

# GLOBAL MARKET UPDATE



## 7 MAY - 14 MAY: ONE SIZE DOES NOT FIT ALL

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Sweden <b>3.91%</b> , Finland <b>2.56%</b> , United States <b>2.41%</b>
	Bottom 3:	Italy <b>-0.76%</b> , Belgium <b>-0.30%</b> , Europe <b>0.38%</b> ,
EMERGING	Top 3:	Hong Kong <b>3.99%</b> , China "H" <b>3.82%</b> , South Africa <b>3.59%</b>
	Bottom 3:	Egypt <b>-3.82%</b> , Abu Dhabi <b>-2.61%</b> , Turkey <b>-2.61%</b>
FRONTIER	Top 3:	Slovenia <b>4.65%</b> , Kazakhstan <b>2.65%</b> , Vietnam <b>1.73%</b>
	Bottom 3:	Argentina <b>-4.55%</b> , Kenya <b>-2.83%</b> , Jordan <b>-1.36%</b>

As the global economy normalises after 18 months of perfect calm, a number of flash points are emerging:

- **Argentina** has requested help from the IMF after a precipitous fall in its currency and facing an unsustainable fiscal position. This comes only 6 months after the country successfully sold 100 year bonds, which now trade below 90 cents in the dollar.
- The **Turkish Lira has depreciated almost 15% YTD** ahead of snap elections in which President Erdogan is attempting to consolidate power and where the President has stymied the ability of the central bank to raise rates.
- **Italy** faces an uncertain outlook, with the prospect of a populist coalition government that will only serve to amplify an already untenable fiscal position.

However, the fact that not every market is in perfect health, does not change our perception on the aggregate picture or our specific "top picks". In Asia, China and India are outpacing expectations, in Africa the medium-term potential for Egypt and South Africa is improving and in Latin America much of the region is still enjoying favourable cyclical tailwinds.

### UNITED STATES

S&P 2,728 **+2.41%**, 10yr Treasury 2.97% **+1.98bps**, HY Credit Index 332 **-12bps**, Vix 12.65 **-2.12Vol**

Last week, **the S&P 500 had its best week in 2 months** and the VIX volatility index hit its lowest level since January. In fixed income, bond yields rose, albeit the curve again flattened (43bps spread between US 2 and 10 year bonds).

From a macro data perspective, the main release was inflation data for April, **with Core CPI coming in slightly**

**lower than expected at 2.1% YOY.** On Tuesday retail sales for April will be released.

Elsewhere, Donald Trump returned to the front page after he announced the **US was withdrawing from the "Joint Comprehensive Plan of Action" (JCPOA) on Iran** and reinstating all US nuclear-related sanctions. This has repercussions for many European firms doing business with Iran and prompted a joint statement by French President Macron and German Chancellor Merkel expressing their "regret and concern" as well as a call from British PM Theresa May to reiterate her support for the deal. Indeed, Merkel went on to comment: "It is in our interest to have a

Chris Wehbe  
CEO & Chair of Investment  
Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

Twitter: [@cswehbe](https://twitter.com/cswehbe)

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

Florian Gueritte  
Investment Analyst  
(LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

Temi Iyiola  
Investment Analyst  
(Africa)

[temi.iyiola@alquity.com](mailto:temi.iyiola@alquity.com)

strong transatlantic relationship [but] If everybody does what they like, then this is bad news for the world." Further the French Finance Minister stated: "Do we accept that the United States is the economic gendarme of the planet? The answer is no." Oil prices also rose after the news, with WTI breaching USD 70 per barrel for the first time since 2014.

## EUROPE

Eurostoxx 3,566 +0.38%, German Bund 0.57% +1.50bps, Xover Credit Index 269 -5bps, USDEUR .837 +0.06%

European equities lagged their US peers last week, with Italy providing a notable drag. Indeed, **Italian bond yields rose after news that the anti-establishment parties 5 Star Movement and Northern League were close to agreeing a coalition government.** Following meetings over the weekend, the largest outstanding question appears to be who would lead the alliance.

*We have long viewed Italy as being on an unsustainable journey; without its own currency or a proper fiscal union in Euroland, the country will never achieve sufficient sustainable growth to return to a sensible fiscal position. If a populist government is formed, with policies including a repeal of pension reform, flat income tax and universal income, then this would only accelerate the inevitable.*

Industrial production numbers for March were mixed, France declining but Germany and Italy rising above expectations.

