

# GLOBAL MARKET UPDATE



## 21 MAY - 27 MAY: HITTING REWIND

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	United States <b>0.31%</b> , Ireland <b>0.01%</b> , New Zealand <b>-0.13%</b>
	Bottom 3:	Italy <b>-5.48%</b> , Norway <b>-4.19%</b> , Spain <b>-3.84%</b>
EMERGING	Top 3:	Indonesia <b>3.86%</b> , Abu Dhabi <b>3.82%</b> , Qatar <b>1.97%</b>
	Bottom 3:	Greece <b>-4.48%</b> , Turkey <b>-4.06%</b> , Hungary <b>-4.04%</b>
FRONTIER	Top 3:	Tunisia <b>1.98%</b> , Slovenia <b>-0.21%</b> , Lebanon <b>-0.49%</b>
	Bottom 3:	Vietnam <b>-7.42%</b> , Argentina <b>-7.09%</b> , Kenya <b>-4.43%</b>

Two weeks ago, the US 10-year bond yield broke decisively through 3% and the oil price (Brent) rose above USD 80. Last week, saw an abrupt “about turn” as dovish Fed minutes, continued geopolitical wrangling and speculation of easing OPEC supply restrictions, prompted the largest drop in US yields in over a year and a 7% intra-week decline in the oil price (with further declines yesterday).

Regarding oil, last Monday prices hit their highest levels since 2014 on speculation the US would impose new sanctions on Venezuela. However, after the experience earlier this decade of extreme price volatility, it appears OPEC members are keen to foster a less “boom and bust” environment. As such, later in the week both Saudi and Russian ministers talked about the prospect of increasing their production to offset losses elsewhere. Indeed, the US rig count also continued to climb.

In general, markets remain in a more volatile and difficult environment. However, it is possible last week marks a change in direction; the chief concerns of higher US rates and oil prices mitigated by a change in tone from the FED (see below) and OPEC respectively.

### UNITED STATES

S&P 2,721 **+0.31%**, 10yr Treasury 2.88% **-12.46bps**, HY Credit Index 343 **+4bps**, Vix 14.43 **-.20Vol**

Consistent with the general theme of reversal, **recent outperformers (small caps, energy and materials) underperformed last week as utilities and real estate stocks recovered**. The yield curve flattened, and the USD continued to strengthen.

Donald Trump's trade and foreign policy was again in the limelight:

- On Tuesday, China announced a reduction in tariffs

on some imported vehicles by 10% (from 25% to 15%). However, the following day **Trump stated his administration was considering their own 25% tariff on imported cars**.

- On Thursday, **he issued a short but rambling letter calling off the planned summit with North Korea** on the basis of “the tremendous anger and open hostility displayed in your most recent statement”. However, over the weekend, US officials met with their North Korean counterparts in the demilitarised zone and there remains a strong possibility the summit will be reinstated.

At the macro level, **the most significant release was of the**

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)

**minutes to the May FOMC meeting.** Despite continuing to signal a June hike to 1.625%, which is now 92.5% priced by the market (“It would likely soon be appropriate for the Committee to take another step in removing policy accommodation”), the overall tone was dovish:

- **Re inflation**, the minutes commented “a temporary period of inflation modestly above 2 percent would be consistent with the Committee’s symmetric inflation objective.”
- **Re the prospect of an inverted yield curve**, “several” felt avoiding an inverted yield curve would be wise, given the historical association between inverted yield curves and recession risk.
- **Re the overall level of rates**, a “few” members stated that we are getting close to the neutral rate (the level at which monetary policy provides neither stimulates nor detracts from growth) and therefore it might be appropriate to revise forward guidance.

