

## 20 TO 27 AUGUST: JEROME POWELL'S CAUTIOUS REMARKS SPURRED STOCK MARKETS

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Finland <b>4.05%</b> , Denmark <b>3.88%</b> , Spain <b>3.75%</b>
	Bottom 3:	Australia <b>-0.85%</b> , Singapore <b>0.62%</b> , Canada <b>0.71%</b>
EMERGING	Top 3:	South Africa <b>7.68%</b> , Poland <b>5.48%</b> , Mexico <b>4.07%</b>
	Bottom 3:	Brazil <b>-3.89%</b> , Abu Dhabi <b>-0.45%</b> , Turkey <b>-0.11%</b>
FRONTIER	Top 3:	Romania <b>3.36%</b> , Vietnam <b>1.83%</b> , Croatia <b>1.80%</b>
	Bottom 3:	Argentina <b>-7.28%</b> , Kenya <b>-1.11%</b> , Lebanon <b>-0.33%</b>

Although markets still believe that two additional 25bp hikes by the Fed are a done deal in the second half of this year, the speech by Fed Chairman Jerome Powell at the Jackson Hole Symposium highlighted that the current composition of the FOMC might just be slightly more dovish than it was previously thought. The Fed Chairman's speech at Jackson Hole revealed some of his dovish bias, as he argued that symmetric risks surrounded the trajectory of Fed fund rates, i.e. hiking too fast could choke growth, while tightening too slowly could overheat the economy and contribute to building up imbalances. Going forward, the Fed's policy will be data dependent, related to the aforementioned two risk factors.

Stock markets in the US benefitted from Mr. Powell's remarks, as they touched new historical highs. Meanwhile, US Treasury yields slightly eased and the broad USD index (DXY) lost ground in response to the Fed Chair's comments. According to Fed funds futures, markets have fully priced in a 25bp hike for the September meeting, and see greater than 67% probability of an additional 25bp hike in December. Whether the hiking cycle continues in 2019 remains highly uncertain.

The approach presented by Mr. Powell was at odds with the message delivered by the latest minutes, in our view. While the minutes strongly implied two further hikes this year, Mr. Powell was significantly more cautious. We are of the view that the number and extent of rate hikes are not the ultimate drivers of global financial markets, but the size of the Federal Reserve's balance sheet, which will speed up as of October as planned. We think it is important to underline that the change in Chair Powell's tone may be due to the shifts in global market sentiment and the changing macroeconomic landscape rather than the comments made by President Trump.

### Looking ahead

The diary in the US contains macro data with market-moving potential this week. The second read of the headline 2018 Q2 GDP figure should not deliver too much of a surprise, as the median market estimate puts Q2 growth at 4% in SAAR terms, matching the first read. The detailed breakdown,

however, bears the potential to move markets, as it might pinpoint whether the Q2 pace is sustainable in the medium run. In the second half of the week, the Fed's preferred inflation gauge, the PCE, will be released.

Within the Euro Area, Spain, Italy and France will publish their detailed GDP figures from Q2 as well. In addition, the August harmonised CPI inflation rate will be revealed. All of the indicators will serve as guides for markets to potentially re-price expectations for the timing of the first rate hike after asset purchases terminate at the end of December.

Asian markets will mostly focus on Chinese manufacturing PMI and Indian Q2 GDP data this week. Further deceleration of the Chinese manufacturing PMI could re-ignite risk-averse global market sentiment.

Latin American market players will probably focus on the political news flow in Brazil, especially on the latest political polls. Should the market-friendly Ackmin's polls improve, Brazilian markets could breathe a sign of relief as asset prices might gain. In the second half of the week, the Mexican central bank publishes the latest Inflation Report, the Brazilian Statistical Office releases Q2 GDP, the Colombian central bank board meets, and finally, the Peruvian CPI inflation rate from August is revealed.

The African economic diary is rather light this week. Both Nigeria and South Africa are scheduled to publish monetary aggregates, while Kenya will reveal August CPI inflation.