In the UK, the **Bank of England (BOE) left rates on hold at 0.50%** (voting 7-2 to maintain the status quo) stating "there was value in seeing how the data unfolded over the coming months, to discern whether the softness in Q1 might persist" and "the costs to waiting for additional information were likely to be modest, given the need for only limited tightening over the forecast period to return inflation sustainably to the target." Meanwhile, the RICS house price survey suffered its biggest monthly fall in 6 years in April, with a net 8% of surveyors reporting decline in prices. In particular, London is weighing down the index as 65% of agents registered falls.

## ASIA PACIFIC

HSCEI 12,516 +3.82%, Nikkei 22,865.86 + 1.86%, 10yr JGB 0.05% +0bps, USDJPY 109.500 +0.23%

Despite ongoing uncertainty over trade relations with the US, **China's trade activity remained firm in April.** Exports rebounded from -2.7% YOY in March to 12.9% growth, while import growth accelerated from 14.4% to 21.5%. **Inflation in China remains benign**, with CPI and PPI printing at 1.8% and 3.4% respectively.

**China hosted North Korean leader Kim Jong-un for a second time last week**, with the supreme leader of the hermit nation holding discussions with Chinese President Xi Jinping ahead of a historic meeting scheduled with President Trump in Singapore next month. According to official releases from Chinese state media, further progress was made on denuclearisation of the peninsular and the

prospect of greater cooperation between China and North Korea.

In a shocking turn of events, compared in significance to the Trump and Brexit votes, **Malaysia's general election saw the incumbent Barisan Nasional party defeated, and the first victory for an opposition party since the country's independence in 1963.** The Pakatan Harapan coalition will now form a government, with 92-year old former Prime Minister Mahathir Mohammad temporarily taking the helm.

*Whilst the result is being celebrated as a victory for democracy, after intense gerrymandering and growing authoritarianism from the ruling government, markets quickly sobered up to the realities of what the coalition government could mean for the economy. After a campaign filled with promises to remove the goods and services tax, raise minimum wages and reintroduce fuel subsidies, rating agencies have been quick to point out that the election results will likely prove credit-negative for Malaysia. Whilst local markets were closed for two days, futures immediately priced in a 4.7% drop in the value of the Ringgit against the dollar, while CDS spreads on government paper rose to a one-year high.*

**Indonesia's economy softened marginally in Q1 2018**, with GDP growth dropping to 5.1% YOY, down from 5.2% in Q4 2017. Exports and household consumption weighed on growth. This was followed up by an official statement from central bank governor Agus Martowardojo, noting that Bank Indonesia had been using foreign reserves to stabilise the currency and that "strict and consistent monetary policy measures" will be required going forward, which the market interpreted as incrementally more hawkish.

**The Philippines' central bank raised interest rates by 25bps to 3.25%, in line with expectation.** The hike comes in response to above target inflation, as well as the peso beginning 2018 as one of Asia's worst performing currencies, down -4.9% against the dollar year to date. The central bank also raised its inflation forecasts, from 3.9% to 4.6% in 2018 and from 3.0% to 3.4% in 2019.

Despite FX and inflation pressure, growth remains robust **in the Philippines, with the economy accelerating from 6.5% YOY in Q4 2017 to 6.8% in Q1 2018**, boosted by stronger investment spending.

*With above target inflation and strong growth, combined with higher oil prices and currency pressure, we see strong potential for further rate hikes in the Philippines later in the year.*

## LATIN AMERICA

MSCI Lat Am 2,871 +0.64%

**Fitch maintained Colombia's BBB rating and retained its stable outlook.** The agency remarked on the overall macro improvement of Colombia since 2016, with relatively positive comments on inflation, current account deficit, future GDP growth and the stabilization of the debt burden.

Chris Wehbe  
CEO & Chair of Investment  
Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

Twitter: [@cswehbe](https://twitter.com/cswehbe)

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

Florian Gueritte  
Investment Analyst  
(LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

Tem Iyiola  
Investment Analyst  
(Africa)

[temi.iyiola@alquity.com](mailto:temi.iyiola@alquity.com)

*Presidential elections are highly likely to result in the continuation of its macroeconomic policies.*

Data releases this week illustrated the positive trends in the country:

- **Colombia's headline CPI inflation remained flat in April at 3.13% around its lowest level since 3Q14.** This might be a reflection of slack in the economy, partially caused by a wide output gap, lower indexation and a stronger FX. The core measure strongly decelerated, therefore, it wouldn't be surprising to see the central bank delivering another 25bps cut to the benchmark rate at the next monetary policy meeting.
- **Colombia's exports increased 1.4% YOY in April, the 17th consecutive month of growth.** The re-balancing of the current account deficit is helped by weaker domestic demand due to the fiscal adjustment, the increase of VAT in 2017, and the strong global growth supporting commodity prices.