*The overall conclusion is that the FED sees the end of its current hiking cycle on the horizon. It is likely Trump’s fiscal stimulus will provide sufficient comfort for further hikes this year, but next year could well mark a pause unless global growth finds another wind.*

## EUROPE

Eurostoxx 3,454 **-2.66%**, German Bund 0.31% **-17.30bps**, Xover Credit Index 317 **-20bps**, USDEUR .863 **+1.04%**

**European equities, particularly in the periphery, underperformed as yield spreads widened** between Italian, Spanish and Portuguese bonds and the German benchmarks. This was driven primarily by Italian politics and the increasingly likelihood of an anti-establishment, Eurosceptic government after the selection of Law Professor Giuseppe Conte as candidate for PM. However, over the weekend **plans for a coalition government crumbled after President Mattarella blocked the selection of Paolo Savona as finance minister** stating “The uncertainty over our position in the euro alarmed Italian and foreign investors who invested in shares and companies... the rise in the spread increases the debt and reduces the opportunity to spend on social measures. It burns companies’ resources and savings and foreshadows risks for families and Italian citizens.” Indeed, yesterday **former IMF official Carlo Cottarelli was named PM to run a technocratic government.** This prompted further pressure on bonds, for example the 2-year rising 50bps in yield (biggest move in 6 years). In short, **the country remains in a constitutional crisis with calls to impeach the President and the new PM unlikely to survive a vote of confidence, which would trigger fresh elections with no clear route to a sustainable government.**

Meanwhile, in Spain the main opposition party, the Spanish Socialist Workers’ Party, filed a **no-confidence motion against Prime Minister Mariano Rajoy after his party was found to have benefited from an illegal kickbacks-for-contracts scheme.** The PM will face the vote on Friday and Spanish stocks were down over 3% during the last 2 days.

From a data perspective, **the Eurozone composite PMI fell**

**to its lowest level in over a year** (54.1), albeit remaining in positive territory. The French INSEE survey was also weaker, but the German IFO beat expectations. Elsewhere, automakers suffered sharp share price declines following Donald Trump’s tariff threat.

In the **UK, retail sales for April recorded a positive surprise.** However, it is hard to draw too many inferences given cold weather negatively impacted the March number.

This **Turkish lira lost another 5% over the week, despite an emergency 300bps** hike in the “liquidity window” as investors failed to be persuaded that President Erdogan’s influence was waning. However, yesterday the bank moved to simplify its system of interest rates including more than doubling the one-week repo to 16.5%. As such, the currency recovered much of the previous week’s fall.

## ASIA PACIFIC

HSCEI 11,968 **-2.44%**, Nikkei 22,358.43 **-1.03%**, 10yr JGB 0.04% **0bps**, USDJPY 108.880 **-1.24%**

**China made further concessions as part of ongoing trade deliberations with the US, announcing a cut to import duty on foreign cars from 25% to 15%.** This follows Trump’s softening of his stance against Chinese tech giant ZTE, which has already lost an estimated US\$3bn in revenue on account of US sanctions. *Whilst the high-level rhetoric from the US around the reduction required in the bilateral trade deficit remains fiery, there appears to be a trend towards de-escalation and compromise at the level of specific policy implementation.*

**President Xi also met with German Chancellor Angela Merkel in Beijing this week**, with the spectre of Europe moving more clearly in to the crosshairs of Trump’s war on trade likely among the topics of discussion.

**Thailand’s economy accelerated in Q1 2018, with GDP expanding at 4.8% YOY, the fastest growth rate recorded for five years.** Activity strengthened, having posted a 4.0% expansion in Q4 2017, on account of stronger private sector consumption and export growth. This coincides with the recent increase in the inflation rate to 1.0% YOY in April, the highest reading for over a year but still below the 2.5% target.

Taiwan’s economic growth rate was revised to 3.04% YOY for Q1 2018, from an initially reported 3.02%. Whilst the magnitude of the data revision was immaterial, **the government did follow the announcement with an increase in its official growth forecast for 2018**, on account of a strong global economy and buoyant demand for technology exports.

**Bank of Korea left interest rates on hold at 1.50%**, in line with expectations. The tone of the official statement was largely unchanged. The Monetary Policy Board highlighted oil and capital outflows from certain emerging markets as potential risk factors, while leaving its domestic growth outlook unchanged.

