two years. May, who became prime minister shortly after Britain voted to leave the EU in June, beat attempts in both the lower and upper houses of parliament to add conditions to legislation covering the separation. "We are now on the threshold of the most important negotiation for our country in a generation," Brexit minister David Davis said in a statement Monday. New complications to the exit emerged in the form of Scotland's demand for a new independence referendum and a call by Northern Ireland's largest party for a vote on splitting with Britain. Scotland's First Minister Nicola Sturgeon on Monday demanded a new independence referendum in late 2018 or early 2019, once the terms of the United Kingdom's exit from the European Union have become clearer. Northern Ireland's largest Irish nationalist party Sinn Fein said it wanted a referendum on splitting from the United Kingdom "as soon as possible."
- Christine Lagarde said Tuesday the International Monetary Fund will upgrade its U.K. growth forecasts next month. The worldwide economy is gathering momentum, Lagarde said, adding that the world appeared to be at a turning point. She said she is encouraged by stronger-than-expected economic activity in the U.K. Lagarde said indicators of future growth in sectors such as manufacturing and broader confidence were all picking up. Expansionary fiscal policy in the U.S. were also contributing to the improved outlook.
- Charlotte Hogg resigned Tuesday as deputy governor of the Bank of England after MPs concluded she was not up to the role she was promoted into two weeks before. She resigned after the Treasury select committee published a report prompted by her failure to disclose that her brother worked for Barclays, a bank regulated by the Bank of England.
- Real pay fell for the first time in more than two years in January as inflation beat wage growth. Total pay including bonuses was up 1.7% compared with January 2016 compared with a 1.8% headline rate of inflation, according to the Office for National Statistics. Pay prospects fell despite a drop in Britain's unemployment rate to its lowest since 1975. The jobless rate fell to 4.7% in the three months to January from 4.8% in the previous three months. It was last lower in the three months to August 1975 - when it was 4.6%.

Europe (ex. UK)

- The yield on benchmark 10-year Bunds fell to 0.4350% from 0.4850% over the past week as market participants sought safe havens for their money ahead of elections in the Netherlands and France where far-right candidates were expected to make gains.
- German market participants' mood improved less than expected in March, a survey showed Tuesday, as uncertainty about the outcome of important European elections and their effect on the growth outlook for Europe's biggest economy remained high. Mannheim-based ZEW said its monthly outlook survey showed its economic sentiment index rose to 12.8 from 10.4 points in the previous month. A separate survey showed market participants' assessment of the economy's current conditions rose to 77.3 points from 76.4 in February.
- German industrial output and exports rose more than expected in January, data showed last week. The data suggested Germany's economic upswing is likely to continue in 2017 after industrial orders in January posted their biggest monthly slump in eight years and retail sales also disappointed.

Japan

- The yield on 10-year JGBs fell over the past week to 0.0700% from 0.0840. Again, the main factor was the US Federal Reserve's rate rise and the movement of the dollar.
- Japan's core machinery orders fell in January compared with the month before. Policymakers hope a recovery in capital spending will help growth. Core machinery orders fell 3.2% in January, Cabinet Office data showed Monday. In December core orders rose 2.1%. Compared with a year earlier core orders, which exclude those of ships and electrical equipment, fell 8.2% in January - the biggest fall in eight months. The Cabinet Office maintained its assessment of machinery orders, saying the pickup was stalling.
- Despite a labor shortage, concerns about the economic outlook are prompting Japan's biggest companies to give only modest raises this year, in any cases lower than last year. Toyota Motor gave employees a Y1,300 rise in monthly pay compared with Y1,500 last year. Electronics companies Panasonic and NEC gave Y1,000 raises compared with Y1,500. In January part-time hourly wages rose 2.6% from the previous year.

Source: Market News International

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