

GLOBAL MARKET UPDATE



30 JULY - 5 AUGUST: MORE SMOKE THAN FIRE

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Canada 0.84% , United States 0.76% , Switzerland -0.06%
	Bottom 3:	Germany -2.43% , Italy -2.21% , Ireland -2.09%
EMERGING	Top 3:	Qatar 3.91% , Pakistan 3.25% , Egypt 3.23%
	Bottom 3:	China "A" -5.13% , Turkey -4.35% , Hong Kong -3.92%
FRONTIER	Top 3:	Vietnam 2.31% , Bangladesh 1.86% , Jordan 0.25%
	Bottom 3:	Kazakhstan -4.87% , Tunisia -1.87% , Mauritius -1.27%

According to speculation reported by Bloomberg, US Treasury Secretary Mnuchin and Chinese Vice Premier had private discussions in an attempt to restart stalled trade talks between the two super powers that have been roiling financial markets for too long. Meanwhile US Trade Representative Lighthizer officially stated that the US administration has been considering increasing its tariffs from 10% to 25% on USD 200bn worth of Chinese imports.

A key aspect of the story, in our view, is that President Trump and the Republican party are preparing for the midterm elections held in November. Although the populist rhetoric may appeal to voters, the room for threats and economic blackmail is rather limited, since a fully blown trade war would not only weigh on Chinese growth but could dampen US business cycle as well. We remain of the view that the Trump administration is not willing to endanger global economic growth, as it would hurt the US economy, and ultimately would erode standards of living for 'Average Joe,' who is the backbone of the incumbent administration's voting base. Consequently, the POTUS and his team will not escalate the trade war to such an extent that kneecaps the world economy.

US stock markets have ignored most of the recent trade war-related noise, as the S&P500 has increased five weeks in a row, which is the longest streak this year. Since the beginning of the year, the index has risen 5.83%. The recent stock market momentum was driven by strong Q2 earnings, as the overwhelming majority of companies in the S&P500 that have already reported have exceeded expectations. As a result of the strong earnings season and the upbeat stock market sentiment in the US, Apple has become the first company with a market capitalisation over USD 1tn.

Looking ahead

This week is not going to be as exciting as last week, as central banks take a pause, but markets will still have a lot to digest, as the negotiations between the US and China continue and an announcement that can swing markets either direction can arrive at virtually any time.

A limited number of macro data are going to be published in developed markets this week. Germany releases July industrial production figures, and Japan publishes 2018 Q2 GDP data. On Friday, CPI inflation from the US should serve as further evidence that the Fed has more than enough room for manoeuvre to deliver the 25bp hike in September.

Chinese macroeconomic data will dominate this week's news flow in the emerging market spectrum, as the country publishes foreign exchange reserves, inflation and foreign trade data. Apart from China, Brazil, Mexico, and Colombia release inflation data this week.

UNITED STATES

S&P 2,840 **+0.76%**, 10yr Treasury 2.95% **-0.54bps**, HY Credit Index 327 **-2bps**, Vix 11.93 **-1.39Vol**

Stock indices headed up in the US, as the weekly gain for the S&P500, the Russell 2000 and the NASDAQ Composite ranged between 0.4-0.7%. The NASDAQ's gain reflected strong earnings reports. Indeed, talk of a tech correction has been overplayed, with a handful of names (Facebook, Twitter) suffering from disappointing numbers, rather than a widespread malaise. The DXY, the trade-weighted US dollar index rose 0.35%, while the yield curve steepened slightly to 31bp, as the 2-year US Treasury yield edged down 2bp to 2.65%, while the 10-year remained 2.95%.

The ISM manufacturing index fell from 60.2 in June to 58.1 in July indicating that manufacturing output will continue growing strongly going forward.

The Federal Reserve's preferred inflation gauge, **the Personal Consumption Expenditures index (PCE) rose 2.2% YoY** (0.1% MoM) in June, while the core measure was 1.9% YoY.

The Federal Reserve left the Fed funds rate unchanged at 1.75-2.00%, as expected. In its statement, the FOMC used stronger adjectives to describe the US' economic momentum. According to the Council, the economy has been rising at a 'strong rate.'

Non-farm payrolls rose 157,000 in July, undershooting the median market estimate of 193,000. Unemployment rate fell to 3.9%, as labour force participation rate remained 62.9%. **Average hourly earnings in nominal terms rose 2.7% YoY.**

Strong GDP growth in Q2, impressive soft indicators in July, PCE inflation around 2% and tight labour market conditions keep the door open for the Fed to raise the Fed funds rate 25bp in September. Should the economic momentum be sustained in 2018 H2, an additional 25bp hike in December seems inevitable. We concur with the view implied by the futures markets, which - with almost 70% probability - expects two additional 25bp hikes this year.