**Inflation in Malaysia inched up to 1.4% YOY in April**, 10bps higher than the March figure.

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)

## LATIN AMERICA

MSCI Lat Am 2,565 **-1.68%**

Centre-right and market-favourite **Ivan Duque led the 1st round of Colombia's presidential election with 39.7% of the votes.** On the 17th June, he will face left-wing Gustavo Petro who gathered 24.8% of the votes.

*Duque is now largely expected to become the next Colombian president, implementing structural reforms, reinforcing institutions and implementing sensible pro-growth economic policies.*

**Chile's Q1 2018 GDP growth rate at 4.2% was the highest since Q3 2013.** It was above expectations and accelerated from a 3.3% rate in Q4 2017.

*Chile's economic recovery is being supported by strong external demand, higher copper prices, low interest rates and low inflation, in an environment of high business and consumer confidence.*

**Mexico's GDP grew 1.3% YOY in 1Q18,** as a consequence of tight macroeconomic policies and the uncertainties associated to NAFTA renegotiation and the presidential elections.

*This performance remains un-inspiring and marks a significant slowdown from the previous years.*

**Mexico's retail sales rebounded slightly in Q1 2018, expanding 1.2% YOY.** This comes after a sharp slowdown in 2017 (to 1.3% YOY growth, from 8.7% in 2016) due to the erosion of real wages as inflation doubled to 6.8%, from 3.4% in 2017.

*Although lower inflation and robust employment data should support consumption, consumer confidence weakened YTD and remittances converted into MXN are less supportive, due to a MXN appreciation. Low consumption growth is likely to continue for this year, but the outcome of its presidential election and the NAFTA renegotiation will impact consumption either way through confidence, fiscal or monetary policy.*

**Brazil's oil giant Petrobras saw its share price tumble on Thursday (-14%) as the government forced a 10% cut in diesel prices** for the next 30 days. Truck drivers had been on strike for 4 days. The government reached an agreement with the truck drivers' union after agreeing to change Petrobras' pricing policy from daily pricing to changing prices only every 30 days, cutting a tax on diesel to 0 and maintaining payroll tax breaks for the highway transport sector.

*In trying to prop up its popularity, the government is putting at risk the fiscal consolidation path. Estimates of the cost of such measures vary between BRL 10Bn and 20Bn on an annualized basis. At the same time, the continental size of Brazil makes it very vulnerable to disruption in transportation and the poor state of infrastructure makes it very reliant on trucks. This truckers' strike was starting to disrupt several sectors of the economy and pushed the government's back against the wall.*

**Colombia's industrial confidence rose to 2.0% in April**

(0 is neutral), its highest level since December 2016 and above the -8.5% recorded one year earlier, impacted by the implementation of the tax reform. Retail confidence remains in optimistic territory at 28.7% (vs. 17.8% in April 2017), reaching its highest value since August 2016.

*2017 was an adjustment year following reforms in 2016 and leading indicators tell us that the trough of Colombia's economic cycle is now behind us. A likely positive outcome from the presidential elections, improving consumer and business confidence, alongside low inflation, expansionary monetary policy and a favourable external environment will likely drive the economic recovery this year.*

**Peru's Congress approved the legislative powers requested by the executive branch** to speed up the reconstruction works, following floods in Northern Peru last year. Legislative powers related to the economy's competitiveness, the State's modernization and the fight against corruption have not been approved yet.

## AFRICA

MSCI Africa 931 **+1.03%**

**Nigeria's economic growth softened in the first quarter of 2018, weighed down by the non-oil sector.** The economy grew 1.9% YOY in Q1 2018, slower than the upwardly revised 2.1% growth in the previous quarter. The oil sector which accounts for c.10% of GDP, grew 14.8% YOY with output rising to 2mbpd, the most since Q1 2016, while the non-oil sector was subdued, advancing 0.7% after a 1.5% increase in the prior period.

*A more positive outlook for oil and an expected increase in public spending in advance of the February 2019 general election will support the economy in the short term. However, given a projected 2.6% population growth rate, the country needs 5+ percent economic growth for real economic transformation.*

**The Nigeria central bank held its main lending rate at 14%,** as widely expected, citing increased inflationary pressure in the second half of the year.