## UNITED STATES

*S&P 2,897 +0.86%, 10yr Treasury 2.85% -5.07bps, HY Credit Index 324 -8bps, Vix 12.01 -.65Vol*

The S&P 500 reached a new historical high by the end of trading on Friday, as the index closed almost 1% higher on the week. The Nasdaq benefitted from the improved stock market sentiment as well, as the index hit new peak and finished about 1.7% higher than a week before. Both indices continued rallying yesterday. Meanwhile, US Treasury yields eased last week, as the 10-year yield edged down to 2.81%, bringing the 2s10s spread to about 20bp. **During this economic cycle, the curve has never been this flat.**

Donald Trump's former attorney pleaded guilty to illegal campaign-finance charges that shook US markets. In a separate event, President Trump criticised the way the Federal Reserve has been conducting monetary policy and cited that he was displeased with Jerome Powell, Chair of the Federal Reserve, according to rumours reported by Bloomberg. Furthermore, the POTUS accused China and the European Union of being 'currency manipulators.' The President said that 'I think China's manipulating their currency, absolutely. And I think the euro is being manipulated also.'

*Although the POTUS' comments induce unwanted volatility in financial markets, global macroeconomic fundamentals are unlikely to be hurt. Therefore, any swings led by President Trump's jawboning should only be temporary.*

## EUROPE

*Eurostoxx 3,457 +3.53%, German Bund 0.38% +4.00bps, Xover Credit Index 284 -17bps, USDEUR .856 -1.86%*

European markets headed north, as almost all of the

major stock indices gained in USD terms. The indices in the big-four economies did well, as they rose between 3% and 4%, respectively (all in USD). As sentiment improved, safe haven flows stopped, which in turn lifted German government bond yields. As a result, the 10-year German yield rose 4bp to 0.37%.

**The European Central Bank published the minutes of its 26th July meeting.** According to the MPC members, terminating the asset purchase programme in December remains the appropriate policy choice and it was pointed out that 'uncertainties related to global factors remained prominent, in particular with regard to the threat of an escalation of trade tensions.' The meeting did not consider any policy alternatives, as MPC members unanimously agreed to reconfirm the current stance.

*We do not see the termination of the asset purchase programme at the end of this year as economically justified, given the ongoing economic recovery across Eurozone member states is quite uneven; countries in the periphery still face very high gross public debt to GDP ratios, and in addition political noise introduces additional volatility in financial markets and keep sovereign risk premia wide. – especially in case of Italy. As a consequence, we would not be too surprised if later this year the ECB backtracked on its intention to shift away from the current monetary policy stance.*

**German GDP grew 0.5% QoQ SA in 2018 Q2.** Details revealed that government expenditures rose 0.6% QoQ SA, while private consumption only managed to edge up 0.3% QoQ SA. Net trade slashed off 0.4ppt of headline GDP growth, with exports rising 0.7% and imports increasing 1.7%.

**Euro Area negotiated wages grew 2.2% YoY in 2018 Q2,**

up from 1.7% YoY in 2018 Q1. Although the pace in Q2 was the fastest since 2012, overall dynamics remain sluggish from a historical point of view.

**Eurozone PMI stagnated at 54.4 in August.** Indices for both industry and services signalled further expansion of output. Growth of new orders decelerated, while the component for job growth was rather promising.

**Moody's postponed its decision on Italy's credit rating to the end of October at the latest in order to assess the budget for 2019.** In addition, the agency wishes to see whether the Italian government is willing to carry out meaningful progress with the pensions and labour reforms that are required to boost Italian GDP growth potential or decides to reverse some of them. Currently, Italy is rated Baa2 by Moody's.

*Should the Italian government reverse some of the pensions and labour reforms, Moody's will most likely downgrade the country's credit rating by at least one notch. In that case, Italy's sovereign bonds would still be rated as investment grade and the European Central Bank could continue to purchase Italian debt assets.*

**The central bank of Hungary left the policy rate at 0.9% unchanged, in line with expectations.** The Monetary Policy Council reiterated the same message in the post-meeting statement as before, i.e. inflation is unlikely to reach the 3% target in a sustainable manner before the middle of 2019.

## ASIA PACIFIC

HSCEI 11,098 +2.52%, Nikkei 22,813.47 + 0.75%, 10yr JGB 0.10% +0bps, USDJPY 111.180 +0.73%

Asian markets bounced back last week, as most of the stock indices rose in USD terms. The MSCI Asia Pacific ex. Japan index rose 2.9% (in USD). The Philippines, Indonesia and Chinese "H" shares outperformed their peers, as they increased 3.63%, 3.28% and 3.19% (all in USD terms), respectively. In contrast, the Sri Lankan index dropped, 0.54% in USD.

**The Nikkei Japan PMI for manufacturers rose to 52.5 in August.** Even though the headline reading was strong, details revealed that new export orders lost some of their previous momentum due to escalating trade tensions.