EUROPE

Eurostoxx 3,485 **-1.80%**, German Bund 0.41% **+0.50bps**, Xover Credit Index 292 **-13bps**, USDEUR .865 **+0.55%**

Trade tensions adversely impacted European stock market sentiment, which drove down the indices across the board. Among the developed stock markets, the German, Italian

and Spanish were the greatest underperformers, as they decreased 2.44%, 2.22% and 1.84%, respectively in USD terms. Although German yields were flat, periphery spreads widened, as the Spanish 10-year increased 5bp to 1.42%, the Italian 10-year rose 18bp to 2.93%, and the Greek 10-year spiked 25bp to 4.06%.

Euro Area GDP grew 0.3% QoQ SA in 2018 Q2, undershooting the Bloomberg consensus of 0.4%. Quarterly GDP growth was slower 0.1ppt compared to Q2. Labour market continued to slowly tighten in Q2, as the unemployment rate fell to 8.3% in June. This means there is still ample spare capacity across the single currency zone, albeit with large variations on a country basis (German unemployment is at a record 3.4% low).

Headline HICP inflation rose to 2.1% YoY, while the core measures rose only to 1.1% YoY in July. The headline rate was lifted by energy prices, while the core rate was pushed up by a bounce in services inflation.

Both GDP growth and CPI inflation dynamics exhibit weaknesses that serve as arguments for the sustenance of the European Central Bank's (ECB) ultra-accommodative monetary policy. Although the ECB is going to terminate asset purchases by the end of December, the monetary authority will not touch the policy rate at least until the second half of 2019. Should GDP growth remain weak and inflation subdued, the ECB might just have to postpone the date of the first rate hike. As a result, President Draghi might be the first ECB head, who never tightened monetary policy during his tenure.

The Bank of England (BoE) delivered its expected 25bp rate hike. As a result, the policy rate rose to 0.75%. Soft GDP growth in 2018 Q1 was temporary, according to the assessment by the BoE. In the central bank's view, stronger economic momentum in Q2 will be sustained for the remainder of this year. Consequently, the BoE raised its GDP growth forecast to 1.7%, slightly above potential this year.

Governor Carney's post-decision comments were rather dovish and implied that further hikes are unlikely in the short-term. The Governor's remarks sent the pound to weaker levels vs. major currencies.

The Turkish lira struggled against major currencies, due to the political and diplomatic tension between Turkey and the US. According to the US President, Turkey will face 'large sanctions,' due to the unlawful detention of an American pastor.

The central bank of Turkey revealed its latest macroeconomic projection, in which inflation forecast was strongly revised up, by 5ppt to 13.4% in 2018 and 2.8ppt to 9.3% in 2019.

The Turkish central bank brought its forecast close to market consensus. Soaring inflation, a challenging macroeconomic environment and the vulnerability of the Turkish economy call for further monetary tightening. However, the central bank might be reluctant to hike the policy rate, since the President of the country keeps the Monetary Policy Council on a very short leash.

ASIA PACIFIC

HSCEI 10,678 -3.21%, Nikkei 22,507.32 -1.16%, 10yr JGB 0.11% +0bps, USDJPY 111.270 +0.34%

The performance of Asian stock indices was rather disappointing, as the MSCI Asia Pacific ex-Japan index fell 2.58% on the week. It may not be too surprising that Hong Kong (-3.93%) and the Chinese “A” shares (-4.89%) and “H” shares (-3.21%) underperformed most. In contrast with the major Asian markets, the Pakistani stock market has been benefitting from the post-elections bliss (+3.2%), while the Vietnamese market finally regained momentum and leapt (+2.31%).

The Bank of Japan (BoJ) kept the policy rate unchanged at -0.1%, in line with market expectations. The BoJ cited that attainment of the 2%-inflation target will not be achieved anytime soon. As a result, the target for the 10-year government bond yield was kept around 0%, while the tolerance range for yield movements was widened to +/- 20bp. The Monetary Policy Committee (MPC) introduced **‘forward guidance’** for the first time to emphasise that both short- and long-dated rates and yields will remain **‘very low for an extended period of time.’**

Japanese industrial production shrank 1.2% YoY in June due to weakness in mining output. The jobless rate edged up 0.2ppt to 2.4%, while labour force participation stagnated at 61.7%. Retail sales rebounded and rose 1.8% YoY driven by sales of fuel, general merchandise and food and beverages.

The central bank of India (RBI) hiked the policy rate by 25bp to 6.25%, as expected. The tone of the statement was balanced, as the MPC cited both upside and downside risks to inflation. The MPC pointed out the following factors that pose both upside and downside risks to Indian GDP growth and inflation:

Global oil price fluctuations led by geopolitical and trade tensions

- Global financial market sentiment
- Domestic inflation expectations markedly rose recently
- The impact of fixing the minimum support prices (MSP) for summer crops on consumer prices and the upward revision of housing rent allowances (HRA) are uncertain

In our opinion, the Council will track global macroeconomic and financial market developments as well as their impact

on domestic growth and inflation trends. Should no upside risk materialise, the RBI will refrain from further hikes, since the output gap has just closed and there are no apparent signs of the economy overheating.