**Moving to South Africa, the ANC government overcame one of the major obstacles to the country's fiscal position as it seeks to trim a large budget deficit.** The government agreed a three-year wage deal with state workers with modest salary increases only slightly above inflation; up to 7% in the first year and projected inflation plus 1% in the second and third years. The increases are well below the 12% demanded by unions, a victory for the Ramaphosa administration, who are trying to restore confidence in South Africa's public finances.

**Elsewhere in South Africa, the central bank left repo rate unchanged at 6.5%** given the outlook for CPI which the bank sees as tilted to the upside on the back of rising oil prices and possible higher electricity tariffs. On inflation, **headline CPI rose 4.5% YOY in April from 3.8% percent in March,** following a 1% increase in VAT which came into effect on April 1. On a MOM basis, inflation quickened to 0.8% in April from 0.4% in March. Core inflation, increased to 4.5% YOY from 4.1% in March, while on a MOM basis it slowed to 0.6% from 0.7%.

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)

**In Kenya, the central bank held its main lending rate at 9.5% as expected.** The MPC noted that there was some room for easing with inflationary expectations within the target range of 2.5% - 7.5% and economic output below the potential level, however, the impact of the downward revision of the CBR (-50bps) at the previous meeting was yet to be fully transmitted to the economy.

**Lastly, Ghana's central bank cut its policy rate 100bps to 17%.** This comes after inflation fell to single digit for the first time since 2012, 9.6% in April 2018, within the central bank's target range of 8 +/- 2%. Ghana is the final year of a USD 918mn credit facility program with the IMF to narrow its deficit and reduce debt. Inflation has since fallen from 19.2% in March 2016 while the interest rate has been slashed 900bps from 26% and public debt to GDP declined from 73.4% to 60% in the same period.

**PLEASE CONTINUE FOR  
MARKET DATA**

## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
case shiller HPI (MAR) % YOY	Tue/29	6.4
US consumer confidence (MAY)	Tue/29	127.9
US GDP (Q1) % QOQ	Wed/30	2.3
Non-farm payroll (MAY) th	Fri/01	190
ISM manufacturing (MAY)	Fri/01	58.1
<b>EUROPE</b>		
Eurozone M3 (APR) % YOY	Tue/29	3.9
Eurozone industrial confidence (MAY)	Wed/30	6.8
Eurozone consumer confidence (MAY)	Wed/30	0.2
France GDP (Q1) % YOY	Wed/30	0.3
Poland GDP (Q1) % YOY	Thu/31	5.1
Eurozone HICP (MAY) % YOY	Thu/31	1.6
Eurozone manufacturing PMI (MAY)	Fri/01	55.5
<b>ASIA PACIFIC</b>		
India GDP (Q1) % YOY	31/6	7.6
Korea GDP (Q1) % YOY	Fri/01	2.7
China PMI (MAY)	Fri/01	51.2
<b>LATIN AMERICA</b>		
Brazil GDP (Q1) % YOY	Wed/30	1.6
<b>AFRICA</b>		
Kenya interest rate %	Mon/28	9.25

