

# GLOBAL MARKET UPDATE



## 14 MAY - 20 MAY: BURSTING THE BUBBLE

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Ireland <b>0.45%</b> , Portugal <b>0.33%</b> , Canada <b>0.27%</b>
	Bottom 3:	Luxembourg <b>-4.43%</b> , Italy <b>-4.35%</b> , Spain <b>-2.98%</b>
EMERGING	Top 3:	Qatar <b>1.63%</b> , Dubai <b>1.07%</b> , Malaysia <b>0.92%</b>
	Bottom 3:	Brazil <b>-6.46%</b> , Greece <b>-6.20%</b> , Poland <b>-5.50%</b>
FRONTIER	Top 3:	Argentina <b>3.28%</b> , Kazakhstan <b>0.92%</b> , Mauritius <b>0.40%</b>
	Bottom 3:	Romania <b>-5.45%</b> , Kenya <b>-2.95%</b> , Morocco <b>-2.85%</b>

After a month long flirtation, the US 10 year decisively broke through the 3% yield barrier last week, prompting a sharp appreciation of the USD. Whilst US yields have now more than doubled from their 1.35% nadir in July 2016, this still represents an extremely low level by historical standards. Nonetheless, as we have discussed in recent weeks, the market is now clearly in a different and more volatile paradigm from that enjoyed during 2017.

The question is whether this is the end of the current expansion or just a later cycle environment. On balance, we remain in the latter camp and reiterate that the global cycle is not entirely synchronous; there are strong domestic stories for example in India, Egypt and much of Latin America. Moreover, China-US trade discussions appeared to end with a positive tone over the weekend. However, the longer-term issues of the developed world are starting to seep back to the front page, with Italy front and centre. Further, the impacts of higher rates for USD borrowers and a higher oil price more generally, will present something of a drag over coming quarters.

As regards the oil price, WTI ended little changed on the week but the Brent contracted traded above USD 80 for the first time since November 2014.

### UNITED STATES

S&P 2,713 **-0.54%**, 10yr Treasury 3.07% **+8.64bps**, HY Credit Index 341 **+10bps**, Vix 13.42 **+77Vol**

At the headline level, **US equities fell back last week** (the S&P 500 declining -0.54%). However, this masks considerable dispersion. Interest rate sensitive sectors such as real estate and utilities fell heavily, whilst small caps, energy and materials finished conclusively higher. The main motivation for these moves was the fixed income market.

The **US 10 year peaked at 3.126% yield (a 7 year high)**, before closing above 3.05%. Moreover, the USD enjoyed healthy gains, rising over 1% on a trade weighted basis and advancing over 3% against a number of emerging market currencies. However, the currency still remains well below its 2017 highs.

From a data perspective, retail sales rose broadly in line with expectations and other indicators were also positive, including Empire State manufacturing, Leading indicators and the Philly Fed.

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At the political level, there were also a number of developments:

- **North Korea threatened to pull out of the upcoming (12th June) summit** with the US in Singapore, taking objection at the continuation of joint US-South Korea military exercises.
- **Negotiators from the US, Canada and Mexico failed to meet the 17th May deadline** imposed by the House of Representatives. As a consequence, it is likely that any deal will be delayed until next year as Mexico's new government will take office in December.
- **On Sunday, the US agreed to put tariffs on China on hold stating**, "We're putting the trade war on hold, right now, we have agreed to put the tariffs on hold while we try to execute the framework." This came after China promised to "significantly increase purchases" of U.S. goods and President Trump agreed to ease a ban on Chinese telecommunications company ZTE

## EUROPE

Eurostoxx 3,575 **-1.23%**, German Bund 0.55% **+2.00bps**, Xover Credit Index 278 **-7bps**, USDEUR .853 **+1.47%**

German bonds were broadly unchanged but **peripheral bond yields rose sharply** last week, as a definitive "risk-off" tone swept Europe. Indeed, this was mirrored in equities as the Eurostoxx was unchanged in local currency terms, but Italian, Spanish and Greek stocks fell.

