

# GEM Quarterly Wrap

Source: Bloomberg

Index	Price	Return*				GDP Forecasts**		
		YTD	1 yr	5 yrs	10 yrs	2018	2019	2020
<b>US</b>								
DOW JONES INDUS. AVG	25,626	11%	10%	77%	325%			
S&P 500 INDEX	2,805	12%	10%	67%	324%	2.9%	2.4%	1.9%
NASDAQ COMPOSITE INDEX	7,643	16%	11%	96%	458%			
<b>Asia</b>								
NIKKEI 225	21,034	6%	2%	57%	193%	0.8%	0.7%	0.5%
HANG SENG INDEX	28,775	12%	-1%	57%	189%	3.0%	2.3%	2.3%
SHANGHAI SE COMPOSITE	2,995	20%	-2%	64%	57%	6.6%	6.2%	6.0%
Straits Times Index STI	3,204	5%	-2%	20%	153%	3.3%	2.5%	2.5%
FTSE Bursa Malaysia KLCI	1,641	-2%	-9%	4%	157%	4.7%	4.5%	4.5%
STOCK EXCH OF THAI INDEX	1,634	6%	-6%	40%	429%	4.1%	3.8%	3.7%
<b>Europe</b>								
DAX INDEX	11,448	8%	-4%	19%	172%	1.4%	1.0%	1.5%
FTSE 100 INDEX	7,234	9%	7%	33%	171%	1.4%	1.3%	1.5%
CAC 40 INDEX	5,304	12%	7%	41%	169%	1.5%	1.3%	1.4%

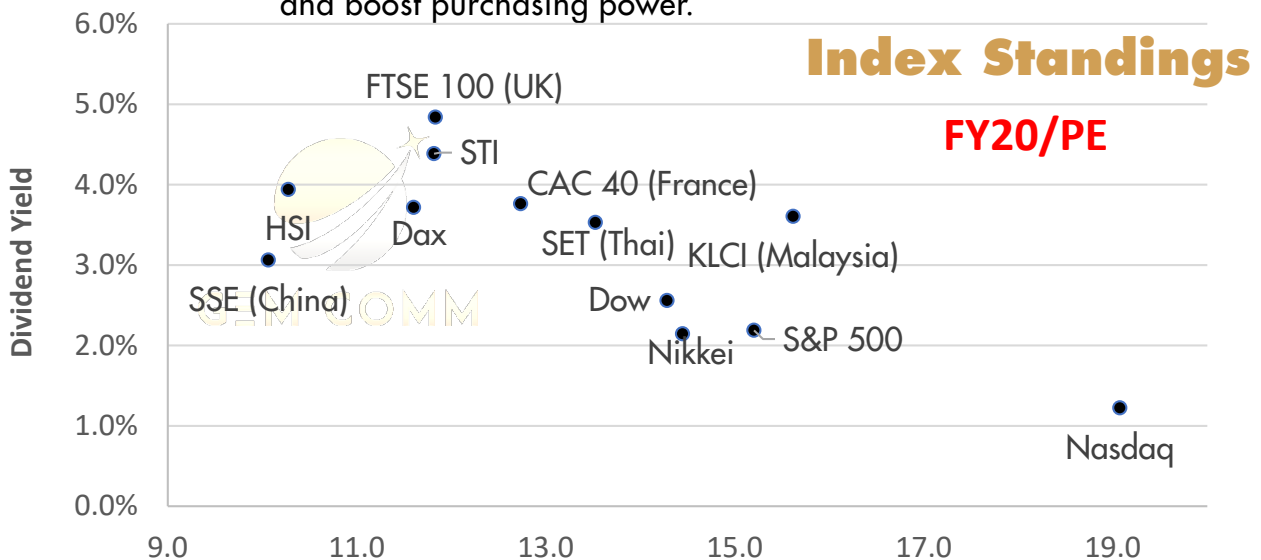
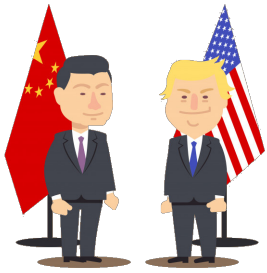
\*Dividends are assumed to be reinvested in the index

\*\* Private economists forecasts as compiled by bloomberg

It was a positive start to the year, as global markets rallied on hopes of a US-China trade truce. While there are concerns over a slowdown in global economy, markets had cheered the prospects of a more accommodating stance by central banks. China has vowed to stick to targeted stimulus as the world's second largest economy grew 6.6% in 2018, its slowest pace in 28 years.

The ECB delivered a fresh bout of monetary stimulus (saying it would hold interest rates at sub-zero levels at least through Dec, and plans for a series of cheap long term loans for banks) in a major policy reversal as it cuts its growth forecast earlier this month. In the US, the Fed is seen to slow down on its interest rate hikes with signs of a slight economic slowdown and global uncertainty. US stocks continue to outperform its peers over the horizon, led by the tech focused Nasdaq.

Malaysia KLCI is the biggest laggard so far as investors wait for the government initiatives to cut the budget deficit, clamp down on corruption and boost purchasing power.