**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.)

21 MAY - 27 MAY

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	2,721.33	0.31%	2.77%	1.78%	12.68%		84%
RUSSELL 2000 INDEX	US	1,626.93	0.02%	5.52%	5.95%	17.60%		80%
NASDAQ COMPOSITE INDEX	US	7,433.85	1.08%	5.20%	7.68%	19.80%		83%
S&P/TSX COMPOSITE INDEX	Canada	16,016.14	-1.24%	1.78%	-4.27%	8.24%	-0.82%	87%
S&P 500 CONS DISCRET IDX	US	844.49	1.23%	2.32%	7.53%	17.34%		84%
S&P 500 CONS STAPLES IDX	US	510.53	0.67%	-1.30%	-13.09%	-11.73%		86%
S&P 500 FINANCIALS INDEX	US	461.21	-0.41%	1.29%	-0.59%	17.77%		84%
S&P 500 HEALTH CARE IDX	US	958.60	-0.33%	0.77%	0.24%	9.32%		78%
S&P 500 INFO TECH INDEX	US	1,222.42	1.31%	7.04%	10.51%	26.46%		82%
S&P 500 ENERGY INDEX	US	547.77	-4.54%	0.59%	2.69%	12.46%		82%
S&P 500 ECO SECTORS IDX	US	2,721.33	0.31%	2.77%	1.78%	12.68%		84%
S&P 500 INDUSTRIALS IDX	US	635.28	0.53%	4.63%	-0.40%	10.45%		93%
S&P 500 MATERIALS INDEX	US	369.02	-1.47%	3.45%	-2.62%	11.61%		84%
S&P 500 REAL ESTATE IDX	US	191.92	2.00%	0.70%	-5.86%	-3.29%		90%
S&P 500 TELECOM SERV IDX	US	146.49	1.20%	-1.18%	-11.79%	-6.25%		89%
S&P 500 UTILITIES INDEX	US	254.63	3.08%	-2.59%	-4.76%	-5.58%		81%
<b>Europe</b>								
Euro Stoxx 50 Pr	Europe	3,454.17	-2.66%	-4.21%	-2.69%	1.94%	0.33%	106%
CAC 40 INDEX	France	5,471.79	-2.31%	-3.25%	1.20%	7.95%	4.33%	101%
DAX INDEX	Germany	12,787.37	-2.10%	-1.15%	-2.85%	6.55%	0.16%	104%
Athex Composite Share Pr	Greece	755.63	-4.48%	-15.16%	-8.65%	1.77%	-5.83%	79%
FTSE MIB INDEX	Italy	21,557.24	-5.48%	-9.99%	-0.58%	9.35%	2.49%	118%
AEX-Index	Netherlands	557.46	-1.79%	-2.42%	0.24%	10.91%	3.34%	122%
PSI All-Share Index GR	Portugal	3,171.31	-2.19%	0.61%	5.52%	16.59%	8.78%	86%
MOEX Russia Index	Russia	2,315.14	-0.91%	1.11%	1.03%	7.92%	9.33%	51%
IBEX 35 INDEX	Spain	9,631.80	-3.84%	-5.12%	-5.10%	-6.61%	-2.16%	74%
OMX STOCKHOLM 30 INDEX	Sweden	1,568.64	-2.13%	1.15%	-5.85%	-3.59%	0.64%	79%
SWISS MARKET INDEX	Switzerland	8,720.25	-1.56%	-1.68%	-8.36%	-4.49%	-6.64%	93%
BIST 100 INDEX	Turkey	105,584.70	-4.06%	-14.47%	-28.08%	-20.02%	-10.52%	101%
FTSE 100 INDEX	UK	7,672.36	-1.84%	-0.41%	-0.99%	5.67%	0.55%	103%
<b>Asia Pacific</b>								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	719.04	0.07%	-0.75%	0.28%	15.40%	0.28%	102%
S&P/ASX 200 INDEX	Australia	6,013.56	-0.34%	0.94%	-3.80%	5.44%	-0.53%	95%
DSE 30 Index	Bangladesh	2,015.14	-1.49%	-5.89%	-13.91%	-4.48%	-11.75%	
HANG SENG CHINA ENT INDX	China "H"	11,967.76	-2.44%	-2.27%	2.45%	13.18%	2.89%	94%
SHANGHAI SE COMPOSITE	China "A"	3,120.46	-1.62%	1.18%	-3.19%	8.49%	-5.02%	90%
HANG SENG INDEX	HK	30,537.10	-1.43%	-0.68%	1.80%	18.52%	2.24%	96%
Nifty 50	India	10,674.35	0.37%	-2.94%	-5.16%	6.20%	0.71%	116%
JAKARTA COMPOSITE INDEX	Indonesia	6,068.33	3.86%	-1.37%	-9.13%	-0.79%	-5.98%	94%
