

# GLOBAL MARKET UPDATE



## 28 MAY - 3 JUNE: ROLLING WITH PUNCHES

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Luxembourg <b>1.61%</b> , Norway <b>1.39%</b> , New Zealand <b>0.90%</b>
	Bottom 3:	Singapore <b>-2.22%</b> , Sweden <b>-2.08%</b> , Spain <b>-1.94%</b>
EMERGING	Top 3:	Colombia <b>3.15%</b> , Greece <b>2.83%</b> , India <b>2.12%</b>
	Bottom 3:	Brazil <b>-4.64%</b> , Chile <b>-3.25%</b> , China "A" <b>-2.66%</b>
FRONTIER	Top 3:	Vietnam <b>3.03%</b> , Serbia <b>1.15%</b> , Oman <b>0.94%</b>
	Bottom 3:	Nigeria <b>-5.99%</b> , Argentina <b>-5.52%</b> , Romania <b>-2.75%</b>

In a holiday shortened week for the US and UK, a veritable smorgasbord of news flow buffeted markets. Our general sense is that two of the most prominent recent headwinds for the market (US rates and the oil price) may now start to cool. With respect to the former, hikes will continue this year, but we believe FED rhetoric may turn more dovish as the FOMC digest the effects of their tightening and the ageing cycle. Indeed, slowing but still above trend growth in Europe is likely to see the ECB pause for thought as well. Similarly, OPEC members seem satisfied with an oil price between USD 70-80 dollars per barrel. This does not mean it is plain sailing; it is now reasonable to conclude that Donald Trump has become a genuine drag on the global economy, indirectly via the uncertainty created by his unorthodox style and directly via his trade policy. Moreover, European politics remains fragile with the surprise change of prime minister in Spain this week, Brexit in the UK and Italy's unsustainable place in the Eurozone.

### UNITED STATES

S&P 2,735 **+0.49%**, 10yr Treasury 2.92% **-2.91bps**, HY Credit Index 345 **+3bps**, Vix 13.46 **+24Vol**

US equities experienced 4 days of volatility last week, with 3 moves over 1%. Fixed income markets were equally as volatile with the **US 10-year trading as low as 2.78% yield after the biggest 1-day decrease in yield since the UK's Brexit vote 2 years ago** on Tuesday. This followed the initial failure to agree a government in Italy.

From a data perspective, the May employment report provided soothing reading with headline payrolls registering 223k (versus 207k monthly average so far in 2018), the **unemployment rate hitting an 18-year low at 3.8%** and average hourly earnings remaining in their recent range at 2.7%.

Elsewhere, **Donald Trump allowed exemptions from steel and aluminium tariffs to expire on Thursday**, meaning 25% and 10% levies respectively will now be imposed on imports of the metals from the EU, Canada and Mexico. This immediately prompted an EU response amounting to EUR 2.8bn of tariffs on carefully selected and politically sensitive items such as blue jeans and bourbon. In a similar spirit, **Trump reinstated USD 50bn in import tariffs on China and restricted Chinese investment in US technology firms** in order to reduce the potential for violation of intellectual property rights. A 3rd round of negotiations with China took place over the weekend, but little progress was made. The FT reported an exclusive focus on reducing the trade deficit and that "the focus was not what the US business community would like to see."

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)

## EUROPE

Eurostoxx 3,482 **-1.72%**, German Bund 0.40% **-2.00bps**, Xover Credit Index 290 **-2bps**, USDEUR .854 **-0.03%**

In Europe, the focus was squarely on politics. First, **Italy's populist Five Star Movement and far-right Northern League party finally formed a coalition government**, naming Giuseppe Conte, as prime minister. This came after changes to proposed cabinet members, President Sergio Mattarella having blocked the initial line-up over the weekend. Italian bonds nonetheless ended lower as investors question the sustainability of this administration and Italy's broader debt and growth trajectory.

Meanwhile, **in Spain nine opposition parties lead by the Socialists were successful in dethroning long time PM Mariano Rajoy after a no confidence vote on Friday**. Pedro Sanchez will replace Rajoy and the market greeted the news with little fanfare given the new government's commitment to maintain the conservative party's 2018 budget.

Given the greater volatility in peripheral bond spreads, Angela Merkel's interview with the Frankfurter Allgemeine Sonntagszeitung is unlikely to have calmed nerves. Unlike French President Macron, who is championing an ever-closer union in Europe, Merkel appeared to comment that sovereign bond restructuring should come before any centrally funded bailout.

*We are clear that the Eurozone in its present state is not sustainable over the long-term. A fiscal union (where each country is jointly and severally responsible for all government debt across the currency union) is ultimately required. Merkel alludes to one of the major issues in achieving this; how to deal with past fiscal irresponsibility. This enormously politically sensitive issue is unlikely to be addressed until the market (or voters) force politicians hands.*

More generally, it is interesting to note that **the Citi Eurozone Economic Surprise Index, which measures incoming economic data against expectations, is currently nearing a 7-year low** after a marked slowdown in momentum since the start of the year. This may impact the ECB's plan withdrawal from QE and, in any case, masks a growth picture that remains (for now) above trend.

