

Monthly Market Update

March 2018

March was another difficult month for global stockmarkets with the threat of a trade war between the United States of America and China affecting confidence. While this appeared to cool as we ended the month, we were then presented with a rise in US interest rates and the anticipation of an increase in UK interest rates in the next month or so.

The FTSE 100 ended March at 7,056.61, which was 2.4% lower than the February closing figure of 7,231.91. This is now 8.2% lower than the 2017 closing figure and 1.2% lower than the start of 2017.

In the US, the Dow Jones Industrial Average had its second successive losing month, falling 3.7% to close March at 24103.11. This followed 10 successive positive months since March 2017. While down 2.5% since the end of 2017, it remains 22% higher than the closing figure in 2016.

In terms of £ Sterling, it ended March at 1.40 US Dollars. This was 1.9% higher than the closing figure at the end of February of 1.38 US Dollars.

Against the Euro, £ Sterling ended March at 1.14 Euros, which was 0.8% higher than the February closing figure of 1.13 Euros.

Inflation, as measured by the Consumer Prices Index including owner occupiers' housing costs (CPIH), was 2.5% in February 2018 (this is February's data which is reported in March). This was down from 2.7% the previous month. The 12-month rate for the Consumer Prices Index (CPI) rate which excludes owner occupied housing costs and council tax was 2.7% in February 2018, down from 3.0% in January 2018.

The Bank of England chose to keep interest rates unchanged this month, although expectations are now for a rate rise in May. The last increase in interest rates to 0.5% was in November 2017 and while it helped long-suffering deposit savers slightly, they continue to lose money in real terms when you consider the rate of savings interest compared to the rate of inflation.

The Omnis Managed funds, Openwork Graphene Model Portfolios and new Omnis Managed Portfolio Service provide you with a diversified asset allocation in line with your Attitude to Risk, investing in Developed Market Equities, such as UK, US, Europe and Asia Pacific as well as Emerging Market equities. Cautious and Balanced investors will also have significant holdings in UK and Global Bonds, as well as Alternative Strategies.

We believe this multi-asset approach aims to give you the best opportunity for the highest level of return for your stated level of risk.

Past performance is not a guide to future performance. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you originally invested.



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