

**Asian markets ran out of steam** on Tuesday as doubts rose over whether the US-Sino trade dispute truce would hold. Questions began to be asked about whether the US and China will be able to deliver on the deal after the US asked for "immediate action" from the Chinese side. Tokyo fell more than 2% with exporters down sharply but Shanghai and Hong Kong just about held onto gains. Seoul fell as the won gained against the dollar while the MSCI Asia Pac ex Japan index fell 0.4%.

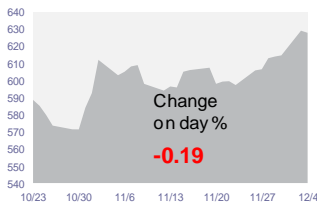
**European markets reversed** Monday's gains to end sharply lower with the falls being led by auto stocks after doubts were raised about whether the US-Sino trade dispute truce would lead to a permanent deal. German stocks were badly hit, particularly the automakers and tech names that are vulnerable in a trade row. A European court ruling that said the UK could revoke its decision to leave the EU unilaterally drove the pound higher, sending dollar earners in the FTSE100 lower. The index finished 0.6% lower.

**US markets fell sharply** in as fears of a recession grew after the yield curve between the three and five-year notes inverted for the first time since the financial crisis. Bank and Industrial shares led the decliners while the smaller cap Russell index fell 4.4%, the most in seven years. Worries over the US-Sino trade truce also weighed as did troubling defeats for the UK's government in parliament over Brexit post the close in Europe. The US market will be closed on Wednesday as it mourns former President Bush.

As well as the 3- and 5-yr yields inverting, the spread between the 10-yr and 2-yr yield fell to its lowest in more than ten years, but held onto a slim 11 basis points difference. The 2-yr also briefly rose above the 3-yr for the first time since January 2008.

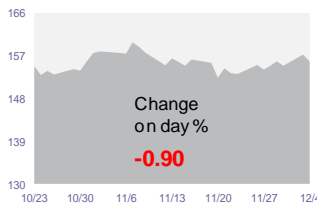
**Oil prices finished higher** but were well off their highs as fears grew of a slowdown in the economy as well as whether the trade dispute truce would hold. A deal to cut production by OPEC was also in doubt as Russia held up a deal from being finalised.

Asia (ex Japan) Equity



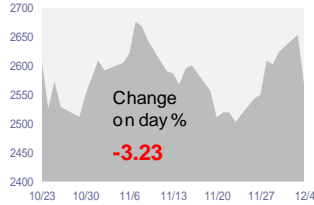
Data as of

Europe (ex UK) Equity

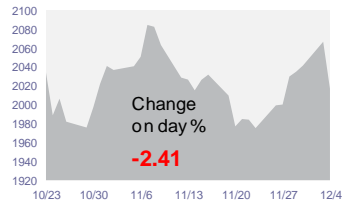


December 4, 2018

US Equity



World Equity



US Indexes	Last	% Chg	%YTD Chg
Dow Jones Industrial Average	25,027.07	-3.10	1.25
Nasdaq Composite	7,158.43	-3.80	3.69
S&P 500	2,700.06	-3.24	0.99
S&P 500 Volatility (Vix)	20.74	26.16	87.86
MSCI US	2,567.52	-3.23	0.90

Others	Last	% Chg	%YTD Chg
Bovespa (Brazil)	88,624.45	-1.33	16.00
Mexbol (Mexico)	41,865.07	-0.51	-15.17
MSCI Latin America	2,611.71	(1.14)	-7.65
MSCI Emerging Markets	1,014.25	(0.26)	-12.45

Europe Indexes	Last	% Chg	%YTD Chg
Euro Stoxx 50	3,189.25	-0.80	-8.98
FTSE 100 (UK)	7,022.76	-0.56	-8.65
DAX (Germany)	11,335.32	-1.14	-12.25
CAC-40 (France)	5,012.66	-0.82	-5.65
FTSE MIB Index (Italy)	19,353.43	-1.37	-11.44
Ibex35 (Spain)	9,061.70	-1.28	-9.78
MSCI Europe ex UK	155.78	-0.90	-7.15

Government Bonds - 10 Yr Benchmark (Yield/bid)	Last	Net Chg	Net YTD Chg
US Generic Govt 10-year	2.91	-0.06	0.51
UK Govt 10-year Note Generic	1.28	-0.03	0.09
German Govt Bonds 10-year	0.26	-0.04	-0.16
Italy Govt Bonds 10-year	3.16	0.01	1.14
Japan Govt Bonds 10-year	0.07	-0.01	0.01
Singapore Govt Bonds 10-year	2.32	-0.07	0.32

Asia Indexes	Last	% Chg	%YTD Chg
S&P/ASX (Australia)	5,713.14	-1.01	-0.54
NZX 50 Index (New Zealand)	8,865.76	-0.12	5.57
Hang Seng (Hong Kong)	27,260.44	0.29	-8.89
Hang Seng China Enterprise Index	10,907.54	0.23	-6.85
Jakarta Composite Index (Jakarta)	6,152.86	0.57	-3.19
KLCI (Malaysia)	1,694.99	-0.28	-5.67
KOSPI (Korea)	2,114.35	-0.82	-13.82
PSEI (Philippines)	7,703.92	2.27	-9.98
BSE Sensex 30 (India)	36,134.31	-0.29	6.10
SET (Thailand)	1,672.32	-0.02	-4.64
Shanghai SE Composite (Shanghai)	2,665.96	0.42	-19.39
Shanghai Shenzhen CSI 300 Index (A-shares)	3,267.71	0.21	-18.93
MSCI China Index (H-shares)^	77.24	-0.48	-13.55
Straits Times Index (Singapore)	3,167.79	-0.72	-6.91
Topix (Japan)	1,649.20	-2.36	-7.44
Nikkei 225 (Tokyo)	22,036.05	-2.39	-1.48
Taiwan Taiex Index (Taiwan)	10,083.54	-0.54	-5.26
Ho Chi Minh Stock Index	958.84	0.76	-2.58
MSCI Asia ex Japan	627.82	-0.19	-12.00

