

GLOBAL MARKET UPDATE

25 April to 1 May 2016



After the BOJ left policy unchanged on Wednesday, the Nikkei 225 fell 5.16% in local terms, which would have been worse without a market holiday on Friday. The currency fared little better. The JPY lost almost 5% against the USD and now sits back at September 2014 levels.

We have been, and continue to be, bears on Abenomics. The “three-arrows” of fiscal stimulus, monetary easing and structural reforms have failed individually and collectively, leading to negative GDP growth in 5 out of the last 9 quarters. We summarise our views by answering three questions:

WHY HAS JAPAN FAILED?

- **Fiscal Policy:**

Abenomics started with a fiscal spending package that saw the budget deficit break 11% in 2013. However, burdened with a debt-to-GDP ratio of circa 230%, the government soon lost its nerve, announcing a sequence of consumption tax hikes (next due April 2017).

- **Monetary Policy:**

The Bank of Japan continue to buy assets at an unprecedented pace (QE is 3x larger than in the US and 2x larger than in Europe). The central bank therefore now owns 35% of all Japanese Government Bonds (projected to reach 50% within 18 months) and, according to Bloomberg, is a top 10 shareholder in 90% of Nikkei 225 companies via equity ETFs. However, this has failed to spark inflation and, in turn, growth.

To understand this failure, we must consider the channel by which QE acts on the economy. It is a signalling tool, through which a central bank can commit to generating inflation via increased liquidity. However, that signal needs to be credible; if the accompanying inflation target is too low or “forward guidance” is inconsistent, then investors will expect policy to reverse at the first sign of price increases. This is a problem globally, but nowhere worse than Japan where the bank is unpredictable and changes policy justification on a whim.

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS (25 APRIL TO 1 MAY 2016)

DEVELOPED	Top 3:	Norway 4.34% , Ireland 2.57% , Canada 1.82%
	Bottom 3:	Singapore -2.83% , Japan -2.26% , Europe -1.73%
EMERGING	Top 3:	Brazil 5.68% , Russia 2.44% , Mexico 2.14%
	Bottom 3:	Greece -2.70% , Malaysia -2.70% , Dubai -2.56%
FRONTIER	Top 3:	Morocco 6.15% , Slovakia 4.94% , Estonia 3.67%
	Bottom 3:	Israel -3.50% , Bangladesh -3.30% , Mongolia -2.96%

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- **Structural Reform:**
The favourite promise of politicians, Japan has so far failed to deliver any material structural measure.

WHAT HAPPENS NEXT?

- It's old news, but Japanese government debt is unsustainable. Actually, it's worse than that – the country is insolvent; no amount of stimulus will allow them to “grow” out of the problem. Instead, the government needs to engineer a pseudo-default by embracing inflation. This is a horrible policy, with savers paying the price of debtors' profligacy, but is the only politically viable option to exit stagnation. Despite the failure, so far, to generate price increases, we think it is easily possible. The first method is a more credible commitment – higher inflation targets, nominal GDP targets and unlimited policy measures taken without blinking. The second is the nuclear option – “helicopter money” whereby the BOJ permanently monetises government debt. The risk here is losing the credibility of the currency; there can't be a free lunch where governments indefinitely print money to fund themselves.

WHAT ARE THE TAKEAWAYS FOR THE REST OF THE WORLD?

- **Currencies have lost faith in QE:**
We saw it earlier in the year after the ECB failed to cut rates but boosted asset purchases, leading to a sharp rally in the EUR. Now the relentless buying by the BOJ has seen no weakening of the JPY in 21 months. Policy now needs to innovate to keep market belief.
- **Persistent Intervention and Lack of Cohesion breeds Stagnation:**
Japan is a story of decades of disjointed policy, with imperfectly delivered stimulus creating a monumental influence of government institutions on market prices, but with little benefit. Europe fits a similar mould – the structural failings of the Euro (monetary union without fiscal union) leading to slow and confused policy.

UNITED STATES

S&P 2,081 **-1.26%**, 10yr Treasury 1.83% **-5.45bps**, HY Credit Index 433 **+15bps**, Vix 14.96 **+2.48Vol**

The FED's April statement left all options open for June. In particular, the “balance of risks” sentence, which has been taken as a signal for likely next meeting policy changes, was entirely removed. Therefore, the committee appear firmly data dependent.

