GLOBAL MARKET UPDATE

3 TO 9 SEPTEMBER: NINETY-NINE PROBLEMS, BUT A RATE HIKE AIN'T ONE

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	**Top 3:**	Italy **0.58%,** United States **-1.03%,** Switzerland **-1.37%**
	Bottom 3:	Netherlands **-3.85%,** Australia **-3.81%,** Portugal **-3.78%**
EMERGING	**Top 3:**	Turkey **3.81%,** Hungary **0.01%,** Czech Republic **-0.23%**
	Bottom 3:	South Africa **-6.45%,** Greece **-6.01%,** Poland **-4.96%**
FRONTIER	**Top 3:**	Argentina **3.65%,** Oman **0.29%,** Sri Lanka **0.28%**
	Bottom 3:	Kazakhstan **-5.06%,** Tunisia **-4.09%,** Kenya **-3.23%**

Turmoil in the EM universe will probably continue this week, as none of the countries that triggered the risk-averse global market sentiment and meltdown in the EM universe have dealt with their idiosyncratic issues just yet. In other words, neither the Argentine, nor the Turkish authorities have addressed the issues of their respective economies in an appropriate manner. In addition, unresolved trade discussions between the US and the rest of the world continue to weigh on global market sentiment. As a result, behaviour of market players is likely to remain rather risk-averse, which could mean that EM asset prices will keep sliding before they bounce back. Due to the idiosyncratic nature of the meltdown triggers within the EM universe, markets will remain policy- and event-driven rather than fully focusing on the classic economic diary, since there are plenty of individual stories to follow:

- Argentina will continue to muddle through these hectic times, as the country's government is yet to deliver a comprehensive package that is acceptable by the IMF in lieu of financial assistance.
- Meanwhile, there are speculations in the market that the Turkish central bank might deliver a rate hike this week. However, even a massive rate hike would not be enough to restore Turkey's macroeconomic stability, as the confidence in the Turkish political leadership's willingness to bring appropriate measures is strongly doubted.
- Furthermore, Brazilian market sentiment and asset prices will be continued to be strongly influenced by political news flow and polls, as time passes until the Presidential election in October.
- And of course, the US is yet to renew the NAFTA deal with Mexico and Canada, while trade negotiations with China seem to be stuck and a decision on tariffs on EU goods is yet to be announced.
- Finally, Brexit talks continue between the UK and EU, which could further add to the worries of investors.

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Looking ahead

In the context of the aforementioned sources of unpredictability and uncertainty, the European Central Bank holds its usual rate-setting meeting this week, where no rate changes are expected. President Draghi will probably argue for the need to terminate the asset purchase programme in December, as scheduled. However, the President will not have an easy task to retain the credibility of the ECB in light of weakening economic data in the Euro Area. During the week, the Federal Reserve in the US releases the Beige Book that should offer further clarity on the general state of the US economy.

The economic diary in Asia is relatively light this week, as only China will release a broad set of macroeconomic data from August that might re-affirm that the pro-active policies by the Chinese government were sufficient enough to offset the tariffs-induced weakness. In Latin America, the Argentine central bank is scheduled to hold a rate-setting meeting. However, it is very unlikely we hear any relevant announcements by the Argentine MPC this time, since it is very difficult to argue in favour of a higher policy rate (currently 60%). And finally, in Africa, Kenya and Egypt are scheduled to released Q2 GDP figures, while South Africa may publish high-frequency macro indicators from July. Egypt and Nigeria will reveal inflation from August, as well.

UNITED STATES

S&P 2,872 -1.03%, 10yr Treasury 2.94% +7.84bps, HY Credit Index 331 -1bps, Vix 14.88 +2.02Vol

Last week, the whole US yield curve shifted upwards 8bp. By the end of the trading on Friday, the 2-year yield was 2.7%, while the 10-year rose to 2.94% keeping the 2s10s spread stable around 24bp. The broad trade-weighted dollar index (DXY) was higher by 0.24%. Stock markets were hit, as the major indices fell, i.e. the S&P 500 dropped 1.03%, the Russell 2000 fell 1.58%, while the Nasdaq Composite edged down 2.55%. The most notable move was in the WTI crude oil price, which fell almost 3% during the week to USD 67.75bbl on the August 2018 delivery, due to concerns over the potential for weaker energy demand on the back of global trade tensions.

The ISM Manufacturing index rose 61.3 in August vs. 58.2 in July. The improvement was aided by all core components of the index, especially by new orders, as they bounced to 65.1.