**Chile's GDP grew 4% YOY in 1Q18**, a strong economic rebound driven by favourable commodity prices and mining exports, but also non-mining activity benefited from a low base. After correcting for seasonal and calendar effects, growth in the quarter was 5.0% (3.3% in 4Q17), the most elevated since 3Q12.

*Strong business and consumer confidence, benign inflation (1.9% YOY in April) and another large trade surplus of USD 983mn in April bodes well for the continuation of Chile's economic recovery and for its economy to post a much better performance in 2018 than the 1.5% YOY growth in 2017.*

**The Argentine government has initiated discussions with the IMF** to obtain credit support in the form of a Stand-By Facility, in which the country pledges to meet certain quantitative indicators and adopt specific policy measures. The stringency in these imposed conditions will be crucial to assess the effect its short-term macroeconomic outlook. Based on past experience, a simultaneously tightening of monetary and fiscal policy of this kind is almost universally growth-negative.

*20 years after Argentina's default and the IMF intervention, it will be politically and socially difficult for President Macri to sell this option to Argentines. This may help to temporarily stem the run on the ARS. However, there is no getting away from adjusting the twin deficits very quickly.*

**Mexico's CPI inflation came in at 4.55% in April**, below market expectations.

*The inflation dynamic is welcoming in Mexico, however it is still dependent on the MXN moves. Higher real rates decrease the pressure on the MXN, as well as lowering the likelihood of an interest rate increase by the central bank.*

## AFRICA

MSCI Africa 977 +4.09%

**Egypt's headline inflation fell to 13.1% YOY in April from 13.3% in March**, the lowest inflation rate since May of 2016.

On a MOM basis, inflation increased 1.5% in April from 1.0% in March.

*Inflation falling to within the central bank's target range of 13%, plus or minus 3 percentage points, has spurred talk of further rate cut at the central bank's rate meeting in May. However, given the inflationary impact of Ramadan and planned subsidies cuts at the start of the new fiscal year in July, the central bank is likely to hold off until the second half of the year.*

Staying in Egypt, **S&P raised the country's sovereign credit rating to 'B' from 'B-'** with a stable outlook, balancing the falling current account deficit, decreasing inflation levels, and stronger growth prospects against risks from still-high fiscal deficits and a high stock of relatively short-dated government debt issued at high interest rates. The ratings agency also forecasts GDP growth will reach 5.2% in FY2017-18 and upped its expectation for growth over the next four years to 5.4% from 4.4%.

**In South Africa, manufacturing output contracted by 1.3% YOY in March** following a revised 0.5% expansion in February, while mining production decreased by 8.4% YOY in March.

*The weak output from two sectors which account for 20% of overall GDP, puts pressure on the country's recovery.*

**PLEASE CONTINUE FOR  
MARKET DATA**

**Chris Wehbe**  
CEO & Chair of Investment  
Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

Twitter: [@cswehbe](https://twitter.com/cswehbe)

**Aaron Armstrong**  
Senior Investment Analyst  
(Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

**Florian Gueritte**  
Investment Analyst  
(LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

**Temu Iyiola**  
Investment Analyst  
(Africa)

[temu.iyiola@alquity.com](mailto:temu.iyiola@alquity.com)

## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
US retail sales (APR) % MOM	Tue/15	0.4
US industrial production (APR) % MOM	Wed/16	0.5
<b>EUROPE</b>		
Eurozone industrial production (MAR) % YOY	Tue/15	3.7
Eurozone GDP (Q1) % QOQ	Tue/15	0.4
Hungary GDP (1Q) % YOY	Tue/15	4.2
Poland GDP (1Q) % YOY	Tue/15	4.8
Eurozone HICP (APR) % YOY	Wed/16	1.2
Israel GDP (Q1) % QOQ annualized	Wed/16	3.8
Poland interest rate %	Wed/16	1.5
Russia GDP (Q1) % YOY	Thu/17	1.5
<b>ASIA PACIFIC</b>		
India CPI (APR) % YOY	Mon/14	4.5
China retail sales (APR) % YOY	Tue/15	10.0
China industrial production (APR) % YOY	Tue/15	6.4
Japan GDP (Q1) saar % QOQ	Wed/16	-0.1
Thailand interest rate %	Thu/17	1.5
Indonesia interest rate %	Thu/17	4.5
Japan CPI (APR) % YOY	Fri/18	0.8
<b>LATIN AMERICA</b>		
Colombia GDP (Q1) % YOY	Tue/15	2.2
Brazil interest rate %	Wed/16	6.25
Mexico interest rate %	Thu/17	7.5
Peru GDP (Q1) % YOY	Fri/18	2.6
Chile GDP (Q1) % YOY	Fri/18	3.8
<b>AFRICA</b>		
Egypt interest rate %	Thu/17	15.75