Bond Indexes	Last	% Chg	%YTD Chg
Citigroup World Govt Bond	Holiday	Holiday	-0.25
JP Morgan Asian Credit +	210.86	0.19	-1.79
JP Morgan EMBI Eurobonds +	642.57	-0.11	-5.37
Citigroup US HY Market	Holiday	Holiday	0.68
JP Morgan Asian HY Corp +	275.87	0.09	-4.03

Interest rate	Last	Net Chg	Net YTD Chg
LIBOR USD 3-month #	Holiday	Holiday	1.06

Commodities +	Last	% Chg	%YTD Chg
Oil (Light Crude)	53.25	0.57	-12.71
Gold	1,241.10	0.58	-5.64

Currencies (Base Currency: 1 USD)	Last	% Chg	%YTD Chg
Euro	0.88	0.59	-5.35
Yen	112.76	0.70	-0.31
Pound	0.78	0.77	-5.82
AUD	1.35	0.17	-6.51
SGD	1.36	0.32	-2.22

World Index	Last	% Chg	%YTD Chg
MSCI World Index	2016.89	-2.41	-4.12

Source: Eastspring Investments (Singapore) Limited., MSCI from Bloomberg in USD terms. ^MSCI China Index (H-shares): HKD. All data extracted from Bloomberg are in local currency terms except those denoted by "+", which are in USD terms. % Chg and net change refers to the change compared to previous trading day. YTD stands for year to date. # Libor rates come from British Bankers Association. NA represents not available.

For more information contact: [content@eastspring.com](mailto:content@eastspring.com) | T: +65 6349 9100

## DISCLAIMER

This document is produced by Eastspring Investments (Singapore) Limited and issued in:

- **Singapore and Australia (for wholesale clients only)** by Eastspring Investments (Singapore) Limited (UEN: 199407631H), which is incorporated in Singapore, is exempt from the requirement to hold an Australian financial services licence and is licensed and regulated by the Monetary Authority of Singapore under Singapore laws which differ from Australian laws.
- **Hong Kong** by Eastspring Investments (Hong Kong) Limited and has not been reviewed by the Securities and Futures Commission of Hong Kong.
- **Indonesia** by PT Eastspring Investments Indonesia, an investment manager that is licensed, registered and supervised by the Indonesia Financial Services Authority (OJK).
- **Malaysia** by Eastspring Investments Berhad (531241-U).
- **United States of America (for institutional clients only)** by Eastspring Investments (Singapore) Limited (UEN: 199407631H), which is incorporated in Singapore and is registered with the U.S Securities and Exchange Commission as a registered investment adviser.
- **European Economic Area (for professional clients only) and Switzerland (for qualified investors only)** by Eastspring Investments (Luxembourg) S.A., 26, Boulevard Royal, 2449 Luxembourg, Grand-Duchy of Luxembourg, registered with the Registre de Commerce et des Sociétés (Luxembourg), Register No B 173737.
- **United Kingdom (for professional clients only)** by Eastspring Investments (Luxembourg) S.A. - UK Branch, 125 Old Broad Street, London EC2N 1AR.
- **Chile (for institutional clients only)** by Eastspring Investments (Singapore) Limited (UEN: 199407631H), which is incorporated in Singapore and is licensed and regulated by the Monetary Authority of Singapore under Singapore laws which differ from Chilean laws.

The afore-mentioned entities are hereinafter collectively referred to as **Eastspring Investments**.

The views and opinions contained herein may not necessarily represent views expressed or reflected in other Eastspring Investments' communications. This document is solely for information purposes and does not have any regard to the specific investment objective, financial situation and/or particular needs of any specific persons who may receive this document. This document is not intended as an offer, a solicitation of offer or a recommendation, to deal in shares of securities or any financial instruments. It may not be published, circulated, reproduced or distributed without the prior written consent of Eastspring Investments. Reliance upon information in this posting is at the sole discretion of the reader. Please consult your own professional adviser before investing.

Investment involves risk. Past performance and the predictions, projections, or forecasts on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of Eastspring Investments or any of the funds managed by Eastspring Investments.

Information herein is believed to be reliable at time of publication. Data from third party sources may have been used in the preparation of this material and Eastspring Investments has not independently verified, validated or audited such data. Where lawfully permitted, Eastspring Investments does not warrant its completeness or accuracy and is not responsible for error of facts or opinion nor shall be liable for damages arising out of any person's reliance upon this information. Any opinion or estimate contained in this document may subject to change without notice.

Eastspring Investments (excluding JV companies) companies are ultimately wholly-owned/indirect subsidiaries/associate of Prudential plc of the United Kingdom. Eastspring Investments companies (including JV's) and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

For more information contact: [content@eastspring.com](mailto:content@eastspring.com) | T: +65 6349 9100