The labour market in the US remained very tight in August, as non-farm payrolls rose 201,000, exceeding Bloomberg consensus. The unemployment rate remained 3.9%, while labour force participation eased 0.2ppt to 62.7%. Growth of annual earnings in nominal terms accelerated 0.2ppt 2.9% YoY.

Overall, soft economic coincidence indictors and the August jobs report reflect well on the inherent strength of the US economy, and bolster the case for the continuation of the Fed's rate hike cycle. We are of the view, however, the current pace of nominal wage growth is not strong enough to call for a steeper interest rate trajectory – especially given that earnings growth statistics are highly volatile and are often revised downwards. Consequently, we concur with the market that the Fed will raise rates two more times this year, 25bp on each occasion, but we would not be surprised if the FOMC put a stop to the rate hike cycle next year around 3% - unless there is an unexpected and robust pick-up in wage growth.

EUROPE

Eurostoxx 3,292 -3.22%, German Bund 0.39% +6.10bps, Xover Credit Index 288 -10bps, USDEUR .866 +0.27%

European markets were hit by risk-off global market sentiment, as most of the major European stock indices realised losses in USD terms. The German DAX lost 3.55% of its value in USD, while its French and Spanish peers fell 3.14% and 2.71%, respectively. Turkey was one of the bright spots, as its stock index gained 3.81% in USD, mostly due to the recovery of the currency. In contrast with stock markets, European bond markets did not exhibit risk-off behaviour, as German yields rose 5-6bp, while periphery yields fell, and as a result spreads tightened. By the end of the week, the 10-year German yield was 0.39%, while the 10-year Italian was seen at 3.04%.

Fitch, one of the major credit rating agencies, changed the outlook on Italy's rating from 'stable' to 'negative.' Italy's rating remains two notches above the threshold for investment grade at all three credit rating agencies. However, the risks are rather tilted to the downside to subdued economic growth prospects and fiscal woes.

The manufacturing PMI in the Euro Area declined 0.4ppt to 54.6 in August, matching the flash estimate. The level observed in August was brought down due to weakness in export demand. The most concerning detail within the release – in our view – is related to Italy, where PMI dropped 1.5ppt to 50.1, indicating the stagnation of Italian

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manufacturing output in the coming months.

Even though inflation is depressed in the Euro Area, soft coincident indicators signal economic weakness andglobal trade tensions and financial market turmoil stemming from the EM universe pose significant downside risks to the Eurozone's growth outlook, the European Central Bank continues to stick to the idea of on-going solid and broad-based growth, with underlying inflation likely to bounce.

According to the pricing of Eurozone financial assets, the ECB's deposit rate might increase in 2019 Q3 by 20-25bp from the current -0.4%. We remain of the view that the termination of the asset purchases at the end of this year is not a done deal. Even if the programme is terminated in December, it might need to be re-introduced in 2019, should trade tensions between the US and the EU escalate, should a hard Brexit prevail or should the fiscal and debt-related issues deepen in periphery countries.

Bank of England Governor Carney signalled that he is willing to extend his tenure heading the UK's central bank in order to provide continuity to markets. According to local media report, both the Chancellor of the Exchequer and the Prime Minister support the retention of Mr. Carney.

If Mr. Carney indeed retains his mandate as BoE Governor, financial markets will adjust to the post-Brexit circumstances more smoothly, as market players already understand Mr. Carney's approach, i.e. the BoE will not be shy of using a wide variety monetary policy tools depending on the state of the UK's economy.

Cost and price pressures are mounting, as Turkish CPI inflation accelerated to 17.9% YoY in August. The fact that consumer prices are soaring is not surprising at all, especially if it is taken into account that producer prices inflation skyrocketed 32% YoY in July.

Even if the Turkish central bank hikes the policy rate, which is currently at 17.75%, the macroeconomic stability of the economy will not improve. Tighter monetary conditions are needed to stabilise Turkish financial markets and to put a stop to the decline in Turkish asset prices. However, the government needs to roll out a comprehensive economic programme to restore macroeconomic equilibrium in Turkey.

ASIA PACIFIC

HSCEI 10,357 -2.92%, Nikkei 22,373.09 -2.38%, 10yr JGB 0.12% +0bps, USDJPY 111.020 -0.06%

Asian markets struggled during the week, which was captured by the broad MSCI Asia Pacific ex. Japan index falling 3.34% in USD. The Philippines (-3.73% in USD) and Indonesia (-3.65% in USD), the two economies with the greatest external vulnerabilities, were among the underperformers. Sri Lanka was the only Asian stock market that rose during the week, 0.28% in USD.