Macro-economic data was modestly weaker - **Q1 GDP disappointed at 0.5% annualised** whilst new homes sales, Michigan consumer sentiment and Chicago PMI were also light. Elsewhere **a third of the S&P 500 reported**, including Apple, which slipped more than 10% after missing expectations. This leaves earnings still on track to record a 4th quarterly decline.

EUROPE

Eurostoxx 3,010 **-1.73%**, German Bund 0.27% **+4.00bps**, Xover Credit Index 315 **-18bps**, EURUSD 1.158 **-1.98%**

Euro area GDP for Q1 beat expectations, posting a 0.6% increase. However, inflation returned to negative territory. In the UK, Q1 GDP confirmed the “Brexit effect”, registering a 0.4% annualised gain, which represents a slowdown from 0.6% in Q4.

Unilever managed to issue EUR 300mn of 4 year bonds at a yield of 0.08%, almost matching the recent record low borrowing cost set by French drug maker Sanofi for 3 year money at 0.05%.

The **National Bank of Hungary cut rates by 0.15% to 1.05%** in a reaction to the strengthening currency, whilst the Central Bank of Russia left policy unchanged. Poland, Czech Republic and Romania are all expected to

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remain on hold this week.

ASIA PACIFIC

HSCEI 8,777 **-1.99%**, Nikkei 1,614.00 **-2.26%**, 10yr JGB **-0.12%** **+0bps**, USDJPY 105.670 **-4.70%**

The BOJ chose to leave policy unchanged last week, albeit extending the expected date for reaching 2% inflation for a 6th time. We think policy change is likely in June, when the Government is expected to deliver a supplementary budget. The RBNZ in New Zealand also failed to act, although they retain an easing bias.

China's April NBS Manufacturing PMI came in slightly below expectations (50.1 vs expectations of 50.3 and lower than March's 50.2 figure). The deterioration was broad based at the sub-index level, though the headline number being above 50 still indicates expansion. Non-manufacturing PMI fell by a similar amount, also missing consensus. *Following the relatively strong performance of the Chinese economy during Q1, the annual growth target of 6.5% to 7.0% GDP expansion still looks well achievable.*

Korea's economy slowed to a rate of 2.7% YoY GDP growth in the first quarter of 2016, compared to 3.1% in Q4 2015. The deceleration was in line with expectations, with the central bank having revised down its economic growth forecast at its last policy meeting.

Taiwan's economy contracted 0.8% YoY in Q1, continuing the decline started in Q4 2015. The shrinkage was slightly less severe than expected, with a jump in government spending supporting output. Consensus is now building in a rate cut for the June policy meeting.

Within Asia, frontier market equities outperformed last week, with Vietnam, Pakistan and Sri Lanka all in positive territory.

Sri Lanka finished the week up 1.60% after an agreement was reached with the IMF for a \$1.5bn Extended Fund Facility. The deal is expected to be formally completed in June and will come with conditions including increasing the government's tax revenue take and spending reforms.

LATIN AMERICA

MSCI Lat Am 2,258 **+3.95%**

Civil servants are now working two days a week in Venezuela to rationalise power in the crisis-stricken country. The Venezuelan economy is projected to contract by 8% this year and the **central bank is running out of ink and paper** (imported goods) to print money, as inflation runs above 500% according to the IMF.

COPOM, the Brazilian Monetary policy committee kept its interest rate target at 14.25%, no surprise there. Markets participants are now expecting the beginning of an easing cycle in 2H16 or as soon as the next meeting in 6 weeks, on the back of decreasing inflation expectations (6.98% for 2016). The target of the CBC is 4.5-6.5%.

Mexico retail sales were up 5.4% yoy in February (adjusted for the leap year), but only +0.2% mom. The MSCI Mexico consumer staples index (+13% since lows of January) is lagging the broader MSCI Mexico (+21%) as consumer confidence remains low and valuations stretched at 29 P/E in the consumer space.

