



Market Update – December 2019

Equities saw out the decade in robust fashion in December, topping off a strong year where most major indices posted gains well in excess of 20%. Bonds too, despite giving back some of their early-year performance, are trading at levels that would have sounded implausible prior to 2019; the German 10Yr bund for example, which began the decade above 3%, finishes it with a negative yield of -0.19%. Whether or not the broad strength in asset classes that we have seen in 2019 continues is open to debate; it is certainly hard to see much long-term value in government bonds, and the trade-related depression in manufacturing bases around the world could cast a shadow over the elevated valuations of equities. In addition, 2020 is an election year in the US with all of the uncertainties that will bring. By a number of measures, the last decade has been unprecedented. The next may well be similarly eventful.