Manufacturing PMIs in Asia were rather promising in August, since most of the countries reported above-50 figures signalling expansion of manufacturing output in the coming months. One of the few exceptions was South Korea, whose PMI although improved, remained below 50 implying further weakness of industrial activity. In contrast, the Japanese PMI hovered at 52.5, the Taiwanese figure remained robust 53, while the Thai one continued to fluctuate around 50, this time slightly above the threshold. The Philippines and Malaysia were among the most promising spots of the report, as the Malaysian PMI finally emerged from below-50 territory, hitting 51.2, while its Philippine counterpart rose and touched 51.9. The Vietnamese index was the only one, which substantially fell in August. However, there is absolutely no cause for concern, since by easing to 53.7, it remains one of the strongest with robust prospects.

Last week, Indian authorities reported stronger-than-expected GDP growth in FY2019 Q1 at8.2% YoY. The growth was broad-based and details pointed out that the Indian economy has been faring well in an environment ridden with tensions related to international trade and risk-averse sentiment in global financial markets. Latest reports on the monsoon rains suggest that the outlook for the domestic Indian economy is strong, as rainfall is in the optimal range.

China's financial stability and development committee organised a meeting with financial experts, including former PBOC officials, to discuss how to manage expectations of financial market players.

This particular piece of – unconfirmed – news suggests that Chinese authorities might have started to develop a soft monetary policy tool, similar to 'forward guidance.' The implications of such a measure would be greater exchange rate flexibility and less active intervention in domestic financial markets.

The Chinese Ministry of Finance will introduce a new incentive for domestic commercial banks to incentivize their lending activity towards small and medium-sized enterprises. Banks will be exempted from paying value-added tax on interest income of loans to SMEs priced at less than 150% of the benchmark interest rate.

Providing fiscal incentives to banks not only matches the Chinese authorities' previous messages of promoting pro-active policies that bolster domestic growth, but also improves the monetary transmission mechanism.

CPI inflation in the Philippines surged to 6.4% YoY in August, which is a 9-year high. Core inflation rose 0.3ppt to 4.8% YoY. The acceleration of the annual headline figure is substantial, as it was 5.7% in July. Food and non-alcoholic beverages inflation was 8.2% YoY, up 1.1ppt compared to July. Food inflation is partly due to the low base and partly due to a weak rice harvest that pushed up prices. Prices of alcoholic beverages and tobacco rose 21.6% YoY, matching the pace seen in the previous month.

Inflation broke out of the central bank's 2-4% band this March and got further away from it in August. Inflationary dynamics, a widening foreign trade gap and the general market sentiment in the EM universe call for further rate hikes in the Philippines. As long as, real rates are negative and the foreign trade gap is wide, the currency remains very sensitive to global market mood swings – especially as long as the credibility of the central bank remains questionable. In August, the central bank raised rates 50bp to 4%, and the Governor has stuck to a rather hawkish tone

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since. Unless the central bank delivers further rate hikes, at least 50bp, at its next meeting, this is unlikely to be viewed as enough.

The Indonesian central bank has put the introduction of overnight indexed swaps and interest rate swaps on its agenda. In addition, the central bank will start offering a 1M FX swap hedging facility as well.

Developing the domestic Indonesian financial markets, the ultimate goal of the central bank may be two-fold: by allowing investors, banks and foreign trade-oriented companies to engage in hedging activities, the volatility of Indonesia asset prices may be reduced and the impact of asset price volatility on economic activity may soften.

LATIN AMERICA

MSCI Lat Am 2,454 -0.41%

The performance of Latin American stock markets was mixed during the week. The Argentine and Brazilian markets outperformed their regional peers, as they rose 3.65% and 1.37% (all in USD), respectively. Both markets benefitted from appreciating currencies. In contrast, Peru and Colombia underperformed, as the indices fell 3.41% and 3.06% (all in USD), respectively.

Chilean CPI inflation was 2.6% YoY in August, slightly slower than the 2.7% annual rate in July. Meanwhile, the core measures hovered very close to the central bank's target band of 2-4%.

Recent weakness in the USDCLP exchange rate will likely translate into consumer price inflation – the only question is when. Consequently, headline CPI inflation rate will steadily converge to the mid-point of the inflation target band. In our view, the central bank will raise the policy rate this year at least 25bp in 2018 Q4 and will continue tightening in a gradual manner throughout 2019.