**Chris Wehbe**  
CEO & Chair of Investment Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

Twitter: [@cswehbe](https://twitter.com/cswehbe)

**Aaron Armstrong**  
Senior Investment Analyst (Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

**Florian Gueritte**  
Investment Analyst (LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

**Temu Iyiola**  
Investment Analyst (Africa)

[temu.iyiola@alquity.com](mailto:temu.iyiola@alquity.com)

# GLOBAL MARKET DATA (CONTD.)

7 MAY - 14 MAY

Market Summary

Data: Last Calendar Week

Equities			Return (USD)				YTD (Local)	Volume 1wk/3mo
Name	Country	Price	1 Week	MTD	YTD	1Y		
<b>North America</b>								
S&P 500 INDEX	US	2,727.72	2.41%	3.01%	2.02%	13.92%		86%
RUSSELL 2000 INDEX	US	1,606.79	2.63%	4.21%	4.64%	15.58%		100%
NASDAQ COMPOSITE INDEX	US	7,402.88	2.68%	4.76%	7.24%	21.04%		94%
S&P/TSX COMPOSITE INDEX	Canada	15,983.32	2.15%	2.78%	-3.33%	10.22%	-1.39%	108%
S&P 500 CONS DISCRET IDX	US	834.81	0.84%	1.15%	6.30%	16.52%		84%
S&P 500 CONS STAPLES IDX	US	507.34	-0.45%	-1.92%	-13.63%	-10.27%		83%
S&P 500 FINANCIALS INDEX	US	468.28	3.60%	2.84%	0.94%	19.39%		82%
S&P 500 HEALTH CARE IDX	US	960.18	2.48%	0.94%	0.40%	10.27%		97%
S&P 500 INFO TECH INDEX	US	1,225.49	3.45%	7.31%	10.79%	29.19%		82%
S&P 500 ENERGY INDEX	US	565.28	3.75%	3.80%	5.97%	13.30%		90%
S&P 500 ECO SECTORS IDX	US	2,727.72	2.41%	3.01%	2.02%	13.92%		86%
S&P 500 INDUSTRIALS IDX	US	627.76	3.39%	3.39%	-1.58%	9.89%		82%
S&P 500 MATERIALS INDEX	US	368.61	1.94%	3.34%	-2.73%	11.56%		88%
S&P 500 REAL ESTATE IDX	US	194.38	0.64%	1.99%	-4.65%	0.11%		89%
S&P 500 TELECOM SERV IDX	US	146.65	0.92%	-1.07%	-11.69%	-6.91%		101%
S&P 500 UTILITIES INDEX	US	255.11	-2.27%	-2.40%	-4.59%	-2.01%		88%
<b>Europe</b>								
Euro Stoxx 50 Pr	Europe	3,565.52	0.38%	-0.37%	1.22%	8.28%	1.76%	85%
CAC 40 INDEX	France	5,541.94	0.43%	-0.80%	3.76%	13.28%	4.32%	73%
DAX INDEX	Germany	13,001.24	1.37%	1.87%	0.11%	12.55%	0.65%	83%
Athex Composite Share Pr	Greece	822.37	-0.23%	-5.31%	1.95%	13.52%	2.49%	95%
FTSE MIB INDEX	Italy	24,159.34	-0.76%	-0.44%	9.96%	23.75%	10.55%	114%
AEX-Index	Netherlands	562.27	1.14%	-0.02%	2.70%	15.81%	3.25%	93%
PSI All-Share Index GR	Portugal	3,178.82	3.23%	1.52%	6.48%	23.41%	7.05%	106%
MOEX Russia Index	Russia	2,342.90	3.58%	3.50%	3.41%	8.08%	11.16%	54%
IBEX 35 INDEX	Spain	10,271.40	1.61%	1.70%	1.72%	4.06%	2.27%	64%
OMX STOCKHOLM 30 INDEX	Sweden	1,604.77	3.91%	3.90%	-3.28%	0.85%	1.67%	90%
SWISS MARKET INDEX	Switzerland	8,993.51	1.00%	0.14%	-6.66%	-0.10%	-4.14%	89%
BIST 100 INDEX	Turkey	101,852.50	-2.61%	-7.61%	-22.31%	-10.96%	-11.69%	99%
FTSE 100 INDEX	UK	7,724.55	2.13%	1.27%	0.69%	10.07%	0.48%	107%
<b>Asia Pacific</b>								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	724.25	2.58%	0.47%	1.51%	19.03%	1.51%	96%
S&P/ASX 200 INDEX	Australia	6,135.30	0.97%	2.23%	-2.58%	6.53%	0.84%	91%
DSE 30 Index	Bangladesh	2,080.56	-1.82%	-2.62%	-10.91%	-0.84%	-9.18%	
HANG SENG CHINA ENT INDX	China "H"	12,515.99	3.82%	0.09%	4.93%	19.43%	5.43%	79%
