ST. JAMES'S PLACE
WEALTH MANAGEMENT

Monthly Investment Market Update

April 2012

source: Bloomberg

STOCK MARKETS

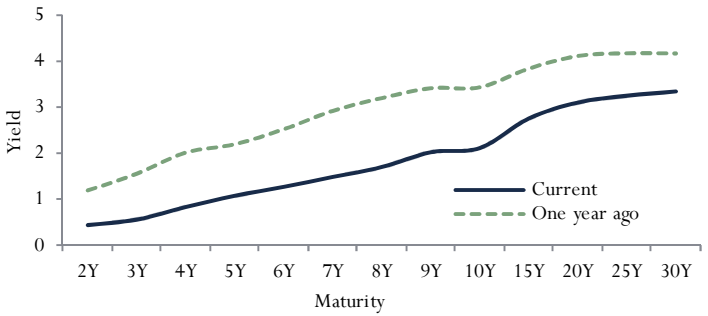
	30-Apr	1M	YTD	3Y
FTSE 100 (£)	5737.78	-0.5%	3.0%	3.3%
FTSE All Share (£)	2984.67	-0.6%	4.4%	4.2%
S&P 500 (US$)	1397.91	-0.7%	11.2%	17.8%
FTSE Eurofirst 300 (€)	1043.28	-2.4%	4.2%	-1.8%
Nikkei 225 (¥)	9520.89	-5.6%	12.6%	-13.9%
MSCI World (US$)	1293.99	-1.4%	9.4%	8.0%

COMMODITIES

Brent Crude Oil (US$)	119.47	-2.8%	11.3%	36.6%
WTI Crude Oil (US$)	104.87	1.8%	6.1%	21.7%
Gold Spot (US$/oz)	1663.80	-0.2%	5.5%	41.2%

FIXED INTEREST

UK Sovereign Yield Curve



	30-Apr	1M	YTD	3Y
FTSE All Stocks - Gilts (£)	2796.07	0.4%	-1.3%	20.1%
JPM Global Corporate Bond (£)	614.11	-0.6%	-2.7%	7.2%

CURRENCIES

	30-Apr	1M	YTD	3Y
GBP-USD	1.62	1.4%	4.4%	6.3%
GBP-EUR	1.23	2.2%	2.3%	6.7%
GBP-JPY	129.58	-2.3%	8.4%	-9.6%

MARKET INDICATORS

VIX (Volatility)	17.15	10.6%	-26.7%	-22.2%
Baltic Dry Index	1155.00	23.7%	-33.5%	-65.6%
LIBOR (3 Months)	1.01	-1.4%	-6.3%	49.5%
FTSE All Share Yield	3.75	2.6%	-1.5%	16.3%
St. James's Place (STJ:LN)	330.50	-6.4%	1.8%	24.6%

source: Bloomberg

Key Themes

Risk increased in April with all the major stock market indices posting losses between 0.5% and 5.6% as the support lent by the LTRO wore off, worse-than-expected economic data reports were realised, and political tensions arose in the Netherlands. Although the ECB's loaning of circa €1,000 billion to eurozone banks contributed to the first quarter rally, many investors remain concerned that excess liquidity is unlikely to solve sovereign debt solvency issues.

UK - Markets reacted calmly to the news that the UK economy unexpectedly shrank in the first quarter, pushing Britain into its first double-dip recession since the 1970s. On a positive note, manufacturing growth unexpectedly accelerated in March to the fastest pace in 10 months.

Spain - Spain was thrust into the spotlight in April after a weak government bond auction, rising bond yields, and a downgrade from A to BBB+ by Standard & Poor's. Despite these negative indicators some confidence was injected back into the market as the ECB left its benchmark interest rate unchanged at a record low of 1% and ECB Executive Board member Benoit Coeure triggered speculation that the bank will revive its bond purchase program to lower Spain's borrowing costs.

Japan - The Bank of Japan expanded its plan for government-bond purchases by 10 trillion yen (£77.27 billion) after the world's third-largest economy showed signs of slowing. The BOJ will boost its asset-purchase fund to 40 trillion yen (£309.07 billion) by June 2013, compared with the previous target of 30 trillion yen (£231.79 billion) by year-end.

Netherlands - Dutch prime minister Mark Rutte tendered his resignation after far-right politician Geert Wilders pulled out of budget talks to move the political battle over austerity from Europe's peripheral south to the heart of the eurozone. Concern is focused on whether the Netherlands will now be able to cut its budget deficit to the 3% of GDP mandated in the new European fiscal pact.

US - Fed minutes showed that it is holding off from increasing monetary stimulus unless US economic growth falters or prices rise at a rate slower than its 2% target. Manufacturing expanded last month at a faster pace than economists had estimated but this was offset by a report showing that American employers added just 120,000 jobs, the fewest in five months.

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