**The main catalyst for weakness was Italian politics**, with it looking increasingly likely that a ruling coalition will be formed by the anti-immigration, anti-establishment combo of the Northern League and the 5Star Movement. The 58 page joint policy document revealed on Friday includes measures to accelerate the deportation of illegal immigrants and for imams to be registered with the state. Further, a leaked draft version suggested the partners would request EUR 250bn of debt forgiveness from the ECB, albeit this did not make the final version. Nonetheless, this prompted French Finance Minister Bruno Le Maire to comment "If the new government took the risk of not respecting its commitments on debt, the deficit and the cleanup of banks, the financial stability of the entire euro zone will be threatened." Nominees for prime minister and cabinet posts were agreed on Sunday to be put to the president today.

The Italian 10-year closed at 2.23% on Friday, some 33bps higher on the week and with the Italian-German spread at the highest since January. However, it is still fair to say market unease is marginal given Italian bonds traded over 3% higher than German in 2013 and over 2% higher only last year.

Elsewhere in the Eurozone, industrial production for March rose modestly but consistent with a Q1 slowdown and **Greece agreed on the next steps for completing its final bailout review** with creditors. This may lead to debt relief in the form of extensions to repayment periods on loans, a so called "extend and pretend".

## ASIA PACIFIC

HSCEI 12,392 **+0.08%**, Nikkei 23,002.37 **-0.52%**, 10yr JGB 0.06% **+0bps**, USDJPY 111.340 **+1.28%**

**Japan's longest stretch of growth for 28 years came to an end in Q1, with a GDP contraction of 0.6%**. In addition, Q4 2017 growth was revised down from 1.6% to 0.6% and inflation came in below expectations at 0.70%.

**China released a mixed data batch for April**. Retail sales and fixed asset investment both slowed compared to March, from 10.1% YOY to 9.4% and from 7.5% to 7.0% respectively. Industrial production accelerated, however, from 6.0% to 7.0%.

*Our outlook for a healthy Chinese economy for 2018, with full year growth close to the 6.5% official target, remains unchanged.*

**Despite a strong showing in the popular vote, Modi's BJP was unable to form a stable government in Karnataka following local elections.**

The BJP emerged as the single largest party in the state, and were subsequently invited by state governor Vajubhai Vala, a BJP loyalist, to form a government. On Thursday, BJP politician BS Yeddyurappa was sworn in as Chief Minister, having been given an unprecedented 15 days to prove his majority.

On Friday, however, India's Supreme Court overruled Governor Vala's decision, and ordered BJP's Yeddyurappa to prove his majority during a vote on Saturday. Knowing he lacked the votes, the BJP candidate subsequently resigned, with Congress now expected to form a government.

*The Karnataka election has two key implications. One the one hand, the vote count clearly shows an improvement in BJP's popularity in a state historically controlled by Congress. On the other, the intense horse trading and associated allegations of foul play, coupled with the BJP's ultimate inability to form a stable government, has likely damaged the party's image somewhat. In the long run, however, we see the former of these two as carrying the most weight heading in to the 2019 general election. With yet another state showing a trajectory of increasing popularity of the BJP, we view the developments of the past week as, though far from perfect, a net-positive for Modi's chances of winning a second term.*

**Inflation in India remained firm in April**, with CPI rising to 4.6%, from 4.4% in March.

*The Reserve Bank of India remains data dependent with a neutral stance. As we head in to the monsoon season, we acknowledge the unlikelihood that the central bank would adjust policy before learning the outcome of the weather pattern that is most crucial to India's agricultural output and food price inflation.*

**Indonesia raised interest rates by 25bps to 4.50%**, the first increase in the policy rate for four years.

*With domestic growth and inflation running at normal levels, this was a move chiefly aimed at managing the economy's external balances. As an emerging market*

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operating twin deficits and as a net consumer of foreign capital, Indonesia's currency has already come under pressure during 2018 in this strong-dollar environment. With the Rupiah down 4% year to date against the dollar and the central bank already having used foreign reserves to support the currency, we see potential for a second rate hike in the coming quarters.