In Brazil, the first relevant polls for the upcoming election were finally released that help to assess voting intentions now that TV and radio campaigns started on 31st August. Jair Bolsonaro was leading the polls with 22% (up one point), while Geraldo Alckmin – the preferred candidate by markets – polled at 9% (up two points). It is important to point out the contradictory details, as Mr. Bolsonaro's rejection rate of 44% was the highest among candidates, which implies that the room for gaining further votes is very limited, in our view.

Political tensions intensified in Brazil, as the far-right Presidential candidate Jair Bolsonaro was stabbed during a rally. After the tragic incident, Mr. Bolsonaro was immediately taken to hospital and underwent surgery. According to the latest reports, his condition was serious but stable. Bloomberg cited that the candidate will be out of the campaign for at least two weeks or longer until he recovers.

Mr. Bolsonaro has been a very divisive figure, since he has been promoting ideas that support the free market and the conduct of business, while his views on social policies are rather radical. It is not clear if he will recover to continue his campaign, or whether he could politically benefit from his near-fatal wound. Since Brazilian financial markets were closed on Friday, assets will have a chance to be re-priced as early as Monday when markets re-open.

According to a survey conducted by the Argentine central bank, inflation expectations deteriorated, as analysts expect inflation to exceed 40% by December 2018 vs. 31.8% in the July survey. Expectations for inflation in 2019 increased as well, from 20.6% to 25.3%. Survey participants not only foresee higher inflation, but project a deeper economic contraction than before. The survey indicates that the Argentine GDP may shrank almost 2% in 2018 and might stagnate in 2019.

It is clear the Argentina crucially needs a credible package that addresses the economy's structural deficiencies and adjusts the fiscal stance. The government has been working on a solution with the IMF, who pledge to grant financial aid to the country.

Colombian inflation was 3.1% YoY in August, since food inflation surprised to the upside rising 1.34% YoY. Non-food inflation proved to be sticky, as prices of the non-food category increased 3.83%.

Should the tendencies in inflation continue, headline CPI inflation is likely to average in the range between 3-3.5% YoY this year. The central bank of Colombia is not expected to raise the policy rate before 2019 Q1-Q2, unless capital flight from the EM universe significantly intensifies.

AFRICA

MSCI Africa 763 -6.02%

African stock markets fared rather badly during the week. The broad MSCI EFM Africa index dropped 6.02% in USD led by South Africa (-6.45% in USD), Ghana (-4.8% in USD) and Morocco (-4.02%in USD).

The Egyptian PMI was above 50 points for the second consecutive month in August. The figures rose 0.2 to 50.5, reaching a nine-month high. The detailed breakdown revealed that the recovery of the non-oil private sector has finally begun. One of the most significant and encouraging signs was the gain in the employment index. Furthermore, both new domestic and new export orders remained strong, consistent with previous months.

Overall, details strongly imply that the headline PMI figure will continue to signal further expansion of Egyptian manufacturing output in the coming months. Should the improvement in confidence be sustained, it will most likely translate into tangible output growth. Therefore, we remain of the view that Egypt is on the right track and its economy will benefit to a greater extent from the structural reforms initiated in 2016.

The South African economy unexpectedly slipped into a technical recession in 2018 Q2, as real GDP weakened 0.7% QoQ for the second consecutive quarter. Furthermore, the South African statistical authority revised down the Q1 figure 0.4ppt to -2.6% QoQ. The underperformance of the South African economy was broad-based with agriculture being the number one contributor by shrinking 29% QoQ. Not only backward-looking indicators signal the prolonged

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difficulties of the South African economy, but also forward-looking ones, such as the July manufacturing PMI that fell to 43.4 in July due to the decline in new sales and business activity.

In our view, details of the 2018 H1 GDP data imply that it will get worse, before it gets better, as falling corporate profitability in Q2 suggests that investments are unlikely to strongly bounce in the coming quarters. Consequently, annual GDP growth may reach 1% in 2019 at best, while risks are rather tilted to the downside. In light of the latest GDP data, Moody's is likely to adjust the outlook on the South African credit rating from 'stable' to 'negative,' as weakness in economic activity will cause greater difficulties for the government to address fiscal deficiencies.

