



A MONTH IN THE MARKETS

MARCH 2019

Market Overview

After a volatile but positive January for equity markets, February saw further but somewhat steadier gains.

The Fed's shift to a more dovish stance since the turn of the year has helped dampen market fears of a broad and deep-rooted economic slowdown, especially given the continued absence of significant global inflationary pressures. Both developed and emerging market equities moved higher, with the S&P 500 returning 3.0% in February on top of January's gain of 7.9%, bringing year-to-date gains to 11.1%. Signs of progress at the US-China trade talks further buoyed risk sentiment, particularly impacting growth-orientated sectors with exposure to international revenue streams, such as technology, materials and industrials. Even so, political uncertainty remains a headwind, with risks to global trade still at the forefront of investors' minds.

The US Dollar moved higher over the month, supported by better than expected fourth quarter US GDP growth data. Gold posted negative returns over the month against the backdrop of a stronger dollar and higher US interest rates.

In the UK, unsurprisingly it was Brexit uncertainty that continued to dominate headlines as February saw the much-anticipated splintering of the UK political system with the formation of the Independent Group, made up of



John Mullins
Portfolio Manager
Santander Asset Management UK

deserters from both the Tory and Labour parties. Despite this, Sterling strengthened over the month as FX markets reacted to the apparent narrowing of options available to the UK parliament towards either Prime Minister May's deal or an extension to Article 50. Sterling's strength led domestically focused UK equities to outperform larger, more internationally focused UK-listed companies over the month.

Important Information

This material is for information purposes only and does not constitute an offer or solicitation to buy or sell any securities or other financial instruments, or to provide investment advice or services.

Opinions expressed within this document, if any, are current opinions as of the date stated and do not constitute investment or any other advice; the views are subject to change and do not necessarily reflect the views of Santander Asset Management as a whole or any part thereof.

The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Past performance is not a guide to future performance. Santander Asset Management UK Limited (Company Registration No. SC106669) is registered in Scotland at 287 St Vincent Street, Glasgow G2 5NB, United Kingdom. Authorised and regulated by the Financial Conduct Authority. Financial Services Register number 122491. www.santanderassetmanagement.co.uk. Santander and the flame logo are registered trademarks.