In spite of the Turkish central bank's tightening efforts two weeks ago, the USDTRY exchange rate remained volatile last week. The lira remains essentially rudderless and cannot strengthen against major currencies in a sustainable manner.

The **Turkish economic confidence index slid from 98.3 to 93.5 in May**. In tandem with Turkey, Russian manufacturing PMI dropped in May to 49.8, projecting potential contraction in manufacturing output. Polish and Hungarian manufacturing PMIs remained in the range of expansion in May, at 53.3 and 55.4, respectively.

Polish Q1 2018 GDP growth was revised up to 5.2% YOY. Both private consumption and investments registered strong growth, 4.8% YOY and 8.1% YOY respectively. Polish inflationary dynamics slightly intensified, as headline CPI accelerated to 1.7% YOY in May. However, the rate of inflation significantly underwhelmed expectations.

*With such strong GDP growth and subdued inflation pressure, the Monetary Policy Council is unlikely give up its slightly dovish stance anytime soon.*

**Moody's decided not to change Hungary's credit rating and outlook**. The country remains in the lowest investment grade category at all three major credit rating agencies. While Moody's maintains a 'stable' outlook for Hungary, Fitch and S&P assigned 'positive' outlooks to the rating. Moody's refrained from releasing an update at its last written assessment.

*It was no surprise that Moody's left Hungary's rating and outlook unchanged this time, since the characteristics of the economy has not improved since the last time.*

## ASIA PACIFIC

HSCEI 12,243 **-0.23%**, Nikkei 22,475.94 **-1.30%**, 10yr JGB 0.05% **+0bps**, USDJPY 109.570 **+0.05%**

**China's official PMI data showed moderate improvement in May**, with Manufacturing and Non-Manufacturing indices inching up from 51.4 to 51.9 and 54.8 to 54.9 respectively. The unofficial Caixin Manufacturing PMI printed flat at 51.1.

**India once again snatched the crown of 'world's fastest growing major economy'** after reporting last quarter's GDP figures, which showed an expansion rate of 7.7% YOY during the three months to June, up from 7.2% the previous quarter. Strong performance in manufacturing and services drove the improvement, with growth now running at a seven-quarter high.

*Our core thesis on India's cyclical position, that a 'certain but gradual' recovery would emerge as the ephemeral disruptions caused by GST and demonetisation began fading, continues to play out strongly. As one of the world's most compelling structural growth stories, with a balanced policy environment and stable external position, we see no reason why India cannot, in the absence of exogenous shocks, return to growth rates above 8% in the coming quarters.*

**Bank Indonesia raised the seven-day repo rate by 25bps to 4.75%**, during an irregular monetary policy meeting convened last week. This follows the decision to hike rates by an initial 25bps on 17th May. Commentary from the newly appointed governor was more hawkish than the market expected, including comments that the central bank "will continue to calibrate local and domestic market developments to utilise room for further rate hikes in a measured way."

*Notably, this is the first time for over a decade that the Indonesian central bank has raised interest rates despite domestic inflation being within the target range. Clearly, Bank Indonesia is acting to stay ahead of the curve; congruent with a global context of rising US rates and a strong dollar, higher oil prices, and pockets of stress within the EM asset class, notably Argentina and Turkey. Should the second half of 2018 feature any of these trends continuing in a meaningful way, multiple rate hikes are to be expected in Indonesia.*

**Pakistan raised rates 50bps to 6.50%**, with the policy

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)

rate now up 75bps year to date, after nearly two years of unchanged policy.

*Still plagued by a quintessential twin-deficits problem, policymaking in Pakistan is at least beginning to follow a more pragmatic path in certain respects. Showing a willingness to tighten rates heading in to an election, and at a time of low domestic inflation, plus a 10% managed depreciation of the currency, shows that some degree of institutional autonomy and credibility is being restored.*

## LATIN AMERICA

MSCI Lat Am 2,569 -3.29%

**Brazil's Q1 2018 GDP came in at +1.2% YOY**, higher than consensus expectations. Both household spending and fixed capital investments continued to post substantial growth (2.8% and 3.5%, respectively). The data point confirms the scenario of a gradual recovery.

*2Q and 2018 GDP growth will be negatively impacted by the truckers' strike, which may lead to further analysts to downgrade their GDP growth expectation for 2018. The uncertainty around October Presidential elections should also weigh on growth in Q2 and Q3 2018.*

**Brazil truck drivers' strike finally ended last week**, 10 days after it started. Truckers were protesting against rising oil prices following a depreciation of the BRL (vs. USD) and rising international oil prices. To end this strike, Brazil's government had to announce a reduction of diesel prices by 0.46BRL/L, and the resetting of prices every 30 days instead of daily. The total fiscal cost of these measures is estimated at BRL 13.5Bn for 2018, through subsidies to Petrobras and tax cuts. To compensate these BRL 13.5Bn increase in fiscal expenses, the government also announced an increase in payroll tax, cuts in social programs, lower tax breaks for exporting, chemical and soft drink sectors as well as cut in discretionary expenses.