SHANGHAI SE COMPOSITE	China "A"	3,168.13	2.80%	2.68%	-1.75%	12.51%	-4.35%	86%
HANG SENG INDEX	HK	31,472.08	3.99%	1.00%	3.52%	22.92%	4.02%	78%
Nifty 50	India	10,791.20	0.95%	-0.45%	-2.73%	9.65%	2.62%	94%
JAKARTA COMPOSITE INDEX	Indonesia	5,911.15	2.76%	-1.18%	-8.96%	0.53%	-6.28%	77%
NIKKEI 225	Japan	22,865.86	1.86%	1.17%	3.05%	18.79%	-0.03%	101%
KOSPI 200 INDEX	Korea	317.72	1.28%	-1.36%	-1.58%	11.98%	-1.92%	140%
Laos Composite Index	Laos	921.12	1.85%	0.24%	-8.69%	-13.09%	-7.23%	177%
FTSE Bursa Malaysia KLCI	Malaysia	1,861.47	-1.01%	-2.99%	4.58%	13.32%	2.77%	123%
KARACHI 100 INDEX	Pakistan	43,034.88	-1.95%	-4.01%	2.89%	-23.23%	7.72%	92%
PSEI - PHILIPPINE SE IDX	Philippines	7,752.11	1.24%	-2.40%	-13.68%	-5.85%	-9.42%	84%
STRAITS TIMES INDEX STI	Singapore	3,565.92	0.54%	-2.04%	5.05%	15.15%	4.91%	90%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,463.53	-0.52%	-0.86%	-1.05%	-6.14%	1.72%	71%
TAIWAN TAIEX INDEX	Taiwan	10,952.39	2.93%	1.36%	1.70%	10.00%	2.03%	100%
STOCK EXCH OF THAI INDEX	Thailand	1,772.57	-1.30%	-1.80%	2.82%	24.03%	0.70%	100%
HO CHI MINH STOCK INDEX	Vietnam	1,054.65	1.73%	-0.56%	5.91%	43.75%	6.16%	69%
<b>Rest of the World</b>								
MSCI ACWI	MSCI World	519.46	2.09%	1.92%	1.25%	13.14%	1.25%	65%
MSCI EM	MSCI EM	1,164.49	2.49%	0.01%	0.52%	16.41%	0.52%	62%
MSCI Frontier Market Index	MSCI FM	2,878.07	-0.37%	-3.23%	-3.69%	7.60%	-3.69%	99%
DFM GENERAL INDEX	Dubai	2,883.79	-2.25%	-6.01%	-14.49%	-15.74%	-14.49%	128%
MSCI EM LATIN AMERICA	Latin America	2,871.30	0.64%	-3.89%	1.53%	7.21%	1.53%	124%
ARGENTINA MERVAL INDEX	Argentina	29,852.06	-4.55%	-13.78%	-22.11%	-9.37%	-0.71%	207%
MSCI BRAZIL	Brazil	2,081.77	1.44%	-3.43%	2.91%	8.93%	2.91%	119%
CHILE STOCK MKT SELECT	Chile	5,702.85	1.97%	-0.92%	1.94%	28.55%	2.48%	126%
IGBC GENERAL INDEX	Colombia	12,362.10	0.11%	-1.53%	13.47%	20.66%	7.70%	
S&P/BMV IPC	Mexico	46,728.92	-1.50%	-6.20%	-3.63%	-8.00%	-5.32%	84%
Bolsa de Panama General	Panama	478.75	0.72%	0.80%	8.09%	13.60%	8.09%	30%
S&P/BVLPeruGeneralITRPEN	Peru	21,248.80	1.04%	-0.90%	5.92%	32.99%	6.38%	105%
MSCI EFM AFRICA	Africa	976.62	4.09%	1.58%	-3.65%	15.98%	-3.65%	85%
EGYPT HERMES INDEX	Egypt	1,648.80	-3.82%	-5.33%	15.31%	43.80%	14.80%	67%
GSE Composite Index	Ghana	3,455.81	-3.28%	-1.59%	33.95%	70.68%	33.96%	87%
Nairobi SE 20 Share	Kenya	3,602.33	-2.83%	-3.76%	-0.35%	15.98%	-2.95%	126%
MASI Free Float Index	Morocco	12,876.00	-1.18%	-1.80%	3.76%	16.64%	3.93%	42%
NIGERIA STCK EXC ALL SHR	Nigeria	41,022.31	-0.61%	-1.01%	6.97%	25.97%	7.27%	75%
FTSE/JSE AFRICA TOP40 IX	South Africa	51,822.78	3.59%	2.48%	-0.19%	19.05%	-1.35%	72%
<b>Global Style</b>								
MSCI WORLD GROWTH INDEX	US	2,584.65	2.23%	3.15%	4.30%	17.63%	4.30%	94%
MSCI WORLD VALUE INDEX	US	2,828.38	1.83%	1.15%	-1.64%	7.85%	-1.64%	94%
MSCI World Large Cap	US	1,303.62	2.09%	2.24%	1.33%	12.58%	1.33%	93%
MSCI World Mid-Cap	US	1,403.77	1.78%	1.86%	1.46%	13.44%	1.46%	98%
Average			0.99%	-0.32%	0.44%	11.80%	1.71%	93%
Top 25%			2.54%	1.89%	4.17%	18.91%	4.47%	100%
Bottom 25%			-0.41%	-1.86%	-3.00%	5.30%	-1.52%	82%