CDS spreads keep heading south all across LatAm (from 273bps one month ago to 242), Brazil (from 387bps to 337), Colombia (from 220 to 209), Chile (from 101 to 94) and Mexico (from 168 to 154). Risk premiums contraction is the main driver behind the strong rally of LatAm equity markets year-to-date on the back of a more doveish FED and the hint of structural reforms across the region.

AFRICA

MSCI Africa 787 **+2.00%**

The central bank of Kenya has put 3 banks under receivership in the past 10 months. These were small to medium sized lenders suffering liquidity difficulties. The remainder of the 43 financial institutions are now subject to an in-depth review.

Thousands of South African flocked to the opening of the "Mall of Africa", the largest on the continent. This doesn't reverse **the negative outlook for the South African economy** with rising prices and interest rates (7% now, up 200bps in 2 years and economists expect further increase) and the Rand depreciation (20% in the

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last year).

The Nigerian situation is deteriorating as official food inflation is running at 12.7% yoy (drinking water prices are up 115% in some states) led by imported food supplies. CPI is at 13%. President Buhari released 10k tons of grains from strategic reserves, but this is a drop in the ocean of Nigerian consumption. The Nigeria Stock Exchange All Shares index is flat this month but down 12.4% year-to-date.

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
ISM Manufacturing (APR)	Mon/02	51.50
ISM Non-Manufacturing (APR)	Wed/04	54.80
Factory Orders (MAR) % MOM	Wed/04	0.70
Nonfarm Payrolls (APR) k	Fri/06	200.00
Unemployment (APR) %	Fri/06	5.00
EUROPE		
Eurozone Manufacturing PMI (APR)	Mon/02	51.5
UK Manufacturing PMI (APR)	Tue/03	51.2
Eurozone Retail Sales (MAR) % MOM	Wed/04	0.2
UK Composite PMI (APR)	Thu/05	53.2
Czech Rate Decision (MAY) %	Thu/05	1.75
Romania Rate Decision (MAY) %	Thu/05	0.05
Poland Rate Decision (MAY) %	Fri/06	1.50
ASIA PACIFIC		
China Caixin Manufacturing PMI (APR)	Tue/03	49.80
Australia Rate Decision (MAY) %	Tue/03	2.00
Australia Retail Sales (MAR) % MOM	Thu/05	-
LATIN AMERICA		
Brazil Trade Balance (APR) USD Mn	Mon/02	-
Brazil Industrial Production (MAR) % YOY	Tue/03	-
Mexico Rate Decision (MAY) %	Thu/05	3.75
AFRICA		
South Africa Markit PMI (APR)	Thu/05	-