**Vietnam received a sovereign upgrade from Fitch ratings to BB with a stable outlook**, on account of rising foreign exchange reserves, strong GDP growth and economic reforms. Local stocks and bonds both rose on the announcement.

**Malaysia's GDP growth came in softer than expected for Q1 2018 at 5.4% YOY**, down from 5.9% in Q4 2017. Domestic demand and investment both slowed, in the run up to this month's general election.

**Thailand left rates on hold at 1.50%.**

## LATIN AMERICA

MSCI Lat Am 2,701 -5.92%

**Brazil's equity market tumbled last week following the central bank's announcement that it will pause its easing cycle**, and keep the benchmark rate unchanged at 6.5%. The monetary policy committee assessed that the latest economic activity data showed some deceleration, but still points to a consistent, albeit gradual, recovery. The market was expecting a 25bps cut and a clearer guidance. The market was already weak due to increasing risk aversion globally and a rumour that the government will downgrade its 2018 GDP growth expectation. **The USD/BRL also reached its lowest level in 26 months on Thursday at 3.7.**

On a more positive note, **Brazil's retail sales grew 7.8% YOY in March and 1% QOQ in 1Q18.**

**Andean economies are on a recovery path:**

**Colombia's Q1 GDP growth came in at +2.2% YOY**, accelerating from 1.8% in Q4 2017. This was driven by:

- **Retail sales growing 5.3% YOY** (accelerating from -2.2% in Q4 2017 and consensus of 2.8%)
- **Manufacturing production coming in at +0.3% YOY**, above consensus, despite the drag of the construction sector, which contracted the most since Q1 2010.
- **Consumer confidence breaking into positive territory for the first time since 2015.** This index rose to 1.5 April vs -3.2 in March, helped by lower inflation, lower interest rates and higher oil prices. The expectation component was particularly strong.

However, this remains way below Colombia's long-term growth potential.

*Higher oil prices, an expansionary monetary policy, the fading of uncertainty around presidential elections and*

*stronger global growth will be the drivers of the recovery. Longer term, reforms implemented in 2016 maintain Colombia on a sustainable growth path.*

**Peru's GDP grew 3.9% YOY in March**, its highest level in 14 months and beating all analysts' expectations. Both mining and non-primary sectors performed well, despite the various delays in public infrastructure spending, such as reconstruction following the March 2017 floods. This brings **Q1 2018 GDP growth to 3.2%**, still below its long-term potential.

**Mexico's industrial production contracted 3.7% YOY in March and 0.8% in Q1 2018.** Uncertainty regarding NAFTA 2.0 and the likely victory of AMLO as president is having its impact on the real economy.

**Argentina's CPI inflation rose to 25.5% in April.**

*This is likely to increase further in the coming months as imported inflation will rise significantly following the ARS depreciation and the large current account deficit.*

On a more positive note, the **fiscal deficit was reduced to 5.6% of GDP in April** and the government committed to bring the primary fiscal deficit down to 2.7% of GDP in 2018.

*The combination of monetary and fiscal policies tightening and high inflation should negatively impact GDP in the coming quarters despite the recent positive momentum.*

## AFRICA

MSCI Africa 918 -5.96%

**The Central Bank of Egypt left interest rates on hold;** overnight deposit and lending rates remained at 16.75% and 17.75% respectively. The MPC said it still sees Egypt hitting its inflation target of c.13% in Q4 2018 and single digits thereafter, but signalled downside risk from expected cuts to energy subsidies this summer and surging global oil prices.