Chinese official manufacturing PMI declined to 51.2 in July vs. 51.5 in June, broadly in line with expectations. Sub-indices for manufacturing production and new orders weakened, as export orders fell below 50. Individual PMI for large enterprises remained above 50, while the PMIs for small and medium enterprises signal the – expected – contraction of output in the coming months. PMI for logistics services fell 5.7 points to 52.8 in response to the intensifying trade tensions. In contrast with logistics, domestic consumption-related PMI rose to 52.4. Non-manufacturing PMI fell to 54, which continues to signal strong potential for services and construction expansion in the months ahead.

In response to the US’ announcement to increase tariffs from 10% to 25% on USD 200bn worth of imported goods from China, **Chinese authorities delivered retaliatory steps in a tit-for-tat manner.** The Chinese’s countermeasure targets about USD 110bn imports from the US with a differentiated tariff structure ranging from 5-25%.

The magnitude of the response by China is of a smaller scale than in the previous round. The behaviour of the Chinese authorities is in line with our view that China will first retaliate, while insulating its domestic economy from the adverse impacts, and ultimately de-escalates the tension. Whilst not ignoring collateral damage on sentiment, we hold onto our view that the trade tensions between China and US is more smoke than fire.

South Korean inflation was 1.5% YoY in July, undershooting the median market estimate of 1.7% YoY. Transport costs rose 4.7% YoY due to higher oil prices.

Korean exports rebounded in July, as they grew 6.2% YoY in July vs. -0.2% YoY in June.

The manufacturing PMI dipped below the 50-point threshold and fell to 48.3 in July. The below-50 PMI figure indicates that manufacturing output is likely to contract in the coming months.

The central bank of Indonesia launched the new benchmark interbank interest rate, the Indonesia that replaces the JIBOR.

A wide variety of macro releases confirmed the strength of the Vietnamese economy in July. Industrial production expanded 14.3% YoY in July, and 10.9% YoY since the beginning of the year. The growth was primarily driven by manufacturing. Retail sales rose 11.1% YoY in July. Headline CPI inflation was 3.45% YoY, while core inflation (excl. grain food, fresh foodstuff, energy and regulated healthcare and education prices) rate remained slow, at 1.36% YoY. Both inflation measures were slower than in the corresponding period of the previous year due to the abundant rice harvest, fuel prices and regulated healthcare services prices drove down inflation.

Thai manufacturing output rose 4.74% YoY in June, due to strengthening activity in the automotive industry. In addition, sugar, air-conditioning, plastics and electronics products contributed to the performance in June.

Thai foreign trade surplus was USD 2.9bn, while current account surplus amounted to USD 4.1bn in June. Both external trade balance and current account were bolstered by strong exports, as they grew 10% YoY in June. Imports rose 12.9% YoY.

Inflation accelerated in Thailand, as the headline CPI inflation rate rose to 1.46% YoY in July. Core inflation, however, slowed to 0.79% YoY,

Taiwan's economy weathered the on-going trade tensions and financial market jitters well so far, as **the country's GDP grew 3.29% YoY** (0.76% QoQ SA) in 2018 Q2. Net exports and household consumption drove GDP growth, while investments contracted.

LATIN AMERICA

MSCI Lat Am 2,750 **+0.71%**

The broad MSCI Latin America index fell 1.47% led by Brazil (-1.61%). Even though Latin American markets were dominated by sellers, Argentina and Chile managed to rise 0.5% and 0.98%, respectively.

According to Bloomberg, **the US and Mexico are in the final stages of negotiating a deal on NAFTA auto rules.** The Mexican President claimed that there will be an agreement in the short term, even within days. The optimistic view by AMLO was shared by the Mexican deputy economy minister.

The central bank of Mexico left the policy rate on hold at 7.75%, as expected. The tone of the Monetary Policy Council's statement was slightly hawkish. Members will continue monitoring second-round price effects of elevated fuel prices and inflation expectations.

Mexican GDP grew 2.7% YoY in 2018 Q2, according to the flash estimate. The headline figure was boosted by the higher number of working days than last year. The working-day and seasonally adjusted GDP growth figure was merely 1.6% YoY.

Moody's downgraded Chile's long-term debt rating from Aa3 to A1 with 'stable' outlook. According to Moody's, the deterioration of Chile's credit profile warrants a downgrade. The agency welcomed the recent cyclical upturn and the fiscal measures implemented by President Pinera, which should help contain further deterioration in the country's credit profile.