NIKKEI 225	Japan	22,358.43	-1.03%	-0.39%	1.46%	15.70%	-1.38%	91%
KOSPI 200 INDEX	Korea	316.20	1.22%	-2.37%	-2.60%	8.40%	-2.06%	113%
Laos Composite Index	Laos	926.07	0.03%	1.00%	-7.99%	-11.57%	-7.12%	89%
FTSE Bursa Malaysia KLCI	Malaysia	1,775.84	-3.21%	-5.25%	2.15%	9.01%	0.03%	148%
KARACHI 100 INDEX	Pakistan	42,433.29	1.24%	-7.37%	-0.72%	-27.86%	3.96%	92%
PSEi - PHILIPPINE SE IDX	Philippines	7,602.36	-0.80%	-4.07%	-15.16%	-7.91%	-10.64%	74%
STRAITS TIMES INDEX STI	Singapore	3,518.48	-0.37%	-4.06%	2.88%	12.15%	3.24%	102%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,453.41	-0.56%	-1.14%	-1.33%	-6.79%	1.55%	123%
TAIWAN TAIEX INDEX	Taiwan	10,964.12	1.04%	1.54%	1.88%	8.91%	2.81%	100%
STOCK EXCH OF THAI INDEX	Thailand	1,734.54	0.03%	-3.25%	1.31%	18.65%	-0.71%	119%
HO CHI MINH STOCK INDEX	Vietnam	946.91	-7.42%	-8.36%	-2.40%	29.32%	-2.07%	80%
<b>Rest of the World</b>								
MSCI ACWI	MSCI World	512.68	-0.43%	0.74%	0.08%	10.45%	0.08%	68%
MSCI EM	MSCI EM	1,137.00	-0.10%	-2.39%	-1.88%	12.03%	-1.88%	65%
MSCI Frontier Market Index	MSCI FM	2,771.35	-1.90%	-6.68%	-7.12%	2.42%	-7.12%	68%
DFM GENERAL INDEX	Dubai	2,914.91	1.44%	-3.64%	-12.33%	-11.20%	-12.33%	142%
MSCI EM LATIN AMERICA	Latin America	2,564.79	-1.68%	-11.10%	-6.08%	4.11%	-6.08%	108%
ARGENTINA MERVAL INDEX	Argentina	28,653.75	-7.09%	-17.26%	-25.26%	-10.42%	-1.33%	78%
MSCI BRAZIL	Brazil	1,774.15	-3.09%	-12.75%	-7.02%	9.16%	-7.02%	135%
CHILE STOCK MKT SELECT	Chile	5,570.05	0.55%	-3.81%	-1.03%	23.05%	0.21%	97%
IGBC GENERAL INDEX	Colombia	12,023.59	0.64%	-5.68%	8.69%	13.61%	5.08%	
S&P/BMV IPC	Mexico	44,851.05	0.73%	-10.34%	-7.89%	-13.61%	-8.64%	70%
Bolsa de Panama General	Panama	484.96	1.84%	2.81%	10.24%	15.83%	10.24%	44%
S&P/BVLPeruGeneralTRPEN	Peru	21,003.81	0.08%	-2.53%	4.19%	30.87%	5.10%	114%
MSCI EFM AFRICA	Africa	930.97	1.03%	-3.49%	-8.46%	4.62%	-8.46%	69%
EGYPT HERMES INDEX	Egypt	1,633.24	-0.61%	-7.93%	12.15%	38.49%	13.04%	37%
GSE Composite Index	Ghana	3,294.31	-2.60%	-7.93%	25.31%	62.05%	27.74%	31%
Nairobi SE 20 Share	Kenya	3,364.58	-4.43%	-10.75%	-7.58%	0.71%	-9.36%	126%
MASI Free Float Index	Morocco	12,432.65	-1.67%	-6.22%	-0.91%	10.95%	0.91%	153%
NIGERIA STCK EXC ALL SHR	Nigeria	39,040.44	-2.84%	-5.24%	2.40%	20.27%	2.83%	68%
FTSE/JSE AFRICA TOP40 IX	South Africa	50,171.64	0.29%	-1.92%	-4.51%	9.74%	-3.79%	75%
<b>Global Style</b>								
MSCI WORLD GROWTH INDEX	US	2,574.10	0.07%	2.85%	4.00%	15.29%	4.00%	87%
MSCI WORLD VALUE INDEX	US	2,772.32	-1.06%	-0.63%	-3.37%	5.19%	-3.37%	95%
MSCI World Large Cap	US	1,287.62	-0.49%	1.17%	0.27%	10.08%	0.27%	92%
MSCI World Mid-Cap	US	1,391.66	-0.38%	1.12%	0.72%	11.05%	0.72%	94%
Average			-0.96%	-2.73%	-2.07%	7.86%	-0.51%	91%
Top 25%			0.54%	0.86%	1.79%	14.50%	2.82%	102%
Bottom 25%			-2.11%	-5.24%	-5.97%	-0.04%	-5.86%	79%