*We expect the easing cycle, which has seen rates come down 2 percentage points since March, to continue after a transient spike in inflation from demand boosting Ramadan and further subsidy removal. The ongoing recovery of purchasing power after a 7-percentage point increase in rates in November 2016, is as such set to continue.*

Staying in Egypt, unemployment continued its steady decline, falling to 10.6% in the first quarter of the year, down from 12% a year earlier.

**South Africa's unemployment rate was unchanged at 26.7% of the labour force in the first quarter of 2018** compared with the last quarter of 2017.

*This comes at a time when confidence is at an all-time high but as yet has not translated into the strengthening of key economic indicators. The recovery is likely to be long and arduous but the new administration appears committed to returning the country to sustainable growth and realising its potential.*

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**Nigeria's annual inflation fell to the lowest rate since May 2016.** Annual inflation fell to 12.5% from 13.3% in March. Food inflation fell to 14.8% in April from 16.1% in March. MOM, inflation increased by 0.8%, same as the previous month.

*The central bank has kept rates tight at 14% for more than a year, however the Central Bank Governor has indicated that rates will come down when inflation comes closer to the upper end of its target range of 6% to 9%. The MPC is scheduled to review rates this week.*

**Tunisia's central bank held interest rates at 5.75%.**

## PLEASE CONTINUE FOR MARKET DATA

### THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
Markit manufacturing PMI (MAY)	Wed/23	56.1
Michigan consumer sentiment (MAY)	Fri/25	98.9
<b>EUROPE</b>		
Eurozone PMI (MAY)	Wed/23	55.0
Eurozone consumer confidence (MAY)	Wed/23	0.5
UK CPI (APR) % YOY	Wed/23	2.4
Germany GDP (Q1) % QOQ	Thu/24	0.3
UK retail sales (APR) % YOY	Thu/24	0.4
UK GDP (Q1) % YOY	Fri/25	1.2
<b>ASIA PACIFIC</b>		
Thailand GDP (Q1) % YOY	Mon/21	4.0
Korea interest rate %	Thu/24	1.5
Taiwan GDP (Q1) % YOY	Fri/25	3.0
<b>LATIN AMERICA</b>		
Peru GDP (Q1) % YOY	Mon/21	2.6
Argentina interest rate %	Tue/22	40.00
Mexico GDP (Q1) % YOY	Wed/23	1.7
<b>AFRICA</b>		
Nigeria interest rate %	Tue/22	14.00
South africa CPI (APR) % YOY	Wed/23	4.70
South africa interest rate %	Thu/24	6.50

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# GLOBAL MARKET DATA (CONTD.)