The current account deficit in South Africa narrowed to 3.3% of GDP in 2018 Q2 vs. 4.6% in Q1. The improvement in the current account deficit compared to the previous quarter was due to the fact the export grew considerably faster than imports lifting trade balance to a surplus (0.8% of GDP). However, South Africa's main issue stems from the income line, which remained in a significant deficit (ZAR 167bn or 3.4% of GDP). Further details, such as the rest of the Balance of Payments is yet to be released.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
US CPI (AUG) % YOY	Thu/13	2.8
Michigan consumer sentiment (SEP)	Fri/14	96.8
US retail sales (AUG) % MOM	Fri/14	0.5
US industrial production (AUG) % MOM	Fri/14	0.3
EUROPE		
Eurozone industrial production (JUL) % YOY	Wed/12	1.1
BOE interest rate %	Thu/13	0.8
ECB interest rate %	Thu/13	0.0
Eurozone trade balance (JUL) EUR bn	Fri/14	16.2
ASIA PACIFIC		
Japan GDP (Q2) % QOQ	Mon/10	0.7
China CPI (AUG) % YOY	Mon/10	2.1
India industrial production (JUL) % YOY	Wed/12	6.5
China industrial production (AUG) % YOY	Fri/14	6.2
China retail sales (AUG) % YOY	Fri/14	8.8
LATIN AMERICA		
Peru interest rate %	Thu/13	2.75

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GLOBAL MARKET DATA (CONTD.)
3 TO 9 SEPTEMBER