Chilean industrial production rose 5% YoY in June due to the strong manufacturing performance of 7.2% YoY. Mining production decelerated to 3.4% YoY. The Commerce Activity Index rose 9.1% YoY in June primarily driven car sales growth of 26% YoY, while wholesale and retail sales rose 8% YoY and 5% YoY, respectively.

The Chilean central bank kept the policy rate unchanged at 2.5%, as expected. The MPC emphasised that 'the reference rate will return to its neutral level within the next quarters.'

According to the Peruvian Ministry of Economics and Finance, GDP growth is estimated to grow 4% this year and

4.2% in 2019.

CPI inflation accelerated to 1.6% YoY in Peru in July. The prices of chicken, fresh vegetables pushed up the headline rate. Inflation remains around the midpoint of the central bank's 1-3% inflation target range.

Fitch reaffirmed Brazil's credit rating at BB - with 'stable' outlook. According to the agency, the extent of indebtedness (gross public debt at 77.2% of GDP in June) and the structural weaknesses exhibited by public finances do not allow for a better grade.

Brazil's current account surplus was USD 0.4bn in June, while the year-to-date deficit was USD 13.9bn or 0.7% of GDP.

The Argentinian external trade deficit shrank to USD 382mn in June vs. USD 750mn a year ago. The decrease in the trade deficit was mostly due to the decline of imports triggered by weaker domestic demand and a weaker currency.

Colombian exports rose quickly, 15.9% YoY in June, accelerating from May's 5% YoY. June exports growth was mainly spurred by coal sales (37.3% YoY). The total amount of exports reached USD 10.8bn in 2018 Q2. Unemployment rate rose to 9.1% in June, due to the weak job creation within the economy.

The Colombian central bank kept the policy rate on hold, at 4.25%, in line with expectations. The Monetary Policy Council highlighted the strength of the underlying economy.

AFRICA

MSCI Africa 880 **-1.20%**

The MSCI Africa index plummeted 3.11%, as South Africa was fell (-0.95%). Egypt considerably outperformed, soaring 3.23%.

President Ramaphosa announced his intention to change the part of the South African Constitution that refers to land expropriation without compensation. The President aims to seek Parliamentary support to pass legislation.

It will take a long time to find a consensus among parties. The most likely outcome, in our view, is that negotiations will take a long time and can overreach into 2019. We believe that the Parliament will eventually pass a rather moderate law that contains no overreaching clause.

The South African foreign trade surplus rose to USD 0.92bn in June driven by exports in vehicle parts and precious and base metals. June was the fourth month in a row that the country's foreign trade balance exhibited a surplus.

Unemployment in South Africa rose to 27.2% in 2018 Q2 vs. 26.7% in Q1. The manufacturing sector lost the greatest number of jobs. Details revealed that the expanded definition of unemployment, i.e. including those who stopped seeking employment, was 37.2%, 0.5ppt higher than in Q1.

Underlying economic momentum was underwhelming in 2018 H1. The dry spell of strong macroeconomic data was finally broken, as the manufacturing PMI figure bounced from June's 47.9 to 51.5 in July, which indicates that manufacturing output may expand in the coming months thanks to the sustained recovery of domestic demand.

Inflation in Kenya accelerated to 4.35% YoY in July, while prices declined 0.89% in a monthly comparison.

The Kenyan central bank slashed its policy rate by 50bp to 9%. According to the MPC, monetary easing is justified by the negative output gap, while inflation expectations are well-anchored. The Council concluded that there was room for easing to support economic growth. The central bank identified various factors that will be beneficial for the economy, such as a pick-up tourism and better harvest yield. Consequently, the central bank foresees Kenya's GDP growth rate at 6.2% this year.

We expect the rate cut to have limited impact on credit growth due to the interest rate caps - 4% cap on commercial lending rates - which prices riskier borrowers out of the market. Commercial banks will continue extending credit to high quality borrowers within the 4% cap or opt for government securities, which remain attractive at +100bp on policy rate.

Tunisian international reserves fell to USD 3.94bn that cover up to 70 days of imports, according to the central bank.

Morocco's King Mohammed - unexpectedly - dismissed the minister for economy and finance. The King's statement only gave a constitutional justification for the dismissal.

The central bank of Nigeria signed a currency-swap deal with the People's Bank of China in May. **The Nigerian monetary authority held the first auction for yuan last week and sold CNY 69.86mn to local market players** at a range of CNY/NGN 49-51, while the market spot rate was around 53 at the time of the auction.