**According to a senior official at the Chinese central bank, China will not use currency devaluation** in response to the imposition of tariffs on Chinese products flowing to the US. According to the source cited by Bloomberg, the PBOC intends to keep the renminbi 'stable at a reasonable equilibrium level.'

**China and the US did not make any meaningful progress with the trade negotiations.** According to a report by Bloomberg, the two parties will not continue discussions until after November's mid-term elections in the US.

According to local media reports, Indonesian Finance Minister Sri Mulyani Indrawati was said to be preparing a ministerial regulation draft to curb imports in order to clamp down on the widening current account deficit.

**Annual Thai GDP growth was 4.6% YoY in 2018 Q2,** exceeding Bloomberg consensus of 4.4% YoY. Headline GDP growth was revised up 0.1ppt to 4.9% YoY in Q1. The demand side reveals that net exports contributed negatively, since higher global oil prices lifted imports. Private consumption strengthened, as it contributed 2.4ppt to GDP growth vs. 1.7ppt in Q1. Contributions by gross fixed capital formation and government expenditures broadly matched contributions seen in Q1. The Ministry of Finance forecasts 4.5% GDP growth this year, while the central bank expects full year growth to reach 4.4%. Both are above Bloomberg consensus of 4.2%.

After the release of the stronger-than-expected Q2 GDP data, **the governor of the Thai central bank released a rather hawkish comment** citing that robust economic growth may call for tighter monetary conditions. He added that Thailand cannot go against global interest rate trends.

**Pakistan's current account deficit widened to USD 2.2bn in July,** the first month of the fiscal year. The current account deficit widened over one year, as it was USD 1.9bn last July. Meanwhile, the outstanding amount of Pakistani FX reserves stood at USD 10.1bn on 10th August, covering about two months' worth of imports.

The Pakistani budget deficit amounted to USD 18bn in FY2017-18, USD 5.4bn higher than in the previous fiscal year.

## LATIN AMERICA

MSCI Lat Am 2,552 -0.39%

The broad MSCI Latin America index fell 0.39% in USD last week, as it was dragged down by Argentina and Brazil. The Argentinian market plummeted around 7.3%, while the Brazilian one fell 3.4% in USD.

**Mexican retail sales volume was flat on the month in June, according to seasonally-adjusted data.** In annual terms, growth rose to 3.6% vs. 2.8% in May, remaining above the year-to-date average of ca. 1.6%. June figures surpassed market expectations.

**President Trump tweeted that the US could have a 'big Trade Agreement' with Mexico soon.** According to president-elect AMLO's NAFTA representative, the US and Mexico might agree on a softer version of a so-called 'sunset clause' as early as this week. Once the two nations finalise the details on NAFTA, Mexico and Canada will have to agree on further details.

**Mexico's current account deficit moderately widened to USD 3.9bn (ca. 1.3% of GDP) in 2018 Q2.** In comparison, the deficit was 0.6% of GDP a year ago. The widening was mostly due to the greater foreign trade deficit, while remittances slightly picked up.

**Inflation in Mexico accelerated in the first half of August, as the bi-weekly inflation rate was 0.34%** vs. 0.18% in the second half of July. In annual terms, the headline measure was 4.81%, which was largely pushed up by non-core items led by energy prices. In contrast, core inflation was unchanged at 3.62% YoY.

**The Chilean economy grew 5.3% YoY in 2018 Q2**, beating the Bloomberg consensus. In the first half of 2018, Chilean GDP grew 4.8% YoY, the fastest pace since 2012. Domestic demand was extraordinarily strong, as it expanded 6% YoY in 2018 Q2, while non-mining business activity strengthened 5.5% YoY in 2018 Q2.

After three months of negotiations, a new labour strike at La Escondida mine in Chile was avoided after an agreement was reached between the mining company and its labour union. The 44-day long strike shaved off about 0.5ppt of headline GDP growth last year.

*The possibility of a strike bore downside risks to GDP growth prospects this year. Now, that uncertainties have faded, the outlook for Chilean growth has significantly improved and became more balanced. In the absence of external shocks, real economic output in Chile will increase in the range between 3.5%-4% in 2018 and 2019, respectively.*

**The Chilean government presented the details of the latest tax bill.** According to the Minister of Finance, the tax bill will have neutral effect on the amount of tax revenues. The bill aims to spur investment activity, especially by SMEs.