Chris Wehbe  
CEO & Chair of Investment  
Committee

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

Florian Gueritte  
Investment Analyst  
(LatAm)

Temí Iyiola  
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)

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

Twitter: @cswehbe

# GLOBAL MARKET DATA (CONTD.)

21 MAY - 27 MAY

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	94.53	0.66%	2.63%	2.31%	-3.08%
USD-EUR X-RATE	USDEUR Curncy	0.86	1.04%	3.68%	3.05%	-3.77%
Russian Ruble SPOT (TOM)	USDRUB Curncy	62.57	-0.22%	-1.21%	7.85%	9.37%
USD-TRY X-RATE	USDTRY Curncy	4.58	4.98%	16.09%	24.15%	32.21%
USD-GBP X-RATE	USDGBP Curncy	0.75	1.25%	3.50%	1.58%	-2.69%
Bloomberg JPMorgan Asia Dollar	ADXJ Index	109.56	-0.03%	-1.03%	-0.05%	3.55%
USD-AUD X-RATE	USDAUD Curncy	1.33	-0.51%	-0.24%	3.43%	-1.23%
USD-CNY X-RATE	USDCNY Curncy	6.41	0.18%	0.94%	-1.77%	-6.94%
USD-INR X-RATE	USDINR Curncy	67.87	-0.35%	1.66%	6.10%	4.87%
USD-JPY X-RATE	USDJPY Curncy	108.88	-1.24%	0.06%	-2.91%	-2.17%
USD-KRW X-RATE	USDKRW Curncy	1,076.71	0.03%	0.92%	0.98%	-3.46%
USD-TWD X-RATE	USDTWD Curncy	29.98	0.13%	1.17%	0.73%	-0.41%
USD-ARS X-RATE	USDARS Curncy	24.71	0.68%	19.72%	32.03%	52.83%
USD-BRL X-RATE	USDBRL Curncy	3.74	-2.24%	4.20%	10.30%	11.55%
USD-CLP X-RATE	USDCLP Curncy	624.56	-2.07%	1.62%	1.33%	-6.84%
USD-MXN X-RATE	USDMXN Curncy	19.60	-2.05%	4.43%	-0.59%	5.62%
USD-EGP X-RATE	USDEGP Curncy	17.92	0.62%	1.53%	0.82%	-0.98%
USD-NGN X-RATE	USDNGN Curncy	361.88	0.17%	0.51%	0.53%	14.85%
USD-ZAR X-RATE	USDZAR Curncy	12.54	-2.06%	0.33%	0.96%	-3.32%
Commodities			Return (USD)			
WTI CRUDE FUTURE Jul18	CLA Comdty	66.79	-4.89%	-0.88%	13.59%	36.97%
BRENT CRUDE FUTR Jul18	COA Comdty	75.63	-2.64%	2.34%	16.74%	46.44%
Baltic Dry Index	BDIY Comdty	1,077.00	-15.40%	-19.69%	-21.16%	17.32%
Natural Gas Futures	NGI Comdty	2.95	3.23%	6.37%	-0.47%	-7.69%
Gold Spot \$/Oz	XAU Curncy	1,297.64	0.71%	-1.00%	-0.04%	3.71%
Silver Spot \$/Oz	XAG Curncy	16.42	0.41%	1.10%	-2.52%	-3.81%
LME COPPER 3MO (\$)	LMCADS03 Comdty	6,885.00	0.44%	1.15%	-5.00%	20.28%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.44	-0.07	-0.01	0.59	1.18
US Generic Govt 5 Year Yield	USGG5YR Index	2.71	-0.12	-0.03	0.56	0.97
US Generic Govt 10 Year Yield	USGG10YR Index	2.88	-0.12	-0.02	0.53	0.68
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.30	-0.14	0.04	0.30	0.89
Mexico Generic 10 Year	GMXN10YR Index	7.66	-0.16	0.16	0.00	0.33
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.25	-0.18	-0.10	0.13	0.29