By selling yuan to domestic market players in Nigeria, the central bank aims to decrease the dominance of the USD in Nigeria as well as to support those companies, who have trade ties with Chinese entities, according to the rationale released by the Nigerian authorities. In our opinion, by selling CNY to the local market, the central bank's real intention was to prevent a sharp decline in the value of the Nigerian currency vs. the CNY that could translate into consumer price inflation.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
US CPI (JUL) %YOY	Fri/10	2.9
EUROPE		
Germany industrial production (JUN) % MOM	Tue/07	-0.5
UK trade balance (JUN) bn GBP	Fri/10	-2.5
Russia GDP (Q2 annualized) % YOY	Fri/10	1.9
UK GDP (Q2) % YOY	Fri/10	1.3
UK industrial production (JUN) % YOY	Fri/10	0.7
ASIA PACIFIC		
Indonesia GDP (Q2) % YOY	Mon/06	5.1
Australia interest rate %	Tue/07	1.5
Thailand interest rate %	Wed/08	1.5
China CPI (JUL) % YOY	Thu/09	2.0
Philippines interest rate %	Thu/09	4.0
Philippines GDP (Q2) % YOY	Thu/09	6.6
Japan GDP (Q2 sa) % QOQ	Fri/10	1.4
LATIN AMERICA		
Chile GDP (JUN) % YOY	Mon/06	5.3
Argentina interest rate %	Tue/07	40.0
Mexico CPI (JUL) % YOY	Thu/09	4.80
Peru interest rate %	Fri/10	2.8
AFRICA		
Egypt CPI (JUL) % YOY	Sun/12	9.5

GLOBAL MARKET DATA (CONTD.)

30 JULY TO 5 AUGUST

Market Summary

Data:

Last Calendar Week

Equities			Return (USD)				YTD	Volume
Name	Country	Price	1 Week	MTD	YTD	1Y	(Local)	1wk/3mo
North America								
S&P 500 INDEX	US	2,840.35	0.76%	0.85%	6.24%	14.89%		98%
RUSSELL 2000 INDEX	US	1,673.37	0.60%	0.15%	8.98%	19.08%		99%
NASDAQ COMPOSITE INDEX	US	7,812.02	0.96%	1.83%	13.16%	23.21%		100%
S&P/TSX COMPOSITE INDEX	Canada	16,420.24	0.84%	0.15%	-2.23%	4.65%	1.30%	92%
S&P 500 CONS DISCRET IDX	US	889.73	0.17%	0.52%	13.29%	22.86%		94%
S&P 500 CONS STAPLES IDX	US	557.13	1.76%	1.37%	-5.15%	-1.78%		96%
S&P 500 FINANCIALS INDEX	US	466.49	-0.09%	0.57%	0.55%	11.64%		98%
S&P 500 HEALTH CARE IDX	US	1,038.48	2.10%	0.98%	8.59%	12.80%		98%
S&P 500 INFO TECH INDEX	US	1,277.05	1.17%	2.70%	15.45%	29.40%		109%
S&P 500 ENERGY INDEX	US	556.06	-1.79%	-2.30%	4.25%	15.42%		87%
S&P 500 ECO SECTORS IDX	US	2,840.35	0.76%	0.85%	6.24%	14.89%		98%
S&P 500 INDUSTRIALS IDX	US	636.98	-0.21%	-1.36%	-0.13%	8.51%		93%
S&P 500 MATERIALS INDEX	US	371.26	-0.17%	-0.83%	-2.03%	9.08%		91%
S&P 500 REAL ESTATE IDX	US	206.87	3.31%	1.45%	1.48%	3.13%		97%
S&P 500 TELECOM SERV IDX	US	151.16	2.22%	1.04%	-8.98%	-5.71%		90%
S&P 500 UTILITIES INDEX	US	270.05	1.19%	0.72%	1.00%	-1.36%		97%
Europe								
Euro Stoxx 50 Pr	Europe	3,485.42	-1.80%	-2.15%	-4.15%	-1.86%	-0.62%	112%
CAC 40 INDEX	France	5,478.16	-1.13%	-1.52%	-0.53%	4.33%	3.13%	99%
DAX INDEX	Germany	12,592.89	-2.43%	-2.41%	-5.81%	1.40%	-2.34%	89%
Athex Composite Share Pr	Greece	761.69	0.82%	-0.88%	-8.44%	-9.89%	-5.07%	55%
FTSE MIB INDEX	Italy	21,558.36	-2.21%	-3.74%	-4.73%	-3.24%	-1.22%	90%
AEX-Index	Netherlands	572.66	-1.22%	-1.28%	1.36%	6.38%	5.09%	105%
PSI All-Share Index GR	Portugal	3,288.83	-0.49%	-1.11%	6.83%	12.14%	10.76%	62%
MOEX Russia Index	Russia	2,302.16	-0.42%	-2.45%	-0.86%	11.39%	8.92%	50%
IBEX 35 INDEX	Spain	9,756.10	-1.83%	-2.25%	-6.47%	-9.80%	-3.03%	120%
OMX STOCKHOLM 30 INDEX	Sweden	1,608.50	-0.69%	-1.48%	-6.04%	-5.88%	2.22%	67%
SWISS MARKET INDEX	Switzerland	9,154.20	-0.06%	-0.49%	-4.26%	-2.05%	-2.39%	94%
BIST 100 INDEX	Turkey	95,081.83	-4.35%	-4.66%	-38.17%	-37.82%	-17.10%	103%
FTSE 100 INDEX	UK	7,658.23	-1.25%	-1.96%	-4.09%	1.57%	-0.37%	103%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	661.71	-2.49%	-1.90%	-7.25%	1.11%	-7.25%	112%
S&P/ASX 200 INDEX	Australia	6,272.98	-0.96%	-1.14%	-2.55%	1.36%	2.80%	89%
DSE 30 Index	Bangladesh	1,886.95	0.54%	1.02%	-18.85%	-14.32%	-16.82%	
HANG SENG CHINA ENT INDX	China "H"	10,678.04	-3.21%	-3.00%	-9.10%	-3.19%	-8.67%	84%
SHANGHAI SE COMPOSITE	China "A"	2,705.16	-5.13%	-5.10%	-21.28%	-17.85%	-17.14%	106%
HANG SENG INDEX	HK	27,770.09	-3.92%	-3.17%	-7.93%	0.13%	-7.50%	82%
Nifty 50	India	11,393.35	0.85%	-0.09%	0.50%	5.44%	7.88%	105%
JAKARTA COMPOSITE INDEX	Indonesia	6,090.12	-0.43%	0.67%	-11.28%	-4.34%	-5.48%	113%