GLOBAL MARKET DATA

25 April to 1 May 2016

Equities				Return (USD)				YTD (Local)	Volume 1wk/3mo	14d RSI	30d Vol
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y				
North America											
S&P 500 INDEX	SPX Index	US	2,081.43	-1.26%	0.27%	1.05%	-0.97%		101%	56.71	9.87%
RUSSELL 2000 INDEX	RTY Index	US	1,140.92	-1.38%	1.51%	-0.44%	-7.32%		102%	57.09	16.69%
NASDAQ COMPOSITE INDEX	CCMP Index	US	4,817.59	-2.67%	-1.94%	-4.63%	-3.36%		102%	50.95	13.17%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	13,865.63	1.82%	6.84%	18.09%	-11.76%		104%	59.80	8.78%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	317.11	-1.26%	3.27%	-2.51%	-3.55%		93%	57.89	15.00%
S&P 500 CONS DISCRET IDX	S5COND Index	US	637.53	-0.33%	0.05%	1.25%	5.27%		101%	58.94	11.19%
S&P 500 INFO TECH INDEX	S5INFT Index	US	701.40	-3.58%	-5.47%	-3.42%	-1.71%		114%	46.31	13.55%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	811.02	-2.95%	2.87%	-3.23%	-2.72%		109%	53.75	14.06%
S&P 500 ENERGY INDEX	S5ENRS Index	US	502.57	0.49%	8.65%	12.04%	-16.66%		90%	60.89	19.90%
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,081.43	-1.26%	0.27%	1.05%	-0.97%		101%	56.71	9.87%
S&P 500 INDUSTRIALS INDEX	S5INDU Index	US	489.78	-0.51%	0.83%	5.20%	1.75%		100%	58.97	9.51%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	541.15	0.74%	-1.46%	3.32%	7.88%		94%	54.34	11.54%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	247.70	2.24%	-2.45%	11.71%	9.43%		97%	56.58	15.06%
S&P 500 MATERIALS INDEX	S5MATR Index	US	296.68	-0.34%	4.90%	8.03%	-6.43%		107%	60.69	13.71%
S&P 500 TELECOM SERV IDX	S5TELS Index	US	168.30	1.14%	-3.14%	11.49%	4.40%		96%	54.49	14.76%
Europe											
Euro Stoxx 50 Pr	SX5E Index	Europe	3,010.29	-1.73%	1.30%	-2.43%	-14.56%	-7.32%	94%	49.85	20.89%
CAC 40 INDEX	CAC Index	France	4,419.54	-1.21%	1.52%	0.56%	-10.47%	-4.49%	82%	50.53	20.20%
DAX INDEX	DAX Index	Germany	10,002.78	-1.35%	1.26%	-2.02%	-10.59%	-6.55%	88%	52.71	20.43%
Athex Composite Share Pr	ASE Index	Greece	583.65	-2.70%	0.74%	-3.55%	-28.29%	-7.56%	94%	54.28	26.09%
FTSE MIB INDEX	FTSEMIB Index	Italy	18,373.44	1.46%	3.20%	-8.95%	-17.66%	-13.16%	89%	50.10	26.93%
AEX-Index	AEX Index	Netherlands	436.94	-0.74%	0.42%	4.77%	-8.06%	-0.48%	79%	51.28	16.48%
PSI All-Share Index GR	BVLX Index	Portugal	2,497.70	1.51%	1.31%	3.64%	-6.63%	-1.56%	82%	56.54	15.61%
MICEX INDEX	INDEXCF Index	Russia	1,953.05	2.44%	8.40%	25.81%	-7.74%	10.88%	102%	58.73	15.50%
IBEX 35 INDEX	IBEX Index	Spain	8,967.20	-0.35%	4.01%	-0.44%	-19.13%	-5.43%	97%	52.43	20.85%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,340.73	-1.17%	0.48%	-1.44%	-13.31%	-5.95%	93%	46.80	19.03%
SWISS MARKET INDEX	SMI Index	Switzerland	7,896.52	0.13%	1.90%	-6.85%	-14.24%	-9.72%	73%	49.22	13.95%
BIST 100 INDEX	XUI00 Index	Turkey	83,561.90	1.30%	3.27%	24.09%	-2.85%	18.96%	79%	56.55	16.75%
FTSE 100 INDEX	UKX Index	UK	6,236.66	0.56%	2.71%	-0.74%	-14.47%	-0.01%	97%	52.28	13.12%
Asia Pacific											
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	501.26	-1.90%	-1.01%	0.50%	-20.46%	0.50%	87%	53.48	12.56%
S&P/ASX 200 INDEX	AS51 Index	Australia	5,353.84	-0.95%	2.42%	3.43%	-12.67%	-0.82%	95%	56.80	15.37%
DSE 30 Index	DS30 Index	Bangladesh	1,640.75	-3.19%	-2.22%	-7.81%	3.59%	-7.90%		31.40	13.38%
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	8,777.37	-1.99%	-0.72%	-7.55%	-38.10%	-7.47%	95%	51.83	22.68%
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	2,992.64	-0.24%	-2.51%	-16.81%	-36.65%	-16.98%	61%	47.28	18.10%
HANG SENG INDEX	HSI Index	HK	20,807.19	-1.87%	1.38%	-3.95%	-25.17%	-3.87%	90%	53.87	17.76%