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.07	-0.10	-0.09	0.15	0.11
German Government Bonds 2 Yr B	GDBR2 Index	-0.72	-0.04	-0.04	0.01	0.05
German Government Bonds 5 Yr O	GDBR5 Index	-0.32	-0.16	-0.16	-0.02	0.16
Germany Generic Govt 10Y Yield	GDBR10 Index	0.31	-0.17	-0.15	-0.02	0.04
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.70	-0.12	-0.08	-0.07	-0.08
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.46	-0.13	0.53	0.30	-1.60
Italy Generic Govt 10Y Yield	GBTGPR10 Index	2.81	0.23	0.68	0.45	0.34
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.59	0.02	0.19	-0.10	-0.12
Portugal Generic Govt 10Y Yield	GSPT10YR Index	2.25	0.08	0.27	0.01	-1.24
Australia Govt Bonds Generic Y	GACGB10 Index	2.69	-0.12	0.02	0.16	0.35
India Govt Bond Generic Bid Yi	GIND10YR Index	7.77	-0.04	0.03	0.47	1.13
KCMP South Korea Treasury Bond	GVSK10YR Index	2.72	-0.03	0.00	0.25	0.48
Japan Generic Govt 10Y Yield	GJGB10 Index	0.04	-0.02	-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	316.97	19.98	24.18	62.84	45.25
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	71.48	7.46	10.69	20.18	3.39
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	87.83	10.40	18.00	31.12	8.33
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	191.58	26.89	46.49	56.57	8.92
MARKIT CDX.NA.IG.30 06/23	IBOXUMAE CBIL Curncy	63.45	1.75	2.50	14.04	1.20
MARKIT CDX.NA.HY.30 06/23	IBOXHYSE CBIL Curncy	343.45	3.60	5.08	37.17	17.39
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	13.94	1.47	1.31	-0.65	-0.46
FTSE 100 500 3month ATM	UKX Index	11.26	0.75	1.07	1.88	1.08
Hang Seng 3month ATM	HSI Index	15.78	0.18	-0.63	0.99	3.30
Nikkei 3month ATM	NKY Index	13.18	0.32	-1.71	-2.04	-0.39
S&P 500 3month ATM	SPX Index	11.34	-0.52	-2.99	1.42	1.62
Volatility (VIX)	VIX Index	14.43	-0.20	-2.71	2.18	3.23
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.46	-0.04	-0.04	0.11	0.16
UK 5Y5YF Inflation Swap		3.35	-0.10	-0.03	-0.14	0.00
JPY 5Y5YF Inflation Swap		0.40	0.00	0.00	0.00	-0.01
EUR 5Y5YF Inflation Swap		1.68	-0.02	0.00	-0.01	0.13
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	7.30				
Citi Economic Surprise Index -	CESICNY Index	32.00				
Citi Economic Surprise Index -	CESIEM Index	-7.00				
Citi Economic Surprise Index -	CESIEUR Index	-96.60				
Citi Economic Surprise Index -	CESIGIO Index	-34.20				
Citi Economic Surprise - Japan	CESIJPY Index	-43.90				
Citi Economic Surprise Index -	CESILTAM Index	-46.40				
Citi Economic Surprise - Unite	CESIUSD Index	12.00				

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)