GLOBAL MARKET UPDATE

10 TO 16 SEPTEMBER: CAN A GOLDILOCKS MARKET RETURN?

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	**Top 3:**	Norway **3.98%,** Italy **2.82%,** Spain **2.80%**
	Bottom 3:	Denmark **-0.39%,** Ireland **0.53%,** Canada **0.56%**
EMERGING	**Top 3:**	Turkey **5.38%,** Russia **4.24%,** Czech Republic **3.88%**
	Bottom 3:	Egypt **-3.74%,** Philippines **-2.81%,** Brazil **-2.05%**
FRONTIER	**Top 3:**	Oman **2.86%,** Vietnam **2.55%,** Kazakhstan **1.35%**
	Bottom 3:	Nigeria **-6.20%,** Argentina **-5.98%,** Kenya **-3.67%**

Risk aversion in global markets faded by the end of the week, due to several coinciding factors:

- Trade tensions eased, as the US and China signalled that they might (or might not) continue negotiations on tariffs and the conduct of international trade.
- The release of lower-than-expected CPI inflation in the US implied that current inflationary developments in the US do not call for aggressive monetary tightening by the Federal Reserve, which in turn depreciated the USD compared to the beginning of the week.
- Sentiment was lifted by interest rate hikes carried out by the Turkish and Russian central banks that helped the recovery of both nation's currencies.

We remain of the view that **discussions on trade tariffs will continue to weigh on global market sentiment**, which may hinder asset price recovery in the EM universe. From a fundamental point of view, economic growth has not been visibly hurt yet and tariffs are unlikely to cause any substantial disruption that could derail the global growth momentum. **A Goldilocks scenario may not return in the strict sense, but once global market sentiment clears, asset prices could benefit from a low inflation and high growth environment.**

Looking ahead

All eyes remain on the US and China and whether the administrations of the two countries will continue trade discussions. The economic diary for developed markets is relatively light this week, as neither major policy events nor highly relevant macroeconomic data are scheduled. In the Euro Area, the event of greatest market-moving potential will be a speech delivered by ECB President Mario Draghi, who may provide further colour on the reaction function of the ECB's decision-making body. The Japanese counterpart of the ECB holds its usual rate setting meeting on Wednesday, where the MPC is unlikely to change the course of monetary policy. In the US, data releases will be scarce, since only the current account balance and PMI figures will be revealed. However, both are unlikely to drive

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markets.

The Asian economic calendar is almost completely empty, since the Thai central bank's monetary policy meeting and Malaysian inflation from August bear the potential to have an impact on financial markets. Latin American markets will continue to focus on the political polls and related news flow in Brazil. In addition, the Brazilian central bank is scheduled to hold a rate setting meeting, where no rate moves are expected. Argentina will release Q2 GDP figures, which are likely to reflect the underlying weakness of the Argentine economy. At the end of the week, South Africa releases inflation figures, which will be followed be the monetary policy decision of the South African central bank.

UNITED STATES

S&P 2,905 +1.16%, 10yr Treasury 2.99% +5.71bps, HY Credit Index 317 -12bps, Vix 12.71 -2.81Vol

US equities visibly benefitted from the recuperation of risk appetite by market players, as almost all major US stock indices gained during the week. The S&P 500 rose almost 1.2%, while the Nasdaq Composite gained more than 1.3%. The broad dollar index (DXY) last about 0.5% of its value due to the lower-than-expected CPI inflation reading that spurred market players to adjust their expectations for the Fed funds rate's forward-looking trajectory. The improvement in global market sentiment was also reflected in the US Treasury yield movements, as the whole yield curve shifted up, due to abating of flows seeking safe haven assets. By the end of the week, the 10-year yield rose 6bp and hit 3%.

High-frequency data in the US underwhelmed in August, as both inflation and retail sales data were below the Bloomberg consensus. Headline CPI inflation eased to 2.7% YoY, while the core inflation measure slipped to 2.2% YoY. Furthermore, retail sales volume rose only 0.1% MoM.

