

# Weekly Report



## Selected Market News

EU outlook remains positive despite concerns surrounding exposure to the developing crisis in Ukraine. Disquiet surrounding gas and oil supplies from Russia continues as Gazprom indicates potential disruption to European supply in response to the threat of US and EU sanctions. This week, natural gas experienced its biggest one-day rise in three years, with a rise of 9.5% in ICE (the electronic exchange of energy commodities) delivery in April. These concerns are tempered by our movement into what are traditionally oil and gas low seasons, increased capacity in Nord Stream since the 2009 energy crisis and worldwide by increases in US natural gas supplies. Equally, analysts are emphasising the need for context with natural gas having hit a 4-year low in January 2014. As such, disruption will be limited and is unlikely to have a significant impact on economic recovery in the eurozone. Exceptions to this positive outlook are Cyprus and Slovenia, with the Cypriot economy expected to contract by 4.8% over the year and general European positivity is tempered by the likelihood of little change in unemployment for the rest of 2014.

Growing tensions between Russia and Ukraine and Russia and the West have impacted markets worldwide, with oil, gas and corn futures all up. Ukrainian corn futures stagnated in early March as the threat of ongoing security and political upheaval in Ukraine continues. Over the weekend, reports of a collapse in demand for Ukrainian corn futures led to increases of nearly 5% in US wheat futures and 1.4% in corn. Ukraine is the second largest exporter of corn worldwide, producing one sixth of global corn output. This comes amid continued concern with Ukraine's ongoing economic outlook as Fitch downgraded their debt level to CCC last month. Despite assurances from the EU and World Bank, this has led to falls in other former Soviet Union states' currencies. Russia experienced its biggest stock sell-off in 5 years on March 3<sup>rd</sup> with capital flight and currency depreciation also lowering Russia's economic outlook. Deepening crises worldwide from Ukraine to Venezuela, Nigeria and Thailand are likely to further depress emerging market outlooks for the rest of 2014; however, direct impact from the Russian-Ukrainian crisis is likely to remain limited in scope.

## Fund's Results

| Holdings       | P&L     | Performance (%)    | -0.61%    |
|----------------|---------|--------------------|-----------|
| Viscofan       | -8.45%  | Performance (CASH) | -£93.91   |
| Diageo         | -3.12%  | Invested Amount    | £3 548.11 |
| Morgan Stanley | 9.22%   | Cash Amount        | £6 411.89 |
| Honda          | -0.27%  | NAV                | £9 939.09 |
| Rolls Royce    | -15.34% |                    |           |
| William Hill   | 9.22%   |                    |           |



**Griff Investment Fund** –  
The first student-run investment fund in the North of England, with £10,000 under management.

**Rav Singh Sandhu**  
CEO  
[rss509@york.ac.uk](mailto:rss509@york.ac.uk)

**Joey Cuthbertson**  
CIO  
[jc1029@york.ac.uk](mailto:jc1029@york.ac.uk)

**Scott Foley**  
COO  
[sf656@york.ac.uk](mailto:sf656@york.ac.uk)

**Gabriele Zuokaite**  
Co-editor of the Weekly  
[gz544@york.ac.uk](mailto:gz544@york.ac.uk)

**Isobel Shaw**  
Co-editor of the Weekly  
[iks501@york.ac.uk](mailto:iks501@york.ac.uk)

**Anna Murray**  
Selected News Analyst  
[avm508@york.ac.uk](mailto:avm508@york.ac.uk)

**Sources used:**  
*Bloomberg, BBC, Financial Times, The Telegraph, The Economist, Wall Street Journal*