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	2,871.68	-1.03%	-1.03%	7.41%	16.49%		102%
RUSSELL 2000 INDEX	US	1,713.18	-1.58%	-1.58%	11.57%	22.49%		95%
NASDAQ COMPOSITE INDEX	US	7,902.54	-2.55%	-2.55%	14.47%	23.52%		104%
S&P/TSX COMPOSITE INDEX	Canada	16,090.27	-1.93%	-1.93%	-5.63%	-1.30%	-0.73%	119%
S&P 500 CONS DISCRET IDX	US	917.89	-1.22%	-1.22%	16.88%	29.23%		105%
S&P 500 CONS STAPLES IDX	US	556.93	0.99%	0.99%	-5.19%	-2.00%		100%
S&P 500 FINANCIALS INDEX	US	468.63	-0.15%	-0.15%	1.01%	18.48%		97%
S&P 500 HEALTH CARE IDX	US	1,068.04	-0.31%	-0.31%	11.68%	12.68%		96%
S&P 500 INFO TECH INDEX	US	1,288.34	-2.93%	-2.93%	16.47%	27.61%		116%
S&P 500 ENERGY INDEX	US	534.93	-2.31%	-2.31%	0.28%	12.27%		93%
S&P 500 ECO SECTORS IDX	US	2,871.68	-1.03%	-1.03%	7.41%	16.49%		102%
S&P 500 INDUSTRIALS IDX	US	649.72	0.62%	0.62%	1.87%	12.49%		97%
S&P 500 MATERIALS INDEX	US	369.51	-0.56%	-0.56%	-2.49%	7.69%		113%
S&P 500 REAL ESTATE IDX	US	205.90	-1.23%	-1.23%	1.00%	0.72%		79%
S&P 500 TELECOM SERV IDX	US	154.10	0.07%	0.07%	-7.21%	2.71%		81%
S&P 500 UTILITIES INDEX	US	272.37	0.99%	0.99%	1.87%	-1.95%		100%
Europe								
Euro Stoxx 50 Pr	Europe	3,291.83	-3.22%	-3.22%	-9.61%	-7.89%	-6.01%	102%
CAC 40 INDEX	France	5,248.84	-3.14%	-3.14%	-4.93%	-0.98%	-1.14%	102%
DAX INDEX	Germany	11,947.50	-3.55%	-3.55%	-10.97%	-6.21%	-7.42%	95%
Athex Composite Share Pr	Greece	687.79	-6.01%	-6.01%	-17.57%	-18.22%	-14.28%	96%
FTSE MIB INDEX	Italy	20,446.33	0.58%	0.58%	-10.02%	-9.23%	-6.43%	131%
AEX-Index	Netherlands	538.51	-3.85%	-3.85%	-4.91%	0.09%	-1.11%	117%
PSI All-Share Index GR	Portugal	3,087.99	-3.86%	-3.86%	0.17%	4.16%	4.17%	117%
MOEX Russia Index	Russia	2,332.89	-4.32%	-4.32%	-9.28%	-5.74%	10.05%	78%
IBEX 35 INDEX	Spain	9,175.90	-2.71%	-2.71%	-12.19%	-12.65%	-8.69%	79%
OMX STOCKHOLM 30 INDEX	Sweden	1,617.67	-1.75%	-1.75%	-7.65%	-8.84%	2.62%	103%
SWISS MARKET INDEX	Switzerland	8,871.90	-1.37%	-1.37%	-5.32%	-2.42%	-5.74%	94%
BIST 100 INDEX	Turkey	93,566.34	3.81%	3.81%	-52.04%	-54.60%	-19.13%	75%
FTSE 100 INDEX	UK	7,277.64	-2.32%	-2.32%	-9.51%	-2.69%	-5.33%	94%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	643.85	-3.34%	-3.34%	-9.76%	-2.63%	-9.76%	99%
S&P/ASX 200 INDEX	Australia	6,141.70	-3.81%	-3.81%	-7.79%	-4.38%	1.30%	97%
DSE 30 Index	Bangladesh	1,949.59	-0.01%	-0.01%	-15.65%	-12.45%	-14.22%	
HANG SENG CHINA ENT INDX	China "H"	10,357.20	-2.92%	-2.92%	-10.25%	-5.29%	-9.82%	101%
SHANGHAI SE COMPOSITE	China "A"	2,669.49	-1.14%	-1.14%	-22.49%	-24.04%	-18.29%	81%
HANG SENG INDEX	HK	26,481.41	-3.29%	-3.29%	-10.28%	-2.44%	-9.85%	103%
Nifty 50	India	11,466.05	-2.34%	-2.34%	-2.40%	3.70%	10.05%	107%
JAKARTA COMPOSITE INDEX	Indonesia	5,824.02	-3.65%	-3.65%	-16.46%	-10.94%	-7.93%	94%
NIKKEI 225	Japan	22,373.09	-2.38%	-2.38%	-0.63%	12.41%	-2.01%	87%