Chris Wehbe  
CEO & Chair of Investment  
Committee

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

Florian Gueritte  
Investment Analyst  
(LatAm)

Temu Iyiola  
Investment Analyst  
(Africa)

chris.wehbe@alquity.com

aaron.armstrong@alquity.com

florian.gueritte@alquity.com

temu.iyiola@alquity.com

Twitter: @cswehbe

# GLOBAL MARKET DATA (CONTD.)

7 MAY - 14 MAY

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	92.47	-0.03%	0.76%	0.45%	-7.11%
USD-EUR X-RATE	USDEUR Curncy	0.84	0.06%	1.20%	0.53%	-9.12%
Russian Ruble SPOT (TOM)	USDRUB Curncy	61.88	-1.10%	-1.78%	7.49%	8.36%
USD-TRY X-RATE	USDTRY Curncy	4.33	1.93%	5.71%	13.67%	20.26%
USD-GBP X-RATE	USDGBP Curncy	0.74	-0.03%	1.58%	-0.22%	-5.00%
Bloomberg JPMorgan Asia Dollar	ADXY Index	110.48	-0.07%	-0.48%	0.51%	4.65%
USD-AUD X-RATE	USDAUD Curncy	1.33	-0.08%	-0.01%	3.51%	-2.31%
USD-CNY X-RATE	USDCNY Curncy	6.34	-0.45%	-0.20%	-2.65%	-8.17%
USD-INR X-RATE	USDINR Curncy	67.35	0.82%	1.08%	5.50%	4.60%
USD-JPY X-RATE	USDJPY Curncy	109.50	0.23%	0.09%	-2.98%	-4.02%
USD-KRW X-RATE	USDKRW Curncy	1,069.02	-0.71%	-0.21%	0.03%	-5.11%
USD-TWD X-RATE	USDTWD Curncy	29.77	0.20%	0.52%	0.33%	-1.29%
USD-ARS X-RATE	USDARS Curncy	23.01	9.53%	15.84%	27.48%	53.73%
USD-BRL X-RATE	USDBRL Curncy	3.60	2.13%	3.10%	8.48%	14.18%
USD-CLP X-RATE	USDCLP Curncy	618.67	-0.53%	0.79%	0.53%	-7.97%
USD-MXN X-RATE	USDMXN Curncy	19.39	0.95%	3.02%	-1.75%	2.55%
USD-EGP X-RATE	USDEGP Curncy	17.83	0.42%	0.25%	-0.44%	-1.93%
USD-NGN X-RATE	USDNGN Curncy	361.00	0.14%	0.42%	0.28%	14.57%
USD-ZAR X-RATE	USDZAR Curncy	12.21	-1.66%	-1.65%	-1.16%	-8.33%
Commodities			Return (USD)			
WTI CRUDE FUTURE Jun18	CLA Comdty	70.41	1.41%	3.11%	17.72%	42.05%
BRENT CRUDE FUTR Jul18	COA Comdty	76.75	3.01%	3.25%	17.78%	48.31%
Baltic Dry Index	BDIY Comdty	1,472.00	6.36%	9.77%	7.76%	45.45%
Natural Gas Futures	NGI Comdty	2.82	3.50%	1.56%	-4.98%	-16.88%
Gold Spot \$/Oz	XAU Curncy	1,319.77	0.66%	0.37%	1.21%	7.92%
Silver Spot \$/Oz	XAG Curncy	16.70	1.48%	2.51%	-1.92%	2.79%
LME COPPER 3MO (\$)	LMCADSO3 Comdty	6,942.00	1.70%	1.98%	-4.21%	25.24%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.53	0.04	0.05	0.65	1.20
US Generic Govt 5 Year Yield	USGG5YR Index	2.83	0.05	0.04	0.63	0.92
US Generic Govt 10 Year Yield	USGG10YR Index	2.97	0.02	0.02	0.56	0.58
Canadian Govt Bonds 10 Year No Mexico Generic 10 Year	GCAN10YR Index	2.38	0.05	0.07	0.33	0.77
UK Govt Bonds 10 Year Note Gen	GMXN10YR Index	7.61	0.03	0.12	-0.05	0.34
Switzerland Govt Bonds 10 Year	GUKG10 Index	1.46	0.04	0.03	0.25	0.28