NIKKEI 225	Japan	22,507.32	-1.16%	0.39%	0.15%	11.40%	-1.05%	124%
KOSPI 200 INDEX	Korea	295.24	-1.23%	-1.63%	-13.19%	-4.86%	-8.97%	68%
Laos Composite Index	Laos	889.84	-3.18%	-2.11%	-13.53%	-16.15%	-10.91%	27%
FTSE Bursa Malaysia KLCI	Malaysia	1,779.09	0.10%	-1.16%	-1.44%	5.35%	-0.93%	73%
KARACHI 100 INDEX	Pakistan	42,660.46	3.25%	-1.64%	-6.57%	-23.36%	5.02%	154%
PSEI - PHILIPPINE SE IDX	Philippines	7,817.31	1.83%	1.83%	-13.92%	-5.90%	-8.64%	106%
STRAITS TIMES INDEX STI	Singapore	3,290.88	-1.96%	-1.90%	-5.99%	-2.68%	-4.03%	80%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,132.45	-0.33%	-0.15%	-7.34%	-10.26%	-3.54%	69%
TAIWAN TAIEX INDEX	Taiwan	11,024.10	-0.56%	-0.59%	0.36%	3.92%	3.47%	86%
STOCK EXCH OF THAI INDEX	Thailand	1,712.90	1.00%	0.38%	-4.36%	8.51%	-2.37%	86%
HO CHI MINH STOCK INDEX	Vietnam	960.44	2.31%	0.24%	-4.98%	18.74%	-2.50%	136%
Rest of the World								
MSCI ACWI	MSCI World	519.53	-0.23%	-0.06%	1.27%	8.44%	1.27%	77%
MSCI EM	MSCI EM	1,073.33	-1.74%	-1.30%	-7.35%	0.87%	-7.35%	74%
MSCI Frontier Market Index	MSCI FM	2,754.31	0.29%	0.58%	-7.83%	0.36%	-7.83%	107%
DFM GENERAL INDEX	Dubai	2,980.33	0.85%	0.61%	-11.76%	-19.08%	-11.75%	62%
MSCI EM LATIN AMERICA	Latin America	2,749.79	0.71%	1.76%	-2.77%	-1.08%	-2.77%	93%
ARGENTINA Merval INDEX	Argentina	29,215.98	-0.22%	-0.13%	-33.80%	-13.35%	-2.83%	57%
MSCI BRAZIL	Brazil	1,905.65	1.56%	3.58%	-5.80%	-0.26%	-5.80%	77%
Santiago Exchange IPSA	Chile	5,405.32	0.73%	-1.42%	-7.00%	7.59%	-2.86%	88%
IGBC GENERAL INDEX	Colombia	12,104.82	-0.83%	-0.45%	8.91%	13.01%	5.46%	
S&P/BMV IPC	Mexico	49,302.57	-0.71%	-0.44%	5.93%	-7.49%	-0.11%	84%
Bolsa de Panama General	Panama	480.58	-0.12%	-0.01%	8.50%	13.61%	8.50%	17%
S&P/BVLPeruGeneralTRPEN	Peru	20,287.26	-0.35%	-0.91%	0.71%	19.08%	1.57%	76%
MSCI EFM AFRICA	Africa	879.95	-1.20%	-1.83%	-13.18%	1.41%	-13.18%	87%
EGYPT HERMES INDEX	Egypt	1,523.39	3.23%	1.01%	5.80%	24.89%	6.36%	83%
GSE Composite Index	Ghana	2,859.10	1.40%	1.13%	5.69%	17.46%	10.83%	65%
Nairobi SE 20 Share	Kenya	3,310.15	-0.26%	0.56%	-8.29%	-9.18%	-10.82%	89%
MASI Free Float Index	Morocco	11,732.55	0.02%	-0.35%	-6.61%	-3.71%	-5.30%	49%
NIGERIA STCK EXC ALL SHR	Nigeria	36,499.67	-0.10%	-0.96%	-4.69%	-0.08%	-4.56%	83%
FTSE/JSE AFRICA TOP40 IX	South Africa	50,943.66	-1.02%	-2.11%	-9.55%	4.54%	-2.94%	95%
Global Style								
MSCI WORLD GROWTH INDEX	US	2,645.51	-0.08%	0.62%	6.76%	15.49%	6.76%	102%
MSCI WORLD VALUE INDEX	US	2,821.44	0.01%	-0.43%	-1.88%	3.49%	-1.88%	103%
MSCI World Large Cap	US	1,321.87	0.05%	0.18%	2.75%	9.69%	2.75%	103%
MSCI World Mid-Cap	US	1,399.28	-0.44%	-0.24%	1.13%	8.49%	1.13%	99%
Average			-0.24%	-0.56%	-3.66%	2.35%	-2.53%	88%
Top 25%			0.83%	0.60%	1.13%	11.39%	1.73%	99%
Bottom 25%			-1.18%	-1.63%	-7.59%	-4.03%	-7.28%	77%