# How We Compare Over The Last 10 Years

**Dow Jones Industrial - 14.2x**

**S&P 500 - 15.1x**



GEM COMM

**Nasdaq - 19.0x**

**HSI (HK) - 10.2x**



**STI (SG) - 11.9x**

**SET (Thailand) - 13.6x**



**Nikkei (Japan) - 14.2x**

**KLCI (Malaysia) - 15.3x**



# Global Happenings - January



**7- 9 Jan 19**



US- China 3 days trade talks in Beijing

**9 Jan 19**



Amazon's Jeff Bezos announced divorce

**16 Jan 19**



UK Theresa May lost Brexit deal vote

**16 Jan 19**



China signal more stimulus

**16 Jan 19**



25<sup>th</sup> day of US gov shutdown- longest in history

**22 Jan 19**



China 2018 growth slows to 28 year low, 6.6%

**25 Jan 19**



Tencent, Netease gets new video game license after 9 month freeze in 4<sup>th</sup> Q

**31 Jan 19**



US Fed keeps i/r unchanged, says will be 'patient'

JANUARY

# Global Happening - February



**1 Feb 19**



Euro zone growth stick to lowest rate in 4 years at 1.2%



**5 Feb 19**



Bond King, Bill Gross, retires



**11 Feb 19**



Sen. Warren enters 2020 US presidential race



**11-15 Feb 19**



US-China hold talks



**12 Feb 19**



UK 2018 growth weakest since 2012 at 1.4%



**25 Feb 19**



Berkshire Hathaway's annual letter



**25 Feb 19**



Trump delay China tariffs, originally scheduled for 1 Mar



**26 Feb 19**



Fed stays dovish on rates

FEBRUARY

# GEM Quarterly Wrap

**1 Mar 19**



China factory activity hits lowest level in 3 years

**6 Mar 19**



China cuts taxes, boosting lending to prop up economy

**7 Mar 19**



OECD lowers global growth forecast to 3.3% (from 3.5%)

**10 Mar 19**



Ethiopian Airlines Boeing 737 Max crashed (following the crash of Lion Air in 29 Oct 18)

**13 Mar 19**



British MPs reject Brexit deal for 2<sup>nd</sup> time

**18 Mar 19**



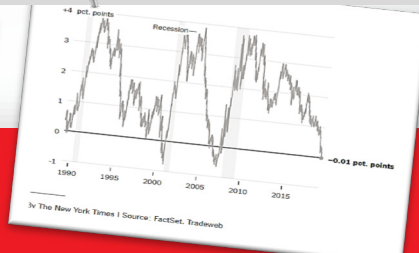
Mass shooting incident in New Zealand

**21 Mar 19**



US Fed now expects no rate hikes in 2019

**22 Mar 19**



US Treasury yield curve inverts for first time since 2007

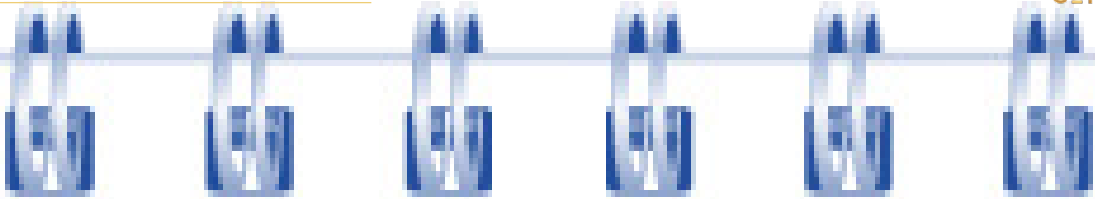
**23 Mar 19**



Italy becomes first G7 country to join China's Silk Road plan

MARCH

# SEA Updates



**3 Jan 19**



SG 4Q18 GDP slows to 2.2%, misses estimate



**28 Jan 19**



SGX to tighten audit, valuation rules



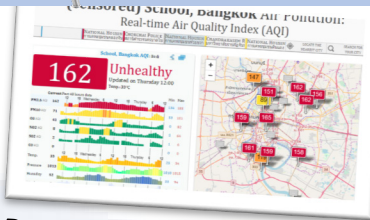
**6 Feb 19**



Indonesia grew 5.2% in 4Q18, above forecast



**6 Feb 19**



Bangkok running out of air purifiers as toxic smog grips Thailand



**10 Feb 19**



Malaysia vessel Polaris and Greece registered ship collided in SG waters



**14 Feb 19**



Malaysia grows at 4.7% in 4Q18, above forecast



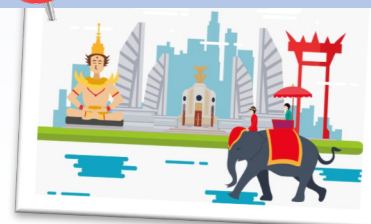
**18 Feb 19**



SG Budget 2019



**18 Feb 19**



Thailand 4Q18 GDP 3.7%, above forecast



**4 Mar 19**



Power monopoly in SG electricity market (to wind down in May)



**5 Mar 19**



SG Factory activity shrinks to lowest since Dec 16



**8 Mar 19**



CPF usage rules for buying older flats to be tweaked by May



**26 Mar 19**



After an ineptly rigged election, Thailand's junta will cling to power

# GEM Features



**8 Jan 19**



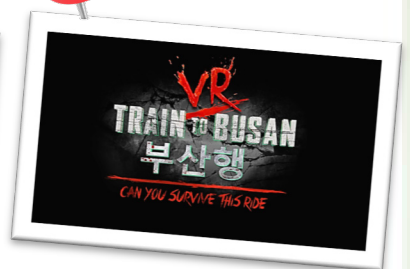
HC Surgical reports 31% rise in adjusted profit before tax

**11 Feb 19**



UnUsUaL reports 22% rise in 3QFY19 net profit

**11 Feb 19**



Vividthree reports 29% rise in 3QFY19 revenue

**12 Feb 19**



mm2 reports 41% rise 3QFY19 revenue

**28 Feb 19**



Synagie reports 100% yoy growth in revenue

**1 Mar 19**



Sinostar reports 21% rise in FY18 net profit

**18 Mar 19**



Synagie launches Kiasu.me

**23 Mar 19**



Sphere Exhibits in tie-up with UnUsUaL Productions for Beerfest Asia