14 MAY - 20 MAY

## Market Summary

Data: Last Calendar Week

Equities			Return (USD)				YTD	Volume
Name	Country	Price	1 Week	MTD	YTD	1Y	(Local)	1wk/3mo
<b>North America</b>								
S&P 500 INDEX	US	2,712.97	-0.54%	2.45%	1.47%	14.68%		86%
RUSSELL 2000 INDEX	US	1,626.63	1.23%	5.50%	5.93%	19.51%		92%
NASDAQ COMPOSITE INDEX	US	7,354.34	-0.66%	4.08%	6.53%	21.46%		91%
S&P/TSX COMPOSITE INDEX	Canada	16,162.31	0.27%	3.06%	-3.07%	11.64%	-0.29%	100%
S&P 500 CONS DISCRET IDX	US	834.25	-0.07%	1.08%	6.23%	18.26%		86%
S&P 500 CONS STAPLES IDX	US	507.12	-0.04%	-1.96%	-13.67%	-10.18%		98%
S&P 500 FINANCIALS INDEX	US	463.09	-1.11%	1.70%	-0.18%	20.81%		79%
S&P 500 HEALTH CARE IDX	US	961.78	0.17%	1.10%	0.57%	11.39%		89%
S&P 500 INFO TECH INDEX	US	1,206.58	-1.54%	5.66%	9.08%	28.33%		85%
S&P 500 ENERGY INDEX	US	573.85	1.52%	5.38%	7.58%	16.62%		79%
S&P 500 ECO SECTORS IDX	US	2,712.97	-0.54%	2.45%	1.47%	14.68%		86%
S&P 500 INDUSTRIALS IDX	US	631.92	0.66%	4.08%	-0.92%	13.12%		79%
S&P 500 MATERIALS INDEX	US	374.52	1.60%	4.99%	-1.17%	15.07%		94%
S&P 500 REAL ESTATE IDX	US	188.15	-3.21%	-1.28%	-7.71%	-3.35%		113%
S&P 500 TELECOM SERV IDX	US	144.75	-1.30%	-2.35%	-12.84%	-6.70%		91%
S&P 500 UTILITIES INDEX	US	247.02	-3.18%	-5.50%	-7.61%	-5.79%		85%
<b>Europe</b>								
Euro Stoxx 50 Pr	Europe	3,575.46	-1.23%	-1.59%	-0.03%	6.26%	1.99%	102%
CAC 40 INDEX	France	5,629.18	-0.16%	-0.96%	3.59%	12.42%	5.68%	102%
DAX INDEX	Germany	13,077.72	-0.88%	0.98%	-0.76%	10.02%	1.24%	100%
Athex Composite Share Pr	Greece	782.80	-6.20%	-11.18%	-4.37%	5.91%	-2.44%	87%
FTSE MIB INDEX	Italy	23,062.09	-4.35%	-4.77%	5.18%	16.61%	7.30%	123%
AEX-Index	Netherlands	568.62	-0.62%	-0.64%	2.06%	14.50%	4.12%	104%
PSI All-Share Index GR	Portugal	3,267.40	1.32%	2.86%	7.88%	24.09%	10.06%	116%
MOEX Russia Index	Russia	2,341.20	-1.41%	2.04%	1.96%	9.36%	10.30%	93%
IBEX 35 INDEX	Spain	10,138.40	-2.98%	-1.33%	-1.31%	0.24%	0.68%	73%
OMX STOCKHOLM 30 INDEX	Sweden	1,628.29	-0.53%	3.34%	-3.80%	0.85%	2.83%	90%
SWISS MARKET INDEX	Switzerland	8,940.46	-0.26%	-0.12%	-6.90%	-1.87%	-4.70%	85%
BIST 100 INDEX	Turkey	102,110.00	-3.52%	-10.86%	-25.04%	-12.88%	-11.20%	88%
FTSE 100 INDEX	UK	7,814.79	0.18%	1.46%	0.87%	8.53%	1.18%	109%
<b>Asia Pacific</b>								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	714.96	-1.28%	-0.82%	0.21%	17.73%	0.21%	108%
S&P/ASX 200 INDEX	Australia	6,084.49	-0.92%	1.29%	-3.47%	7.21%	0.37%	103%
DSE 30 Index	Bangladesh	2,012.30	-1.90%	-4.46%	-12.60%	-2.02%	-11.29%	
HANG SENG CHINA ENT INDX	China "H"	12,392.41	0.08%	0.18%	5.01%	19.25%	5.52%	84%
SHANGHAI SE COMPOSITE	China "A"	3,213.84	0.15%	2.84%	-1.59%	11.23%	-3.44%	83%
HANG SENG INDEX	HK	31,305.57	-0.24%	0.76%	3.28%	22.45%	3.77%	83%
Nifty 50	India	10,533.95	-2.86%	-3.30%	-5.51%	7.36%	0.62%	97%
JAKARTA COMPOSITE INDEX	Indonesia	5,751.89	-3.91%	-5.04%	-12.51%	-2.80%	-9.01%	85%