German Government Bonds 2 Yr B	GSWISS10 Index	0.07	0.02	-0.02	0.22	0.11
German Government Bonds 5 Yr O	GDBR2 Index	-0.58	0.00	0.01	0.05	0.09
Germany Generic Govt 10Y Yield	GDBR5 Index	-0.05	0.01	0.00	0.14	0.24
French Generic Govt 10Y Yield	GDBR10 Index	0.57	0.02	0.00	0.13	0.13
Greece Generic Govt 10Y Yield	GTFRF10Y Govt	0.80	0.01	0.00	0.00	-0.09
Italy Generic Govt 10Y Yield	GTGRD10Y Govt	4.00	-0.10	0.17	-0.07	-1.58
Spain Generic Govt 10Y Yield	GBTTPGR10 Index	1.90	0.07	0.09	-0.14	-0.42
Portugal Generic Govt 10Y Yield	GSPG10YR Index	1.30	-0.03	-0.01	-0.29	-0.37
Australia Govt Bonds Generic Y	GSPT10YR Index	1.70	-0.03	0.00	-0.26	-1.71
India Govt Bond Generic Bid Yi	GACGB10 Index	2.77	0.01	0.01	0.15	0.13
KCMP South Korea Treasury Bond	GIND10YR Index	7.73	0.00	-0.04	0.40	0.79
Japan Generic Govt 10Y Yield	GVSK10YR Index	2.79	0.02	0.07	0.32	0.48
South Africa Govt Bonds 10 Year	GJGB10 Index	0.05	0.00	-0.01	0.00	-0.01
	GSAB10YR Index	8.72				
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/23	ITRXEXE CBIL Curncy	269.37	-4.72	-2.42	36.25	13.94
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	54.76	-1.32	0.41	9.90	-7.51
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	58.02	-2.00	1.00	14.11	-8.99
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	118.59	-4.44	5.17	15.26	-26.04
MARKIT CDX.NA.IG.30 06/23	IBOXUMAE CBIL Curncy	59.29	-2.69	-1.55	9.99	-3.05
MARKIT CDX.NA.HY.30 06/23	IBOXHYE CBIL Curncy	331.59	-12.12	-8.78	23.31	2.29
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	11.20	-0.36	-0.50	-2.46	-2.64
FTSE 100 500 3month ATM	UKX Index	10.24	0.22	0.04	0.85	0.09
Hang Seng 3month ATM	HSI Index	16.03	-0.98	-0.50	1.12	3.29
Nikkei 3month ATM	NKY Index	14.39	0.03	-0.80	-1.14	2.23
S&P 500 3month ATM	SPX Index	11.72	-1.90	-2.61	1.80	1.40
Volatility (VIX)	VIX Index	12.65	-2.12	-3.28	1.61	2.05
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.43	-0.03	-0.05	0.08	0.04
UK 5Y5YF Inflation Swap		3.44	0.02	0.02	-0.06	-0.03
JPY 5Y5YF Inflation Swap		0.40	0.00	0.00	0.00	-0.01
EUR 5Y5YF Inflation Swap		1.71	0.01	0.00	-0.01	0.08
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	18.90				
Citi Economic Surprise Index -	CESICNY Index	55.70				
Citi Economic Surprise Index -	CESIEM Index	-0.20				
Citi Economic Surprise Index -	CESIEUR Index	-97.90				
Citi Economic Surprise Index -	CESIG10 Index	-30.60				
Citi Economic Surprise - Japan	CESIJPY Index	-35.10				
Citi Economic Surprise Index -	CESILTAM Index	-55.80				
Citi Economic Surprise - Unite	CESIUSD Index	21.40				