**General government investments in Peru increased 15.9% YoY in July.** All three governmental levels, i.e. national, regional and municipal, contributed to the growth of public investments. Since the beginning of the year, public investments grew 19.8% YoY.

Net international reserves of the Peruvian central bank amounted to USD 60.6bn in the middle of August.

**Formal employment in the private sector decreased 0.3% YoY in July** for the second consecutive month. Employment in the manufacturing sector fell to the greatest extent, 2.6% YoY. In contrast, employment in the agricultural and mining sectors rose 1.5% YoY.

**Political polls in Brazil released during the week showed that Lula (PT), a jailed former President, continues to be popular, as his backing rose above 37%.** Vice president-nominee Haddad, who is the next-in-line for the presidency should Lula not be allowed to run by the Superior Electoral Court, polls very poorly (in the 2-4% range). In contrast, Alckmin (PSDB) – the candidate preferred by markets and backed by the broad coalition of centrist parties – polled below 5%, which would be insufficient to enter the second round of elections. Since Alckmin has almost 50% of the TV time for political campaign, he has a very high chance for gaining just enough votes to make it through to the second round.

*In reaction to the poll results, the BRL significantly weakened. As a result, the USDBRL cross broke through the psychologically important level of 4. As long as uncertainties regarding the outcome of the elections persist, the BRL exchange rate will exhibit elevated volatility, especially to the political news flow.*

Brazilian mid-month CPI inflation (IPCA-15) decelerated 4.3% YoY in August, while year-to-date inflation reached 3.14% YoY.

**The official monthly Argentinian GDP proxy (EMAE) fell 6.7% YoY** (1.2% MoM SA), significantly underwhelming Bloomberg consensus. Overall in 2018 Q2, economic activity shrank 4.2% YoY (14.7% QoQ SAAR) due to the plummeting agricultural output (-31.3% YoY), while manufacturing dropped 1.7% YoY. Although construction activity and services continued to grow, both lost momentum.

*Tighter macroeconomic policies, higher inflation and financial market volatility pose downside risks to Argentinian economic growth. It cannot be ruled out that Argentinian GDP will contract in 2018.*

## AFRICA

MSCI Africa 867 **+9.17%**

The MSCI Africa index gained more than 9% in USD last week, led by the South African market, which increased 7.7% Other African markets, such as the Egyptian or the Nigerian went sideways.

Tensions between South Africa's National Union of Mineworkers (NUM) and the Minerals Council – representing gold producer companies – have been building, as the two parties have been unable to agree on wages thus far. According to the NUM, negotiations have reached a deadlock, while the Minerals Council cites that they remain engaged with the Union.

US President Trump tweeted about the impending land reform in South Africa. According to the POTUS' tweet, he asked US Secretary Mike Pompeo to 'closely study the South Africa land and farm seizures and expropriations.' President Trump's tweet induced a mini panic in the South African rand's market.

**South African CPI inflation accelerated to 5.1% YoY (0.8% MoM) in July**, in line with median market expectation. The extent of the annual headline figure's rise was rather strong, as it ticked up 0.5ppt, mostly driven by housing, utility and transport prices. Meanwhile, core inflation rose 4.3% YoY (0.6% MoM), slightly exceeding Bloomberg consensus.

*Further and persistent FX weakness will push up inflation through the prices of imported products. Due to the pass-through of the weakening ZAR, the South African central bank will have to step up soon by tightening financial conditions in order to retain credibility. Forward rate agreements have already priced in about 75bp worth of hikes for the course of the next 12-18 months.*

According to the Egyptian Planning Minister Hala al-Saeed, the government plans to attract USD 11bn FDI and to create 750,000 jobs in FY2018-19. The Planning Minister foresees annual GDP growth to accelerate to 8% by FY2021-22, vs. 5.8% in FY2018-19.

The Moroccan King appointed Mohamed Benchaaboun, as the new economy and finance minister, according to the Moroccan Royal Cabinet. Benchaaboun, a prominent banker in Morocco, succeeds Mohamed Bousaid.

## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
US GDP (Q2) % QOQ annualized	Wed/29	4.0
Michigan consumer sentiment (AUG)	Fri/31	95.5
<b>EUROPE</b>		
Eurozone M3 (JUL) % YOY	Tue/28	4.3
France GDP (Q2) % YOY	Wed/29	1.7
Eurozone consumer confident (AUG)	Thu/30	-1.9
Eurozone CPI (AUG) % YOY	Fri/31	2.1
<b>ASIA PACIFIC</b>		
Japan industrial production (JUL) % YOY	Fri/31	2.7
South Korea interest rate %	Fri/31	1.5
India GDP (Q2) % YOY	Fri/31	7.6
China manufacturing PMI (AUG)	Fri/31	51.1
<b>LATIN AMERICA</b>		
Brazil GDP (Q2) % YOY	Fri/31	1.1

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# GLOBAL MARKET DATA (CONTD.)

## 20 TO 27 AUGUST

Market Summary			Data: Last Calendar Week					YTD (Local)	Volume 1wk/3mo
Equities			Return (USD)						
Name	Country	Price	1 Week	MTD	YTD	1Y			
North America									
S&P 500 INDEX	US	2,896.74	0.86%	2.07%	7.52%	17.86%		80%	
RUSSELL 2000 INDEX	US	1,728.41	1.93%	3.28%	12.38%	25.61%		77%	
NASDAQ COMPOSITE INDEX	US	8,017.90	1.66%	3.57%	15.10%	26.70%		85%	
S&P/TSX COMPOSITE INDEX	Canada	16,444.39	0.71%	-0.56%	-2.91%	4.37%	0.91%	105%	
S&P 500 CONS DISCRET IDX	US	919.46	2.04%	3.15%	16.27%	29.96%		79%	
S&P 500 CONS STAPLES IDX	US	554.34	-1.79%	0.80%	-5.69%	-1.06%		73%	
S&P 500 FINANCIALS INDEX	US	474.04	0.24%	0.85%	0.83%	14.19%		75%	
S&P 500 HEALTH CARE IDX	US	1,064.54	0.76%	3.17%	10.94%	16.40%		71%	
S&P 500 INFO TECH INDEX	US	1,313.30	1.69%	4.61%	17.59%	31.28%		89%	
S&P 500 ENERGY INDEX	US	552.44	2.64%	-3.65%	2.81%	19.38%		67%	
S&P 500 ECO SECTORS IDX	US	2,896.74	0.86%	2.07%	7.52%	17.86%		80%	
S&P 500 INDUSTRIALS IDX	US	650.79	0.50%	-0.44%	0.80%	12.45%		75%	
S&P 500 MATERIALS INDEX	US	375.85	1.17%	-1.06%	-2.25%	9.07%		75%	
S&P 500 REAL ESTATE IDX	US	206.52	-1.08%	1.36%	1.39%	2.74%		167%	
S&P 500 TELECOM SERV IDX	US	157.19	-0.74%	4.69%	-5.70%	-0.77%		64%	
S&P 500 UTILITIES INDEX	US	269.55	-1.41%	1.18%	1.46%	-2.20%		62%	
Europe									
Euro Stoxx 50 Pr	Europe	3,456.83	3.53%	-3.45%	-5.42%	-2.02%	-2.18%	56%	
CAC 40 INDEX	France	5,484.22	3.55%	-2.11%	-1.13%	4.63%	2.26%	68%	
DAX INDEX	Germany	12,575.88	3.42%	-3.88%	-7.23%	0.20%	-4.05%	66%	
Athex Composite Share Pr	Greece	736.27	3.96%	-5.44%	-12.65%	-14.57%	-9.66%	98%	
FTSE MIB INDEX	Italy	20,771.97	3.51%	-7.28%	-8.23%	-6.00%	-5.09%	66%	
AEX-Index	Netherlands	564.73	3.24%	-3.11%	-0.52%	6.29%	2.88%	75%	
PSI All-Share Index GR	Portugal	3,261.96	2.49%	-2.20%	5.64%	10.67%	9.26%	55%	
MOEX Russia Index	Russia	2,312.72	1.46%	-8.92%	-7.44%	1.86%	8.06%	105%	
IBEX 35 INDEX	Spain	9,655.40	3.75%	-3.52%	-7.68%	-8.83%	-4.52%	43%	
OMX STOCKHOLM 30 INDEX	Sweden	1,669.85	2.13%	-1.80%	-6.35%	-5.32%	4.43%	83%	
SWISS MARKET INDEX	Switzerland	9,091.02	1.74%	-0.64%	-4.41%	-0.67%	-3.51%	68%	
BIST 100 INDEX	Turkey	91,384.42	-0.11%	-25.72%	-51.82%	-53.17%	-21.80%	95%	
FTSE 100 INDEX	UK	7,622.97	1.21%	-4.27%	-6.34%	2.75%	-1.43%	71%	
Asia Pacific									
MSCI AC ASIA x JAPAN	MSCI Asia Ex	669.48	2.20%	-2.33%	-7.66%	-0.01%	-7.66%	93%	
S&P/ASX 200 INDEX	Australia	6,304.65	-0.85%	-2.01%	-3.40%	0.76%	3.00%	121%	
DSE 30 Index	Bangladesh	1,970.89	1.49%	4.22%	-16.28%	-10.89%	-14.68%		
