



Vantage *point*

**MARKET OUTLOOK: CAUTIOUS
STRATEGY: MAINTAIN DEFENSIVE STANCE**

A series of missteps by Chinese regulatory authorities set off a firestorm in financial markets. A circuit breaker intended to stem panic selling in equities instead created more of it. The yuan was also depreciated too quickly, 6.4% since August with a 9-day losing streak to start the year that rattled currencies and equities in the region.

By the end of last week, the Shanghai stock market would have lost more than 10%, the biggest first week loss for a major stock market index in history. This dragged equity indices all around the world down with it. Commodities such as copper and oil have also revisited bear market lows. Currencies, especially those in emerging markets, also revisited their recent lows against the dollar.

In a perfect storm like this, it is wise to stay defensive and reduce risk exposure.



TRADING STRATEGY

Source: Technistock



After asset classes across the world experienced their worst start in history this year, the sell down continues. We maintain our defensive stance.



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