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GLOBAL MARKET DATA (CONTD.)

30 JULY TO 5 AUGUST

Market Summary

Data: Last Calendar Week

Equities			Return (USD)				YTD (Local)	Volume 1wk/3mo
Name	Country	Price	1 Week	MTD	YTD	1Y		
North America								
S&P 500 INDEX	US	2,840.35	0.76%	0.85%	6.24%	14.89%		98%
RUSSELL 2000 INDEX	US	1,673.37	0.60%	0.15%	8.98%	19.08%		99%
NASDAQ COMPOSITE INDEX	US	7,812.02	0.96%	1.83%	13.16%	23.21%		100%
S&P/TSX COMPOSITE INDEX	Canada	16,420.24	0.84%	0.15%	-2.23%	4.65%	1.30%	92%
S&P 500 CONS DISCRET IDX	US	889.73	0.17%	0.52%	13.29%	22.86%		94%
S&P 500 CONS STAPLES IDX	US	557.13	1.76%	1.37%	-5.15%	-1.78%		96%
S&P 500 FINANCIALS INDEX	US	466.49	-0.09%	0.57%	0.55%	11.64%		98%
S&P 500 HEALTH CARE IDX	US	1,038.48	2.10%	0.98%	8.59%	12.80%		98%
S&P 500 INFO TECH INDEX	US	1,277.05	1.17%	2.70%	15.45%	29.40%		109%
S&P 500 ENERGY INDEX	US	556.06	-1.79%	-2.30%	4.25%	15.42%		87%
S&P 500 ECO SECTORS IDX	US	2,840.35	0.76%	0.85%	6.24%	14.89%		98%
S&P 500 INDUSTRIALS IDX	US	636.98	-0.21%	-1.36%	-0.13%	8.51%		93%
S&P 500 MATERIALS INDEX	US	371.26	-0.17%	-0.83%	-2.03%	9.08%		91%
S&P 500 REAL ESTATE IDX	US	206.87	3.31%	1.45%	1.48%	3.13%		97%
S&P 500 TELECOM SERV IDX	US	151.16	2.22%	1.04%	-8.98%	-5.71%		90%
S&P 500 UTILITIES INDEX	US	270.05	1.19%	0.72%	1.00%	-1.36%		97%
Europe								
Euro Stoxx 50 Pr	Europe	3,485.42	-1.80%	-2.15%	-4.15%	-1.86%	-0.62%	112%
CAC 40 INDEX	France	5,478.16	-1.13%	-1.52%	-0.53%	4.33%	3.13%	99%
DAX INDEX	Germany	12,592.89	-2.43%	-2.41%	-5.81%	-1.40%	-2.34%	89%
Athex Composite Share Pr	Greece	761.69	0.82%	-0.88%	-8.44%	-9.89%	-5.07%	55%
FTSE MIB INDEX	Italy	21,558.36	-2.21%	-3.74%	-4.73%	-3.24%	-1.22%	90%
AEX-Index	Netherlands	572.66	-1.22%	-1.28%	1.36%	6.38%	5.09%	105%
PSI All-Share Index GR	Portugal	3,288.83	-0.49%	-1.11%	6.83%	12.14%	10.76%	62%
MOEX Russia Index	Russia	2,302.16	-0.42%	-2.45%	-0.86%	11.39%	8.92%	50%
IBEX 35 INDEX	Spain	9,756.10	-1.83%	-2.25%	-6.47%	-9.80%	-3.03%	120%
OMX STOCKHOLM 30 INDEX	Sweden	1,608.50	-0.69%	-1.48%	-6.04%	-5.88%	2.22%	67%
SWISS MARKET INDEX	Switzerland	9,154.20	-0.06%	-0.49%	-4.26%	-2.05%	-2.39%	94%
BIST 100 INDEX	Turkey	95,081.83	-4.35%	-4.66%	-38.17%	-37.82%	-17.10%	103%
FTSE 100 INDEX	UK	7,658.23	-1.25%	-1.96%	-4.09%	1.57%	-0.37%	103%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	661.71	-2.49%	-1.90%	-7.25%	1.11%	-7.25%	112%
S&P/ASX 200 INDEX	Australia	6,272.98	-0.96%	-1.14%	-2.55%	1.36%	2.80%	89%
DSE 30 Index	Bangladesh	1,886.95	0.54%	1.02%	-18.85%	-14.32%	-16.82%	
HANG SENG CHINA ENT INDX	China "H"	10,678.04	-3.21%	-3.00%	-9.10%	-3.19%	-8.67%	84%
SHANGHAI SE COMPOSITE	China "A"	2,705.16	-5.13%	-5.10%	-21.28%	-17.85%	-17.14%	106%
HANG SENG INDEX	HK	27,770.09	-3.92%	-3.17%	-7.93%	0.13%	-7.50%	82%
Nifty 50	India	11,393.35	0.85%	-0.09%	0.50%	5.44%	7.88%	105%
JAKARTA COMPOSITE INDEX	Indonesia	6,090.12	-0.43%	0.67%	-11.28%	-4.34%	-5.48%	113%
NIKKEI 225	Japan	22,507.32	-1.16%	0.39%	0.15%	11.40%	-1.05%	124%
KOSPI 200 INDEX	Korea	295.24	-1.23%	-1.63%	-13.19%	-4.86%	-8.97%	68%
Laos Composite Index	Laos	889.84	-3.18%	-2.11%	-13.53%	-16.15%	-10.91%	27%
FTSE Bursa Malaysia KLCI	Malaysia	1,779.09	0.10%	-1.16%	-1.44%	5.35%	-0.93%	73%
KARACHI 100 INDEX	Pakistan	42,660.46	3.25%	-1.64%	-6.57%	-23.36%	5.02%	154%
PSEi - PHILIPPINE SE IDX	Philippines	7,817.31	1.83%	1.83%	-13.92%	-5.90%	-8.64%	106%
STRAITS TIMES INDEX STI	Singapore	3,290.88	-1.96%	-1.90%	-5.99%	-2.68%	-4.03%	80%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,132.45	-0.33%	-0.15%	-7.34%	-10.26%	-3.54%	69%
TAIWAN TAIEX INDEX	Taiwan	11,024.10	-0.56%	-0.59%	0.36%	3.92%	3.47%	86%
STOCK EXCH OF THAI INDEX	Thailand	1,712.90	1.00%	0.38%	-4.36%	8.51%	-2.37%	86%
HO CHI MINH STOCK INDEX	Vietnam	960.44	2.31%	0.24%	-4.98%	18.74%	-2.50%	136%
Rest of the World								
MSCI ACWI	MSCI World	519.53	-0.23%	-0.06%	1.27%	8.44%	1.27%	77%
MSCI EM	MSCI EM	1,073.33	-1.74%	-1.30%	-7.35%	0.87%	-7.35%	74%
MSCI Frontier Market Index	MSCI FM	2,754.31	0.29%	0.58%	-7.83%	0.36%	-7.83%	107%
DFM GENERAL INDEX	Dubai	2,980.33	0.85%	0.61%	-11.76%	-19.08%	-11.75%	62%
MSCI EM LATIN AMERICA	Latin America	2,749.79	0.71%	1.76%	-2.77%	-1.08%	-2.77%	93%
ARGENTINA Merval INDEX	Argentina	29,215.98	-0.22%	-0.13%	-33.80%	-13.35%	-2.83%	57%
MSCI BRAZIL	Brazil	1,905.65	1.56%	3.58%	-5.80%	-0.26%	-5.80%	77%
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All performance data is weekly and in USD unless otherwise specified.

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