HANG SENG CHINA ENT INDX	China "H"	11,097.83	2.52%	-2.24%	-8.38%	-2.78%	-7.94%	86%	
SHANGHAI SE COMPOSITE	China "A"	2,777.98	3.06%	-5.14%	-21.31%	-18.62%	-17.47%	82%	
HANG SENG INDEX	HK	28,345.87	1.68%	-3.20%	-7.95%	0.22%	-7.51%	90%	
Nifty 50	India	11,750.15	1.06%	-0.21%	0.38%	7.55%	9.75%	94%	
JAKARTA COMPOSITE INDEX	Indonesia	6,031.80	3.53%	-0.63%	-12.42%	-7.27%	-6.09%	91%	
NIKKEI 225	Japan	22,813.47	0.75%	0.74%	0.51%	14.80%	-0.72%	73%	
KOSPI 200 INDEX	Korea	297.22	3.36%	-0.76%	-12.42%	-3.52%	-8.99%	84%	
Laos Composite Index	Laos	869.65	1.02%	-2.84%	-14.18%	-15.92%	-12.07%	24%	
FTSE Bursa Malaysia KLCI	Malaysia	1,820.02	1.68%	0.20%	-0.08%	6.54%	0.66%	71%	
KARACHI 100 INDEX	Pakistan	42,739.41	0.73%	-0.38%	-5.37%	-13.52%	5.23%	82%	
PSEI - PHILIPPINE SE IDX	Philippines	7,844.61	2.40%	0.63%	-14.94%	-7.16%	-9.25%	86%	
STRAITS TIMES INDEX STI	Singapore	3,252.13	0.62%	-3.57%	-7.59%	-2.10%	-5.58%	83%	
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,031.01	-0.32%	-2.32%	-9.36%	-9.84%	-4.97%	84%	
TAIWAN TAIEX INDEX	Taiwan	10,989.55	1.34%	-2.74%	-1.81%	1.51%	1.56%	76%	
STOCK EXCH OF THAI INDEX	Thailand	1,721.32	2.66%	1.79%	-3.01%	10.44%	-2.84%	78%	
HO CHI MINH STOCK INDEX	Vietnam	994.30	1.83%	3.16%	-2.22%	25.16%	0.29%	107%	
Rest of the World									
MSCI ACWI	MSCI World	524.56	1.27%	-0.04%	1.28%	9.66%	1.28%	96%	
MSCI EM	MSCI EM	1,069.14	2.66%	-3.43%	-9.35%	-2.98%	-9.35%	98%	
MSCI Frontier Market Index	MSCI FM	2,673.93	0.91%	-2.39%	-10.56%	-4.72%	-10.56%	72%	
DFM GENERAL INDEX	Dubai	2,825.78	0.44%	-4.74%	-16.45%	-22.31%	-16.45%	43%	
MSCI EM LATIN AMERICA	Latin America	2,551.58	-0.39%	-7.81%	-11.92%	-13.79%	-11.92%	77%	
ARGENTINA MERVAL INDEX	Argentina	25,435.39	-7.28%	-23.66%	-49.40%	-40.12%	-16.29%	132%	
MSCI BRAZIL	Brazil	1,667.44	-3.39%	-11.81%	-19.79%	-19.39%	-19.79%	86%	
S&P/CLX IPSA (CLP) TR	Chile	5,281.23	1.77%	-6.74%	-12.02%	-1.48%	-5.48%	67%	
IGBC GENERAL INDEX	Colombia	12,181.77	3.65%	-1.68%	7.57%	12.55%	6.17%		
S&P/BMV IPC	Mexico	50,416.27	4.07%	-1.23%	5.09%	-9.52%	0.57%	72%	
Bolsa de Panama General	Panama	472.60	-0.17%	-1.57%	6.81%	9.94%	6.81%	40%	
S&P/BVLPeruGeneralTRPEN	Peru	19,704.21	1.51%	-4.79%	-3.24%	9.99%	-1.72%	101%	
MSCI EFM AFRICA	Africa	867.49	9.17%	-5.31%	-16.25%	-6.03%	-16.25%	95%	
EGYPT HERMES INDEX	Egypt	1,474.56	-0.10%	-2.28%	2.35%	24.56%	2.92%	99%	
GSE Composite Index	Ghana	2,866.63	0.61%	-0.72%	3.76%	12.49%	10.98%	45%	
Nairobi SE 20 Share	Kenya	3,259.37	-1.11%	-0.26%	-9.04%	-16.64%	-11.20%	71%	
MASI Free Float Index	Morocco	11,669.55	0.79%	-0.23%	-6.50%	-3.65%	-5.54%	39%	
NIGERIA STCK EXC ALL SHR	Nigeria	35,311.36	0.18%	-4.27%	-7.88%	-3.81%	-7.37%	93%	
FTSE/JSE AFRICA TOP40 IX	South Africa	53,698.86	7.68%	-6.06%	-13.19%	-2.96%	0.40%	101%	
Global Style									
MSCI WORLD GROWTH INDEX	US	2,696.67	1.63%	1.59%	7.79%	17.73%	7.79%	83%	
MSCI WORLD VALUE INDEX	US	2,830.18	0.54%	-0.84%	-2.29%	5.17%	-2.29%	72%	
MSCI World Large Cap	US	1,336.83	1.00%	0.45%	3.03%	11.65%	3.03%	73%	
MSCI World Mid-Cap	US	1,415.79	1.57%	0.12%	1.50%	10.48%	1.50%	83%	
Average			1.45%	-2.30%	-5.10%	1.00%	-4.09%	80%	
Top 25%			2.58%	0.41%	1.06%	10.21%	1.35%	93%	
Bottom 25%			0.56%	-3.61%	-9.35%	-6.02%	-9.28%	71%	