NIKKEI 225	Japan	23,002.37	-0.52%	0.65%	2.51%	17.64%	0.73%	99%
KOSPI 200 INDEX	Korea	316.25	-2.23%	-3.55%	-3.78%	10.44%	-2.89%	119%
Laos Composite Index	Laos	923.96	0.74%	0.98%	-8.01%	-10.03%	-7.55%	103%
FTSE Bursa Malaysia KLCI	Malaysia	1,860.16	0.92%	-2.10%	5.54%	14.52%	3.21%	180%
KARACHI 100 INDEX	Pakistan	41,677.41	-4.68%	-8.51%	-1.93%	-26.04%	2.85%	81%
PSEI - PHILIPPINE SE IDX	Philippines	7,658.05	-0.92%	-3.30%	-14.48%	-5.56%	-10.35%	112%
STRAITS TIMES INDEX STI	Singapore	3,551.34	-1.71%	-3.71%	3.26%	13.64%	3.71%	111%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,480.12	0.28%	-0.58%	-0.77%	-6.13%	1.93%	71%
TAIWAN TAIEX INDEX	Taiwan	10,966.20	-0.85%	0.50%	0.83%	9.90%	1.77%	110%
STOCK EXCH OF THAI INDEX	Thailand	1,764.75	-1.50%	-3.27%	1.28%	21.82%	0.03%	125%
HO CHI MINH STOCK INDEX	Vietnam	1,027.73	-0.46%	-1.02%	5.42%	42.56%	5.72%	64%
<b>Rest of the World</b>								
MSCI ACWI	MSCI World	515.66	-0.73%	1.17%	0.51%	13.01%	0.51%	99%
MSCI EM	MSCI EM	1,137.75	-2.30%	-2.29%	-1.79%	15.11%	-1.79%	97%
MSCI Frontier Market Index	MSCI FM	2,829.01	-1.70%	-4.88%	-5.33%	6.21%	-5.33%	87%
DFM GENERAL INDEX	Dubai	2,946.12	1.07%	5.00%	-13.58%	-13.78%	-13.57%	125%
MSCI EM LATIN AMERICA	Latin America	2,701.40	-5.92%	-9.58%	-4.48%	9.77%	-4.48%	112%
ARGENTINA Merval INDEX	Argentina	31,869.82	3.28%	-10.95%	-19.55%	-1.38%	6.00%	164%
MSCI BRAZIL	Brazil	1,940.93	-6.77%	-9.96%	-4.05%	16.85%	-4.05%	134%
CHILE STOCK MKT SELECT	Chile	5,667.86	-3.45%	-4.34%	-1.57%	25.88%	1.86%	115%
IGBC GENERAL INDEX	Colombia	12,127.22	-4.82%	-6.27%	8.00%	14.35%	5.66%	
S&P/BMV IPC	Mexico	45,666.77	-5.11%	-10.99%	-8.56%	-10.25%	-7.47%	73%
Bolsa de Panama General	Panama	479.49	0.15%	0.95%	8.25%	13.65%	8.25%	29%
S&P/BVLPeruGeneralTRPEN	Peru	21,094.66	-1.72%	-2.61%	4.10%	32.01%	5.61%	74%
MSCI EFM AFRICA	Africa	918.39	-5.96%	-4.48%	-9.39%	8.51%	-9.39%	96%
EGYPT HERMES INDEX	Egypt	1,622.03	-2.15%	-7.37%	12.84%	41.30%	13.06%	57%
GSE Composite Index	Ghana	3,383.97	-3.96%	-5.47%	28.65%	67.99%	31.18%	39%
Nairobi SE 20 Share	Kenya	3,494.17	-2.95%	-6.61%	-3.29%	10.74%	-5.87%	71%
MASI Free Float Index	Morocco	12,631.94	-2.88%	-4.63%	0.77%	11.85%	1.96%	105%
NIGERIA STCK EXC ALL SHR	Nigeria	40,472.45	-1.48%	-2.47%	5.39%	25.60%	5.83%	72%
FTSE/JSE AFRICA TOP40 IX	South Africa	51,582.81	-4.60%	-2.23%	-4.78%	13.43%	-2.36%	93%
<b>Global Style</b>								
MSCI WORLD GROWTH INDEX	US	2,575.43	-0.36%	2.78%	3.93%	17.53%	3.93%	99%
MSCI WORLD VALUE INDEX	US	2,808.48	-0.70%	0.44%	-2.33%	7.97%	-2.33%	112%
MSCI World Large Cap	US	1,296.32	-0.56%	1.67%	0.77%	12.56%	0.77%	109%
MSCI World Mid-Cap	US	1,398.86	-0.35%	1.50%	1.10%	13.66%	1.10%	107%
<b>Average</b>			-1.51%	-1.80%	-1.11%	11.01%	0.74%	95%
<b>Top 25%</b>			-0.06%	1.14%	3.43%	17.25%	4.47%	105%
<b>Bottom 25%</b>			-2.92%	-4.55%	-4.63%	3.38%	-3.60%	84%