Weakness in both inflation and retail sales imply that the underlying inflationary pressure is not too strong and does not call for aggressive monetary tightening by the Fed. That thought held the market back from breaching the 3% threshold for the 10-year US Treasury.

EUROPE

Eurostoxx 3,339 +2.23%, German Bund 0.45% +6.30bps, Xover Credit Index 282 -9bps, USDEUR .860 -0.68%

European markets were buoyed by the risk on mood, which was amplified by the relatively dovish comments by ECB President Mario Draghi, who reiterated the need for a sustained and substantial monetary accommodation. Due to the stronger risk appetite, the major indices of the big four economies rose, and this was amplified by the strength of the euro vs. the dollar. The bounce in risk sentiment also re-directed from safe haven assets, i.e. German Bunds, to riskier assets on the periphery of the Euro Area, such as the Italian and Portuguese bond markets. As a result, the Italian spread over the 10Y German Bund of 0.45% shrank to 253bp.

The European Central Bank remained on hold, not changing the policy rate and leaving forward guidance unchanged. President Draghi emphasised that, in the Governing Council's view, the Euro Area's economy is on track and will deliver strong GDP growth figures, while inflation may gradually converge to the ECB's target. Compared to the previous meeting, the Governing Council tweaked the language related to the termination of the asset purchase programme by including data dependency to actually end monthly net purchases in December.

We believe that the ECB's room for manoeuvre to phase out the QE in December is narrowing by the day, as European growth indicators are not convincing. Further deterioration in global market sentiment could weigh on economic confidence in the Euro Area that might drag actual activity down.

The Russian central bank caught market players off-guard by lifting the policy rate 25bp to 7.50%. According to the MPC, the deterioration of the inflation outlook called for tighter monetary conditions. After the announcement was made, the RUB gained vs. the USD.

The Turkish central bank delivered a drastic rate hike of 626bp, as the MPC raised the policy rate to 24% in response to mounting inflation and currency weakness. Turkish markets reacted positively to the policy measure, as domestic asset prices gained after the announcement.

Both central banks' policy moves to tighten financial conditions, contributed to the improvement in global market sentiment.

A supermajority of Members of the European Parliament (MEP) approved the report prepared by MEP Sargentini, which found that Hungary and its government do not fully adhere to the EU's common values. There are no practical consequences of the report being approved.

ASIA PACIFIC

HSCEI 10,446 +0.19%, Nikkei 23,094.67 + 2.60%, 10yr JGB 0.12% +0bps, USDJPY 111.910 +0.91%

Asian markets greatly benefitted from the improvement in global market sentiment. As a result, the MSCI Asia Pacific ex. Japan index gained 0.71% in USD during the week. The Indonesia, Vietnamese and Thai indices clearly outperformed their Asian peers increasing between 2.4-2.6% in USD. The Philippine market underdelivered, as the economy still faces challenges, such as high inflation and a twin deficit, while being threatened by adverse weather conditions. As a result, the Philippine stock index fell 2.81%

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in USD.

Japanese GDP quarterly growth was revised up to 3% in annualised terms in 2018 Q2, as the business investment expansion was significantly upgraded, to 3.1% QoQ.

Japanese economic expansion will probably continue in the coming quarters. However, GDP growth may slow in 2018 Q3, due to adverse weather conditions and natural disasters.

The Indian current account deficit was 2.4% of GDP in 2018 Q2, 0.1ppt lower than in 2017 Q2 suggesting that non-oil components improved. Therefore, if it was not for the surging oil prices expressed in INR terms, the Indian current account balance would have actually improved compared to the same period over a year ago. Meanwhile, net foreign portfolio outflows from India markedly increased, to USD 8bn in 2018 Q2, which is in strong contrast with developments in 2017 Q2, when USD 12bn flowed into India in net terms.