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# GLOBAL MARKET DATA (CONTD.)

## 20 TO 27 AUGUST

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DX Index	94.73	-0.99%	0.63%	3.28%	2.00%
USD-EUR X-RATE	USDEUR Curncy	0.86	-1.86%	0.69%	3.40%	1.55%
Russian Ruble SPOT (TOM)	USDRUB Curncy	67.35	-0.36%	7.84%	16.74%	13.41%
USD-TRY X-RATE	USDTRY Curncy	6.21	-0.31%	22.69%	59.03%	72.86%
USD-GBP X-RATE	USDGBP Curncy	0.78	-0.95%	2.14%	5.22%	-0.45%
Bloomberg JPMorgan Asia Dollar	ADX Index	105.53	0.46%	-0.24%	-3.84%	-1.70%
USD-AUD X-RATE	USDAUD Curncy	1.36	-0.60%	1.50%	6.62%	7.91%
USD-CNY X-RATE	USDCNY Curncy	6.81	-0.77%	0.03%	4.88%	2.52%
USD-INR X-RATE	USDINR Curncy	70.20	-0.31%	1.98%	9.33%	9.02%
USD-JPY X-RATE	USDJPY Curncy	111.18	0.73%	-0.53%	-1.22%	1.73%
USD-KRW X-RATE	USDKRW Curncy	1,107.77	-0.91%	0.12%	4.30%	-1.42%
USD-TWD X-RATE	USD TWD Curncy	30.72	-0.23%	0.51%	3.43%	1.52%
USD-ARS X-RATE	USDARS Curncy	30.95	3.45%	12.57%	65.42%	79.67%
USD-BRL X-RATE	USDBRL Curncy	4.08	4.36%	9.63%	24.06%	31.07%
USD-CLP X-RATE	USDCLP Curncy	659.18	-1.42%	3.79%	7.44%	3.61%
USD-MXN X-RATE	USDMXN Curncy	18.80	-1.18%	1.12%	-4.31%	6.58%
USD-EGP X-RATE	USDEGP Curncy	17.90	-0.19%	-0.01%	0.49%	0.93%
USD-NGN X-RATE	USDNGN Curncy	362.00	0.28%	-0.03%	0.56%	0.70%
USD-ZAR X-RATE	USDZAR Curncy	14.17	-3.20%	9.41%	15.66%	8.48%
Commodities			Return (USD)			
WTI CRUDE FUTURE Oct18	CLA Comdty	68.76	5.38%	1.61%	17.03%	40.82%
BRENT CRUDE FUTR Oct18	COA Comdty	76.23	5.55%	2.17%	17.75%	45.19%
Baltic Dry Index	BDIY Comdty	1,697.00	-1.51%	-2.86%	24.23%	-41.42%
Natural Gas Futures	NGI Comdty	2.87	-0.98%	4.85%	-1.22%	-1.09%
Gold Spot \$/Oz	XAU Curncy	1,211.12	2.40%	-1.68%	-7.71%	-6.35%
Silver Spot \$/Oz	XAG Curncy	14.91	1.12%	-4.86%	-13.17%	-12.67%
LME COPPER 3MO (\$)	LMCADS03 Comdty	6,105.00	3.02%	-3.10%	-15.76%	-8.83%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.65	0.01	-0.05	0.74	1.29
US Generic Govt 5 Year Yield	USGG5YR Index	2.75	-0.03	-0.14	0.51	0.94
US Generic Govt 10 Year Yield	USGG10YR Index	2.85	-0.05	-0.15	0.40	0.62
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.30	-0.01	-0.05	0.21	0.37
Mexico Generic 10 Year	GMXN10YR Index	7.81	-0.06	0.07	0.18	1.00
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.46	0.04	-0.05	0.09	0.23
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.09	0.02	-0.10	0.04	0.04
German Government Bonds 2 Yr B	GDBR2 Index	-0.58	0.06	-0.03	0.03	0.14
German Government Bonds 5 Yr O	GDBR5 Index	-0.19	0.05	-0.09	-0.02	0.10