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# GLOBAL MARKET DATA (CONTD.)

14 MAY - 20 MAY

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DX Index	94.00	1.19%	1.96%	1.64%	-4.33%
USD-EUR X-RATE	USDEUR Curncy	0.85	1.47%	2.69%	2.01%	-5.59%
Russian Ruble SPOT (TOM)	USDRUB Curncy	62.65	0.64%	-1.15%	8.18%	8.14%
USD-TRY X-RATE	USDTRY Curncy	4.54	4.21%	10.16%	18.46%	23.55%
USD-GBP X-RATE	USDGBP Curncy	0.75	0.51%	2.11%	0.30%	-3.63%
Bloomberg JPMorgan Asia Dollar	ADXY Index	109.48	-0.53%	-1.00%	-0.02%	4.01%
USD-AUD X-RATE	USDAUD Curncy	1.33	0.45%	0.45%	3.98%	-1.05%
USD-CNY X-RATE	USDCNY Curncy	6.39	0.80%	0.59%	-1.88%	-7.09%
USD-INR X-RATE	USDINR Curncy	68.13	0.94%	2.03%	6.49%	4.67%
USD-JPY X-RATE	USDJPY Curncy	111.34	1.28%	1.37%	-1.74%	-0.32%
USD-KRW X-RATE	USDKRW Curncy	1,086.95	1.27%	1.06%	1.30%	-4.33%
USD-TWD X-RATE	USDTWD Curncy	30.01	0.60%	1.12%	0.93%	-1.14%
USD-ARS X-RATE	USDARS Curncy	24.40	3.36%	19.73%	31.76%	53.64%
USD-BRL X-RATE	USDBRL Curncy	3.74	4.22%	7.45%	13.05%	11.02%
USD-CLP X-RATE	USDCLP Curncy	636.30	2.94%	3.75%	3.49%	-5.71%
USD-MXN X-RATE	USDMXN Curncy	20.01	2.99%	6.10%	1.19%	5.30%
USD-EGP X-RATE	USDEGP Curncy	17.92	0.62%	0.88%	0.17%	-1.69%
USD-NGN X-RATE	USDNGN Curncy	361.50	0.14%	0.56%	0.42%	14.67%
USD-ZAR X-RATE	USDZAR Curncy	12.86	3.75%	2.03%	2.54%	-5.34%
Commodities			Return (USD)			
WTI CRUDE FUTURE Jun18	CLA Comdty	71.67	0.82%	3.95%	18.68%	40.84%
BRENT CRUDE FUTR Jul18	COA Comdty	78.97	1.80%	5.11%	19.90%	48.08%
Baltic Dry Index	BDIY Comdty	1,273.00	-13.52%	-5.07%	-6.81%	33.02%
Natural Gas Futures	NGI Comdty	2.82	1.46%	3.04%	-3.59%	-10.53%
Gold Spot \$/Oz	XAU Curncy	1,282.92	-2.22%	-1.86%	-1.04%	3.04%
Silver Spot \$/Oz	XAG Curncy	16.28	-1.71%	0.75%	-3.60%	-1.35%
LME COPPER 3MO (\$)	LMCADS03 Comdty	6,855.00	-1.25%	0.71%	-5.41%	22.85%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.56	0.01	0.06	0.66	1.28
US Generic Govt 5 Year Yield	USGG5YR Index	2.90	0.05	0.09	0.68	1.12
US Generic Govt 10 Year Yield	USGG10YR Index	3.07	0.09	0.10	0.65	0.83
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.49	0.11	0.18	0.44	1.04
Mexico Generic 10 Year	GMXN10YR Index	7.81	0.20	0.32	0.16	0.59
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.49	0.06	0.08	0.31	0.44
Switzerland Govt Bonds 10 Year	GSWISS10 Index	0.10	0.03	0.01	0.25	0.21
German Government Bonds 2 Yr B	GDBR2 Index	-0.60	0.00	0.00	0.04	0.11
German Government Bonds 5 Yr O	GDBR5 Index	-0.09	0.01	0.00	0.15	0.32