*This type of measure is not easy to roll-back, once implemented. The annualized fiscal costs should be 0.4% of GDP with a very substantial risk to public finances if the BRL depreciate further and oil price keeps increasing.*

**Brazil's primary fiscal deficit came in at 1.8% of GDP in the year to April 2018.** The nominal fiscal deficit (including interest expenses) remains elevated. Gross general government debt reached 75.9% of GDP and net public sector debt stood at 51.9% of GDP in April.

*Although Brazil is benefiting from a temporary fiscal revenue tailwind (oil royalties, economic rebound...), the slower than expected recovery may increase the pressure on fiscal consolidation in 2H18. Longer-term, Brazil's debt trajectory is not sustainable without structural reforms like the pension reform.*

**US President Trump imposed tariffs on steel and Aluminium imports from Mexico.** Mexico retaliated by imposing duties on US imports (from flat steel to cheese).

*Although this set of tariffs remains anecdotal, it sends a negative signal regarding the US/Mexico relationship. There are no winners in a trade war.*

**Peru's GDP growth showed clear signs of recovery in Q1 2018 coming in at +3.2% YOY**, driven by the acceleration of investment (private investment +5.3% YOY vs 3.2% in 4Q2018) and stronger private consumption (+3.2% from 2.6%).

**Colombia became the 3rd Latin American country to enter the OECD**, after Chile and Mexico, becoming the 37th member of the organization. This is a major vote of confidence regarding the strength and independence of Colombian institutions. This inclusion rewards the major reforms recently implemented to align its legislation, policies and practices to OECD standards, including on labour issues, the reform of its justice system, corporate governance of state-owned enterprises, anti-bribery and trade.

*This decision should allow Colombia to continue strengthening its institutions and public policies.*

## AFRICA

MSCI Africa 920 -0.89%

**Kenya's inflation rose to 3.9% YOY in May from 3.7% in the previous month**, remaining close to the middle of the government's target range of 2.5-7.5%. MOM, inflation fell to 1.0% from 1.4% in April.

In South Africa:

- **Seasonally adjusted Absa PMI fell back into negative terrain after two successive months of expansion.** The index fell to 49.8 in May from 50.9 in April, with business activity falling to 47.2 from 49.1.
- Growth in private-sector credit demand slowed to 5.1% in April from a revised 6.0% in March.
- **The parliament passed a national minimum wage bill by an overwhelming majority.** The measure will see millions of workers earn 3,500 rand (USD 277) a month. The policy was championed by President Cyril Ramaphosa as an important step to tackle labour instability and wage inequality.

Elsewhere, **the government of Egypt raised water prices by up to 46.5%.** The government had last raised water prices by as much as 50% in August 2017. The price hike comes ahead of anticipated cuts to fuel and electricity subsidies, to help revive the economy where subsidies have accounted for about a quarter of state spending.

**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)

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(Asia)

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

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

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(Africa)

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

## THE WEEK AHEAD

	Date	Consen- sus
<b>UNITED STATES</b>		
Initial jobless claims (JUN), thous	Tue/05	225.0
<b>EUROPE</b>		
Eurozone retail sales (APR) % MOM	Tue/05	0.5
Markit Eurozone services PMI (MAY)	Tue/05	53.9
Poland interest rate %	Wed/06	1.5
Germany factory orders (APR) % MOM	Thu/07	0.8
Germany industrial production (APR) % MOM	Fri/08	0.3
France industrial production (APR) % MOM	Fri/08	0.3
<b>ASIA PACIFIC</b>		
Australia retail sales (APR) % MOM	Mon/04	0.3
Indonesia CPI (MAY) % YOY	Mon/04	3.3
China caixin services PMI (MAY)	Tue/05	52.9
Taiwan CPI (MAY) % YOY	Tue/05	2.0
India interest rate %	Wed/06	6.0
China CPI (MAY) % YOY	Sat/09	1.8
<b>LATIN AMERICA</b>		
Brazil industrial production (APR) % YOY	Tue/05	7.8
Colombia CPI (MAY) % YOY	Wed/06	3.2
Mexico CPI (MAY) % YOY	Thu/07	4.5
Peru interest rate %	Fri/08	2.8
Brazil IBGE inflation (MAY) % YOY	Fri/08	2.7
Chile CPI (MAY) % YOY	Fri/08	2.0
<b>AFRICA</b>		
South Africa GDP (1Q) % YOY	Tue/05	1.8

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

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

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Senior Investment Analyst  
(Asia)

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

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(LatAm)

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

**Temí Iyiola**  
Investment Analyst  
(Africa)

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

# GLOBAL MARKET DATA (CONTD.)

## 28 MAY - 3 JUNE

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.)

28 MAY - 3 JUNE

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 (\$)	LMCADSO3 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				

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

Twitter: @cswehbe

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

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*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)

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

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