German Government Bonds 10 Yr	GDBR10 Index	0.38	0.04	-0.10	-0.08	-0.03
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.71	0.02	-0.05	-0.10	0.00
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.15	-0.15	0.23	0.09	-1.34
Italy Generic Govt 10Y Yield	GBTGPR10 Index	3.20	0.03	0.43	1.14	1.04
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.42	-0.05	-0.01	-0.17	-0.20
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.85	-0.03	0.08	-0.12	-1.04
Australia Govt Bonds Generic Y	GACGB10 Index	2.56	-0.01	-0.11	-0.09	-0.10
India Govt Bond Generic Bid Yi	GIND10YR Index	7.90	0.01	0.10	0.55	1.34
KCMP South Korea Treasury Bond	GVSK10YR Index	2.36	-0.05	-0.19	-0.09	0.09
Japan Generic Govt 10Y Yield	GJGB10 Index	0.10	0.00	0.04	0.05	0.07
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	284.21	-17.41	5.43	55.96	42.10
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	65.14	-4.64	5.37	21.32	9.04
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	79.96	-5.43	7.10	37.17	24.96
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	165.95	-9.89	10.43	63.47	39.14
MARKIT CDX.NA.IB.30 06/23	IBOXUMAE CBIL Curncy	58.81	-2.05	1.44	10.58	-0.95
MARKIT CDX.NA.HY.30 06/23	IBOXHYE CBIL Curncy	324.38	-8.06	-1.29	22.30	-10.06
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	12.34	-1.69	0.82	-1.08	-1.56
FTSE 100 500 3month ATM	UKX Index	10.74	-1.10	0.12	1.35	0.31
Hang Seng 3month ATM	HSI Index	17.08	-0.91	0.91	1.94	2.44
Nikkei 3month ATM	NKY Index	13.62	-1.09	0.26	-2.15	0.31
S&P 500 3month ATM	SPX Index	10.93	-0.18	0.15	1.17	-0.36
Volatility (VIX)	VIX Index	12.01	-0.65	-0.84	0.95	-0.24
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.40	0.01	-0.03	0.07	0.18
UK 5Y5YF Inflation Swap		3.45	0.01	-0.01	-0.05	0.12
JPY 5Y5YF Inflation Swap		0.28	0.04	-0.19	-0.20	-0.10
EUR 5Y5YF Inflation Swap		1.72	0.02	-0.02	-0.01	0.13
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-19.60				
Citi Economic Surprise Index -	CESICNY Index	-43.00				
Citi Economic Surprise Index -	CESIEM Index	-9.50				
Citi Economic Surprise Index -	CESIEUR Index	5.20				
Citi Economic Surprise Index -	CESIG10 Index	-2.80				
Citi Economic Surprise - Japan	CESIJPY Index	-1.20				
Citi Economic Surprise Index -	CESILTAM Index	23.80				
Citi Economic Surprise - Unite	CESIUSD Index	-20.90				

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

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