Nifty 50	NIFTY Index	India	7,802.80	-0.23%	1.01%	-1.50%	-8.11%	-1.22%	95%	54.59	15.25%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	4,824.65	-1.66%	-0.91%	10.48%	-6.64%	5.35%	105%	51.21	9.86%
NIKKEI 225	NIKY Index	Japan	16,147.38	-2.26%	3.27%	-2.52%	-5.71%	-12.44%	104%	45.27	31.08%
KOSPI 200 INDEX	KOSPI Index	Korea	244.29	-0.99%	-0.62%	4.84%	-13.50%	2.01%	126%	50.53	10.69%
Laos Composite Index	LSXC Index	Laos	1,130.45	0.54%	-3.11%	-3.89%	-23.38%	-4.28%	72%	40.60	12.91%
FTSE Bursa Malaysia KLCI	FBMVKLI index	Malaysia	1,652.99	-2.70%	-3.67%	8.63%	-16.04%	-1.17%	115%	44.76	8.46%
KARACHI 100 INDEX	KSE100 Index	Pakistan	34,677.18	2.73%	4.72%	5.82%	-0.01%	5.80%	146%	64.51	8.06%
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,046.57	-1.84%	-3.54%	2.90%	-11.92%	2.98%	84%	48.68	8.35%
STRAITS TIMES INDEX SHI	FSSTI Index	Singapore	2,814.77	-2.83%	-0.01%	3.68%	-19.84%	-1.53%	81%	51.03	14.65%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,562.97	1.60%	6.77%	-6.78%	-17.27%	-5.49%	68%	61.10	8.60%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	8,294.12	-1.61%	-4.53%	2.38%	-19.11%	0.48%	75%	45.96	11.72%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,406.22	0.02%	0.31%	12.61%	-12.99%	9.05%	122%	55.93	12.68%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	598.37	0.98%	6.63%	4.23%	3.03%	3.34%	98%	60.12	16.10%
Rest of the World											
MSCI ACWI	MXWD Index	MSCI World	404.17	-0.88%	1.28%	1.00%	-7.55%	1.00%	87%	58.31	9.75%
MSCI EM	MXEF Index	MSCI EM	835.57	-0.59%	0.41%	5.80%	-19.81%	5.80%	85%	57.02	13.85%
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,502.51	0.58%	2.39%	6.42%	-15.30%	6.42%	109%	61.68	7.98%
DFM GENERAL INDEX	DFMGI Index	Dubai	3,404.74	-2.56%	4.07%	10.81%	-17.43%	10.82%	48%	51.59	17.41%
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,257.90	3.95%	5.70%	25.26%	-14.89%	25.26%	105%	61.03	24.31%
ARGENTINA Merval INDEX	MERVAL Index	Argentina	13,549.01	-0.71%	8.09%	6.97%	-28.87%	17.55%	65%	56.12	37.32%
MSCI BRAZIL	MXBR Index	Brazil	1,420.43	5.94%	10.15%	40.32%	-19.25%	40.32%	91%	61.06	35.44%
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,004.04	2.14%	2.83%	16.81%	-8.23%	8.75%	97%	61.91	9.21%
IGBC GENERAL INDEX	IGBC Index	Colombia	9,934.81	1.74%	6.58%	29.86%	-21.76%	16.55%		58.42	14.16%
MEXICO IPC INDEX	MEXBOL Index	Mexico	45,707.87	2.14%	0.33%	6.80%	-8.13%	6.53%	109%	56.24	10.68%
Bolsa de Panama General	BVPSBVP Index	Panama	392.74	-0.34%	0.25%	-2.66%	-8.23%	-2.64%	26%	38.18	1.97%
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	13,746.00	3.46%	15.20%	44.71%	-2.27%	39.13%	70%	73.62	32.01%
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	15,617.70	-1.89%	7.52%	-32.32%	7.16%	7.42%	17%	53.02	21.55%
MSCI EFM AFRICA	MXFMEAF Index	Africa	787.01	2.00%	3.94%	15.25%	-20.56%	15.25%	85%	58.41	27.33%
EGYPT HERMES INDEX	HERMES Index	Egypt	704.82	-0.48%	2.59%	-1.48%	-23.21%	11.79%	83%	63.32	16.59%
GSE Composite Index	GGSECI Index	Ghana	1,828.78	-0.73%	-3.73%	-8.45%	-18.80%	-8.33%	147%	15.45	4.50%
Nairobi SE 20 Share	KNSMIDX Index	Kenya	4,009.26	0.20%	1.15%	0.49%	-26.31%	-0.78%	78%	55.92	8.97%
MASI Free Float Index	MOSENEW Index	Morocco	9,908.40	5.97%	7.18%	15.43%	1.46%	11.76%	110%	68.16	12.47%
NIGERIA STCK EXC ALL SHR	NGSEINX Index	Nigeria	25,062.41	0.70%	-0.96%	-12.39%	-28.14%	-12.50%	74%	48.46	11.75%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	46,388.73	1.16%	3.83%	10.27%	-19.38%	1.47%	81%	53.53	14.24%
Average				-0.11%	1.91%	4.16%	-10.61%	2.61%	91%	53.82	15.56%
Top 25%				1.15%	3.89%	9.45%	-3.46%	7.75%	102%	58.42	17.93%
Bottom 25%				-1.50%	-0.31%	-2.52%	-19.12%	-5.45%	82%	50.74	10.94%