Germany Generic Govt 10Y Yield	GDBR10 Index	0.55	0.02	0.02	0.15	0.24
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.82	0.04	0.04	0.05	0.03
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.51	0.50	0.66	0.42	-1.21
Italy Generic Govt 10Y Yield	GBTGPR10 Index	2.29	0.36	0.44	0.21	0.08
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.48	0.17	0.16	-0.12	-0.12
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.94	0.19	0.19	-0.08	-1.34
Australia Govt Bonds Generic Y	GACGB10 Index	2.89	0.12	0.13	0.27	0.40
India Govt Bond Generic Bid Yi	GIND10YR Index	7.86	0.11	0.07	0.51	1.16
KCMP South Korea Treasury Bond	GVSK10YR Index	2.75	-0.04	0.03	0.28	0.51
Japan Generic Govt 10Y Yield	GJGB10 Index	0.06	0.01	0.01	0.01	0.01
South Africa Govt Bonds 10 Yea	GSAB10YR Index	8.72				
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/23	ITRXEXE CBIL Curncy	278.43	6.62	4.20	42.87	16.45
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	58.64	2.82	3.23	12.72	-6.98
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	67.00	6.61	7.60	20.72	-6.15
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	138.05	14.42	19.60	29.68	-24.56
MARKIT CDX.NA.IB.30 06/23	IBOXUMAE CBIL Curncy	61.89	2.30	0.75	12.29	-3.71
MARKIT CDX.NA.HY.30 06/23	IBOXHYSE CBIL Curncy	340.98	10.26	1.49	33.58	-0.01
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	11.54	0.34	-0.16	-2.12	-3.75
FTSE 100 500 3month ATM	UKX Index	10.51	0.27	0.31	1.12	-0.81
Hang Seng 3month ATM	HSI Index	15.72	-0.31	-0.81	0.82	2.34
Nikkei 3month ATM	NKY Index	13.17	-1.22	-2.02	-2.36	5.10
S&P 500 3month ATM	SPX Index	11.87	0.14	-2.47	1.95	0.12
Volatility (VIX)	VIX Index	13.42	0.77	-2.51	2.38	-1.24
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.43	0.02	-0.03	0.10	0.23
UK 5Y5YF Inflation Swap		3.43	0.01	0.04	-0.05	0.05
JPY 5Y5YF Inflation Swap		0.40	0.00	0.00	0.00	-0.01
EUR 5Y5YF Inflation Swap		1.71	0.02	0.02	0.00	0.14
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	10.50				
Citi Economic Surprise Index -	CESICNY Index	39.20				
Citi Economic Surprise Index -	CESIEM Index	-4.80				
Citi Economic Surprise Index -	CESIEUR Index	-91.70				
Citi Economic Surprise Index -	CESIG10 Index	-33.10				
Citi Economic Surprise - Japan	CESIJPY Index	-43.40				
Citi Economic Surprise Index -	CESILTAM Index	-50.40				
Citi Economic Surprise - Unite	CESIUSD Index	12.30				

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

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