KOSPI 200 INDEX	Korea	293.70	-3.32%	-3.32%	-14.34%	-4.62%	-9.82%	88%
Laos Composite Index	Laos	888.71	-0.12%	-0.12%	-13.74%	-16.46%	-11.61%	106%
FTSE Bursa Malaysia KLCI	Malaysia	1,799.17	-1.98%	-1.98%	-2.05%	2.33%	0.13%	88%
KARACHI 100 INDEX	Pakistan	40,400.26	-2.58%	-2.58%	-9.81%	-14.95%	0.95%	78%
PSEi - PHILIPPINE SE IDX	Philippines	7,567.25	-3.73%	-3.73%	-17.62%	-10.99%	-11.21%	111%
STRAITS TIMES INDEX STI	Singapore	3,112.50	-2.91%	-2.91%	-10.72%	-5.51%	-7.89%	88%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,100.23	0.28%	0.28%	-8.98%	-9.35%	-3.95%	63%
TAIWAN TAIEX INDEX	Taiwan	10,725.80	-2.29%	-2.29%	-1.86%	-0.05%	1.92%	88%
STOCK EXCH OF THAI INDEX	Thailand	1,685.01	-1.93%	-1.93%	-4.39%	4.35%	-3.66%	87%
HO CHI MINH STOCK INDEX	Vietnam	970.52	-2.09%	-2.09%	-4.01%	18.65%	-1.56%	105%
Rest of the World								
MSCI ACWI	MSCI World	512.97	-1.90%	-1.90%	-0.01%	6.96%	-0.01%	89%
MSCI EM	MSCI EM	1,022.98	-3.12%	-3.12%	-11.69%	-6.16%	-11.69%	88%
MSCI Fronter Market Index	MSCI FM	2,584.57	-2.37%	-2.37%	-13.51%	-8.96%	-13.51%	106%
DFM GENERAL INDEX	Dubai	2,846.84	-0.48%	-0.48%	-16.13%	-22.44%	-16.13%	134%
MSCI EM LATIN AMERICA	Latin America	2,453.65	-0.41%	-0.41%	-13.24%	-16.92%	-13.24%	92%
ARGENTINA MERVAL INDEX	Argentina	29,811.22	3.65%	3.65%	-49.97%	-42.75%	-0.85%	122%
MSCI BRAZIL	Brazil	1,641.27	1.37%	1.37%	-18.87%	-21.79%	-18.87%	85%
S&P/CLX IPSA (CLP) TR	Chile	5,218.15	-2.24%	-2.24%	-16.40%	-9.12%	-6.23%	113%
IGBC GENERAL INDEX	Colombia	11,954.33	-3.06%	-3.06%	1.44%	0.87%	4.15%	
S&P/BMV IPC	Mexico	48,971.14	-1.60%	-1.60%	1.25%	-10.61%	-0.78%	71%
Bolsa de Panama General	Panama	469.01	-0.30%	-0.30%	5.89%	8.57%	5.89%	44%
S&P/BVLPeruGeneralTRPEN	Peru	18,900.44	-3.41%	-3.41%	-7.78%	1.93%	-5.38%	76%
MSCI EFM AFRICA	Africa	763.50	-6.02%	-6.02%	-24.67%	-15.52%	-24.67%	118%
EGYPT HERMES INDEX	Egypt	1,515.04	-1.46%	-1.46%	5.22%	23.84%	5.86%	122%
GSE Composite Index	Ghana	2,751.40	-4.80%	-4.80%	-3.32%	-0.30%	6.65%	62%
Nairobi SE 20 Share	Kenya	3,099.84	-3.23%	-3.23%	-14.42%	-16.60%	-16.49%	88%
MASI Free Float Index	Morocco	11,102.93	-4.02%	-4.02%	-11.28%	-11.86%	-10.38%	85%
NIGERIA STCK EXC ALL SHR	Nigeria	34,037.91	-1.66%	-1.66%	-10.87%	-5.61%	-11.00%	64%
FTSE/JSE AFRICA TOP40 IX	South Africa	50,875.82	-6.45%	-6.45%	-21.24%	-13.29%	-3.24%	116%
Global Style								
MSCI WORLD GROWTH INDEX	US	2,642.75	-2.27%	-2.27%	6.65%	14.26%	6.65%	98%
MSCI WORLD VALUE INDEX	US	2,776.93	-1.18%	-1.18%	-3.43%	3.33%	-3.43%	97%
MSCI World Large Cap	US	1,311.36	-1.70%	-1.70%	1.94%	9.06%	1.94%	96%
MSCI World Mid-Cap	US	1,385.75	-1.95%	-1.95%	0.16%	7.62%	0.16%	97%
Average			-1.95%	-1.95%	-7.24%	-2.54%	-5.70%	96%
Top 25%			-0.80%	-0.80%	0.08%	4.25%	-0.55%	105%
Bottom 25%			-3.23%	-3.23%	-12.72%	-10.77%	-11.05%	87%