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25 April to 1 May 2016

FX (vs USD)			Return +ive=USD Stronger			
Name	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	USD Index	92.13	-2.14%	-1.59%	-5.63%	-1.60%
USD-EUR X-RATE	Europe	0.86	-1.98%	-0.61%	-5.18%	-2.00%
Russian Ruble SPOT (TOM)	Russia	64.93	-2.65%	-3.18%	-10.69%	25.55%
USD-TRY X-RATE	Turkey	2.80	-1.87%	-0.77%	-4.17%	4.60%
USD-GBP X-RATE	UK	0.68	-1.40%	-1.71%	0.85%	5.07%
Bloomberg JPMorgan Asia Dollar	Asia USD Index	108.46	0.47%	-0.10%	1.75%	-4.04%
USD-AUD X-RATE	Australia	1.31	1.37%	0.68%	-4.19%	3.94%
USD-CNY X-RATE	China	6.47	-0.33%	0.38%	-0.24%	4.43%
USD-INR X-RATE	India	66.28	-0.23%	0.12%	0.27%	4.58%
USD-JPY X-RATE	Japan	105.67	-4.73%	-5.39%	-11.41%	-10.79%
USD-KRW X-RATE	Korea	1,140.24	-0.33%	-0.35%	-3.03%	6.26%
USD-TWD X-RATE	Taiwan	32.19	-0.20%	0.18%	-1.80%	5.38%
USD-ARS X-RATE	Argentina	14.18	-0.26%	-3.04%	10.25%	60.07%
USD-BRL X-RATE	Brazil	3.50	-3.66%	-4.35%	-13.25%	13.98%
USD-CLP X-RATE	Chile	661.65	-1.22%	-1.09%	-6.80%	7.93%
USD-MXN X-RATE	Mexico	17.19	-1.70%	-0.59%	-0.18%	11.90%
USD-EGP X-RATE	Egypt	8.83	-0.12%	-0.03%	13.35%	16.37%
USD-NGN X-RATE	Nigeria	199.05	0.01%	-0.03%	-0.16%	-0.01%
USD-ZAR X-RATE	South Africa	14.24	-1.16%	-3.64%	-8.01%	19.47%
Commodities			Return (USD)			
WTI CRUDE FUTURE Jun16	US	45.32	5.01%	15.52%	12.80%	-28.41%
BRENT CRUDE FUTR Jul16	UK	46.38	5.10%	16.19%	15.34%	-33.39%
BALTIC DRY INDEX		703.00	2.18%	63.87%	47.07%	18.95%
Natural Gas Futures		2.06	1.78%	11.18%	-6.80%	-20.83%
Gold Spot \$/Oz		1,298.20	4.91%	4.93%	21.90%	9.22%
Silver Spot \$/Oz		17.65	5.16%	15.61%	28.88%	10.49%
LME COPPER 3MO (\$)		5,050.00	0.38%	4.19%	7.33%	-20.28%
Government Bond Yields %			Change (Bps)			
US Generic Govt 2 Year Yield	US 2yr	0.77	-0.04	0.06	-0.27	0.21
US Generic Govt 5 Year Yield	US 5yr	1.29	-0.06	0.09	-0.47	-0.13
US Generic Govt 10 Year Yield	US 10yr	1.84	-0.05	0.06	-0.44	-0.20
Canadian Govt Bonds 10 Year No	Canada 10yr	1.54	0.00	0.29	0.12	-0.07
Mexico Generic 10 Year	Mexico 10yr	5.90	-0.05	-0.08	-0.40	-0.04
UK Generic Govt 10Y Yield	UK 10yr	1.60	0.00	0.18	-0.36	-0.24
Switzerland Govt Bonds 10 Year	Swiss 10yr	-0.25	0.03	0.10	-0.17	-0.27
German Government Bonds 2 Yr B	German 2yr	-0.48	0.02	0.00	-0.14	-0.26
German Government Bonds 5 Yr O	German 5yr	-0.29	0.04	0.04	-0.24	-0.30
Germany Generic Govt 10Y Yield	German 10yr	0.27	0.04	0.12	-0.36	-0.10