Chris Wehbe  
CEO & Chair of Investment  
Committee

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

Florian Gueritte  
Investment Analyst  
(LatAm)

Temu Iyola  
Investment Analyst  
(Africa)

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

[temu.iyola@alquity.com](mailto:temu.iyola@alquity.com)

Twitter: @cswehbe

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

*The information in this document (this “Document”) is for discussion purposes only. This Document does not constitute an offer to sell, or a solicitation of an offer to acquire, an investment (an “Interest”) in any of the funds discussed herein. This Document is not intended to be, nor should it be construed or used as, investment, tax or legal advice. This Document does not constitute any recommendation or opinion regarding the appropriateness or suitability of an Interest for any prospective investor.*

*This material is for distribution to Professional Clients only, as defined under the Financial Conduct Authority’s (“FCA”) conduct of business rules, and should not be relied upon by any other persons. Issued by Alquity Investment Management Limited, which is authorised and regulated in the United Kingdom by the FCA and operates in the United States as an “exempt reporting adviser” in reliance on the exemption in Section 203(m) of the United States Investment Advisers Act of 1940.*

*The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American Fund are all sub-funds of the Alquity SICAV (“the Fund”) which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the “FSMA”). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.*

*This Document is qualified in its entirety by the information contained in the Fund’s prospectus and other operative documents (collectively, the “Offering Documents”). Any offer or solicitation may be made only by the delivery of the Offering Documents. Before making an investment decision with respect to the Fund, prospective investors are advised to read the Offering Documents carefully, which contains important information, including a description of the Fund’s risks, conflicts of interest, investment programme, fees, expenses, redemption/withdrawal limitations, standard of care and exculpation, etc. Prospective investors should also consult with their tax and financial advisors as well as legal counsel. This Document does not take into account the particular investment objectives, restrictions, or financial, legal or tax situation of any specific prospective investor, and an investment in the Fund may not be suitable for many prospective investors.*

*An investment in the Fund is speculative and involves a high degree of risk. Performance may vary substantially from year to year and even from month to month. Withdrawals/redemptions and transfers of Interests are restricted. Investors must be prepared to lose their entire investment, and without any ability to redeem or withdraw so as to limit losses.*

*References to indices herein are for informational and general comparative purposes only. There will be significant differences between such indices and the investment programme of the Funds. The Fund will not invest in all (or any material portion) of the securities, industries or strategies represented by such indices. Comparisons to indices have inherent limitations and nothing herein is intended to suggest or otherwise imply that the Fund will, or are likely to, achieve returns, volatility or other results similar to such indices. Indices are unmanaged and do not reflect the result of management fees, performance-based allocations and other fees and expenses.*

*All Fund performance results presented herein are unaudited and should not be regarded as final until audited financial statements are issued. Past performance is not necessarily indicative of future results. All performance results are based on the NAV of fee paying investors only and are presented net of management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any, and include the reinvestment of all dividends, interest, and capital gains. Net returns shown herein reflect those of an investor admitted at inception of the Fund, and are representative of a regular [shareholder], net of applicable expenses and reflect reinvestment of dividends and interest. In the future, the Fund may offer share in the Fund with different fee and expense structures.*

*The Fund’s investment approach is long-term, investors must expect to be committed to the Fund for an extended period of time (3-5 years) in order for it to have an optimal chance of achieving its investment objectives.*

*This Document may not be reproduced in whole or in part, and may not be delivered to any person (other than an authorised recipient’s professional advisors under customary undertakings of confidentiality) without the prior written consent of the Investment Manager.*

**SWISS INVESTORS:**

*The prospectus, the Articles of Association, the Key Investor Information Document “KIIDs” as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge from the Representative. In respect of the units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland.*

*Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.*

*Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.*

**Chris Wehbe**  
CEO & Chair of Investment  
Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

Twitter: [@cswehbe](https://twitter.com/cswehbe)

**Aaron Armstrong**  
Senior Investment Analyst  
(Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

**Florian Gueritte**  
Investment Analyst  
(LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

**Temí Iyiola**  
Investment Analyst  
(Africa)

[temi.iyiola@alquity.com](mailto:temi.iyiola@alquity.com)