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GLOBAL MARKET DATA (CONTD.)
3 TO 9 SEPTEMBER

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	95.49	0.24%	0.24%	3.52%	4.04%
USD-EUR X-RATE	USDEUR Curncy	0.87	0.27%	0.27%	3.98%	3.72%
Russian Ruble SPOT (TOM)	USDRUB Curncy	69.91	3.45%	3.45%	21.31%	22.53%
USD-TRY X-RATE	USDTRY Curncy	6.47	-3.10%	-3.10%	68.63%	87.20%
USD-GBP X-RATE	USDGBP Curncy	0.77	0.23%	0.23%	4.60%	1.10%
Bloomberg JPMorgan Asia Dollar	ADXY Index	104.38	-0.55%	-0.55%	-4.80%	-4.10%
USD-AUD X-RATE	USDAUD Curncy	1.41	1.07%	1.07%	9.86%	12.94%
USD-CNY X-RATE	USDCNY Curncy	6.86	0.30%	0.30%	5.41%	5.71%
USD-INR X-RATE	USDINR Curncy	72.58	1.59%	1.59%	12.75%	12.54%
USD-JPY X-RATE	USDJPY Curncy	111.02	-0.06%	-0.06%	-1.39%	2.31%
USD-KRW X-RATE	USDKRW Curncy	1,129.17	0.95%	0.95%	5.66%	0.03%
USD-TWD X-RATE	USDTWD Curncy	30.84	0.34%	0.34%	3.85%	2.97%
USD-ARS X-RATE	USDARS Curncy	37.09	-1.81%	-1.81%	98.18%	114.72%
USD-BRL X-RATE	USDBRL Curncy	4.06	-0.31%	-0.31%	23.21%	31.65%
USD-CLP X-RATE	USDCLP Curncy	690.98	1.28%	1.28%	12.17%	12.36%
USD-MXN X-RATE	USDMXN Curncy	19.34	0.44%	0.44%	-2.00%	9.02%
USD-EGP X-RATE	USDEGP Curncy	17.92	0.33%	0.33%	0.63%	1.31%
USD-NGN X-RATE	USDNGN Curncy	361.50	-0.68%	-0.68%	-0.14%	-0.14%
USD-ZAR X-RATE	USDZAR Curncy	15.26	3.58%	3.58%	22.86%	18.60%
Commodities			**Return (USD)**			
WTI CRUDE FUTURE Oct18	CLA Comdty	68.20	-2.94%	-2.94%	15.38%	33.08%
BRENT CRUDE FUTR Nov18	COA Comdty	77.47	-1.04%	-1.04%	20.01%	40.74%
Baltic Dry Index	BDIY Comdty	1,490.00	-5.64%	-5.64%	9.08%	14.97%
Natural Gas Futures	NG1 Comdty	2.77	-4.80%	-4.80%	-5.99%	-6.88%
Gold Spot $/Oz	XAU Curncy	1,193.24	-0.34%	-0.34%	-8.43%	-10.93%
Silver Spot $/Oz	XAG Curncy	14.14	-2.60%	-2.60%	-17.02%	-21.30%
LME COPPER 3MO ($)	LMCADS03 Comdty	5,933.00	-0.70%	-0.70%	-18.13%	-14.00%
Government Bond Yields %			**Change (percentage points)**			
US Generic Govt 2 Year Yield	USGG2YR Index	2.70	0.08	0.08	0.82	1.44
US Generic Govt 5 Year Yield	USGG5YR Index	2.82	0.08	0.08	0.61	1.20
US Generic Govt 10 Year Yield	USGG10YR Index	2.94	0.08	0.08	0.53	0.90
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.29	0.06	0.06	0.24	0.35
Mexico Generic 10 Year	GMXN10YR Index	8.05	0.13	0.13	0.40	1.27
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.46	0.03	0.03	0.27	0.49
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.06	0.03	0.03	0.08	0.09
German Government Bonds 2 Yr B	GDBR2 Index	-0.55	0.05	0.05	0.07	0.21
German Government Bonds 5 Yr O	GDBR5 Index	-0.17	0.06	0.06	0.03	0.21
German Government Bonds 10 Yr	GDBR10 Index	0.39	0.06	0.06	-0.04	0.08
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.71	0.04	0.04	-0.06	0.11
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.27	-0.10	-0.10	0.19	-1.15
Italy Generic Govt 10Y Yield	GBTPGR10 Index	2.94	-0.20	-0.20	1.02	1.11
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.45	-0.01	-0.01	-0.11	-0.03
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.88	-0.02	-0.02	-0.04	-0.85
Australia Govt Bonds Generic Y	GACGB10 Index	2.58	0.03	0.03	-0.08	-0.09
India Govt Bond Generic Bid Yi	GIND10YR Index	8.14	0.08	0.08	0.70	1.51
KCMP South Korea Treasury Bond	GVSK10YR Index	2.26	-0.05	-0.05	-0.21	0.00
Japan Generic Govt 10Y Yield	GJGB10 Index	0.12	0.01	0.01	0.07	0.10
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	287.57	-10.03	-10.03	57.10	56.21
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	63.97	-3.91	-3.91	19.54	11.05
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	74.82	-8.98	-8.98	31.99	24.66
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	162.29	-14.23	-14.23	57.95	43.78
MARKIT CDX.NA.IG.30 06/23	IBOXUMAE CBIL Curncy	59.84	-0.71	-0.71	10.70	0.92
MARKIT CDX.NA.HY.30 06/23	IBOXHYSE CBIL Curncy	331.34	-0.90	-0.90	25.33	0.56
Implied Volatility (Equity Index)			**Change (Volatility Points) +ive = Volatility Rising**			
Eurostoxx 3month ATM	SX5E Index	14.65	0.81	0.81	0.99	0.54
FTSE 100 500 3month ATM	UKX Index	12.80	0.48	0.48	3.41	1.76
Hang Seng 3month ATM	HSI Index	18.90	1.43	1.43	3.99	3.49
Nikkei 3month ATM	NKY Index	15.16	1.50	1.50	-0.37	1.31
S&P 500 3month ATM	SPX Index	12.55	1.31	1.31	2.63	1.36
Volatility (VIX)	VIX Index	14.88	2.02	2.02	3.84	3.33
Inflation (Long term inflation expectation proxy) %			**Change (percentage points)**			
US 5Y5YF Inflation Swap		2.40	0.00	0.00	0.06	0.16
UK 5Y5YF Inflation Swap		3.44	0.02	0.02	-0.06	0.06
JPY 5Y5YF Inflation Swap		0.27	0.00	0.00	-0.13	0.02
EUR 5Y5YF Inflation Swap		1.68	-0.03	-0.03	-0.03	0.09
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-12.00				
Citi Economic Surprise Index -	CESICNY Index	-31.00				
Citi Economic Surprise Index -	CESIEM Index	-6.30				
Citi Economic Surprise Index -	CESIEUR Index	-3.90				
Citi Economic Surprise Index -	CESIG10 Index	1.20				
Citi Economic Surprise - Japan	CESIJPY Index	0.50				
Citi Economic Surprise Index -	CESILTAM Index	21.10				
Citi Economic Surprise - Unite	CESIUSD Index	-3.60				

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