French Generic Govt 10Y Yield	French 10yr	0.62	0.07	0.15	-0.35	0.00
Greece Generic Govt 10Y Yield	Greece 10yr	8.47	0.07	-0.07	0.34	-1.94
Italy Generic Govt 10Y Yield	Italy 10yr	1.23	0.01	0.26	-0.11	-0.07
Spain Generic Govt 10Y Yield	Spanish 10yr	1.58	0.00	0.16	-0.18	0.13
Portugal Generic Govt 10Y Yield	Portugal 10yr	3.08	-0.13	0.22	0.65	1.06
Australia Govt Bonds Generic Y	Aus 10yr	2.47	-0.12	0.03	-0.36	-0.13
India Govt Bond Generic Bid Y	India 10yr	7.44	-0.02	-0.03	-0.33	-0.43
KCMP South Korea Treasury Bond	Korea 10yr	1.81	-0.04	0.00	-0.29	-0.63
Japan Generic Govt 10Y Yield	Japan 10yr	-0.12	0.04	-0.05	-0.34	-0.42
South Africa Govt Bonds 10 Yea	SA 10yr	8.97	-0.07	-0.14	-0.82	1.02
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/21	EUR XOVER	314.76	17.66	5.81	-4.34	37.31
MARKIT ITRX EUROPE 06/21	EUR MAIN	73.78	4.27	0.15	-4.37	12.15
MARKIT ITRX EUR SNR FIN 06/21	EUR SNR FIN	91.12	7.34	-0.33	12.38	18.52
MARKIT ITRX EUR SUB FIN 06/21	EUR SUB FIN	203.39	23.59	0.73	47.58	56.64
MARKIT CDX.NA.IG.26 06/21	US IG	77.91	4.90	0.26	-9.83	14.55
MARKIT CDX.NA.HY.26 06/21	US HY	432.73	14.84	0.46	-33.66	95.86
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	Europe	22.94	1.66	1.34	-1.16	1.62
FTSE 100 500 3month ATM	UK	17.72	-0.84	0.27	1.52	2.55
Hang Seng 3month ATM	HK	21.66	2.57	2.69	3.64	0.06
Nikkei 3month ATM	Japan	26.52	-1.70	2.12	5.12	2.96
S&P 500 3month ATM	US	14.23	1.47	0.90	-1.27	1.05
Volatility (VIX)	US	14.96	2.48	1.75	-2.51	1.15
Inflation (Long term inflation expectation proxy) %			Change (Bps)			
US 5Y5YF Inflation Swap	USD	2.12	0.04	0.06	-0.07	-0.21
UK 5Y5YF Inflation Swap	GBP	3.10	-0.08	-0.11	-0.24	-0.16
JPY 5Y5YF Inflation Swap	JPY	0.17	0.00	-0.02	-0.53	-0.91
EUR 5Y5YF Inflation Swap	EUR	1.47	0.08	0.06	-0.21	-0.29
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	Asia Pacific	9.10				
Citi Economic Surprise Index -	China	13.40				
Citi Economic Surprise Index -	EM	14.50				
Citi Economic Surprise Index -	Eurozone	-10.80				
Citi Economic Surprise Index -	G10	-11.90				
Citi Economic Surprise - Japan	Japan	18.00				
Citi Economic Surprise Index -	Latin America	34.80				
Citi Economic Surprise - Unite	US	-31.70				

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All performance data is weekly and in USD unless otherwise specified.

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