Overall, India's current account deficit remains manageable. In our view, net foreign portfolio flows in 2018 Q2 were rather driven by the risk-averse global market sentiment, as they are fundamentally not justified. As a result, the strong pressure on the currency sent the USDINR cross to unusually weak levels. In addition, the weakness was amplified by the fact that the central bank refrained from intervening in the open market in August for reasons that are unclear to the market. We see the INR's weakness fundamentally unjustified.

Chinese high-frequency indicators in August were a mixed bag, but leave room for optimism. Both industrial production (6.1% YoY) and retail sales growth (9% YoY) slightly improved amidst trade tensions compared to July. In contrast, fixed-asset investments (including construction) continued to lose some of the growth momentum (5.3% YoY). Growth of private sector fixed-asset investments, that account for about 60% of total investments, slowed 0.1ppt, to 8.7% YoY. Meanwhile, infrastructure spending decelerated to 4.2% YoY in the period between January and August 2018.

Although retail sales and industrial production growth held their own amidst trade tensions that weighed on economic confidence, investments are yet to be spurred by recent fiscal and monetary policy measures. The fact that investments have not benefitted yet from stimuli is not surprising, as a visible impact is expected in 2018 Q4 at the earliest.

Vietnamese macroeconomic data were once again strong in August. Manufacturing output expanded 13.3%, exports rose 14.5%, while imports increased 11.5% (all in YoY YTD terms). As a result, the trade balance has turned into a surplus of USD 2.75bn since the beginning of the year. FDI disbursements remained solid and the Nielsen Vietnam Consumer Confidence Index remained robust. Inflation remained benign, as the headline CPI inflation measures was 3.52% YoY YTD.

LATIN AMERICA

MSCI Lat Am 2,436 *-0.74%*

Some Latin American markets lagged behind their developed peers, as the broad MSCI EM Latin America index declined 0.74% in USD. The Argentine and Brazilian indices weighed on the broad market index, as each fell 5.98% and 4.02% (in USD), respectively. Colombia delivered the strongest performance during the week rising 4.22%, followed by Mexico and Chile gaining 3.61% and 3.18% (all in USD), respectively.

Mexican industrial production increased 1.3% YoY in July, exceeding the median market estimate. The weakness in the July figure was primarily induced by mining, as mining activity was down 7% YoY, due to the contraction in oil output (-7.7% YoY). On the bright side, manufacturing increased 2.4% YoY, construction rose 4.5% YoY and utilities 4.1% YoY.

The Peruvian central bank kept its policy rate unchanged at 2.75%. The communication by the MPC remained broadly unchanged, as members agreed that inflation may converge to the 2% target, while inflation expectations remain anchored. The MPC added that although the economy has strengthened, economic activity has been running below potential. By pointing out that the output gap remained negative and is yet to close, the Council suggested that interest rates are unlikely to change in the coming quarters, in our view.

According to the latest political polls in Brazil, Jair Bolsonaro not only continued to lead polls, but gained further support, as he polled around 25%. Mr. Bolsonaro was followed by Mr. Gomes (13%) and Mrs. Silva (11%). Pro-business candidate Mr. Alckmin gained to 10%.

Mr. Alckmin can still improve, as he has the highest air time on TV and radio for political campaign. Should he be able to progress to the second round of elections, he is likely to win, in our view, as Mr. Bolsonaro's very high rejection rate constrains him from having a high probability for winning the second round.

The Argentine central bank kept the policy rate unchanged at 60% in line with broad market consensus. The MPC acknowledged that the higher interest rates will require a long(er) period of time to fully impact inflationary developments. Members continued to pledge not to change the policy rate at least until December. Overall, the MPC was rather hawkish, as it underlined that it remains vigilant and is ready to deliver further measures to curb FX market volatility.

AFRICA

MSCI Africa 766 +0.32%

Even though global market sentiment improved by the end of the week, not all African markets benefitted from it. The broad MSCI EFM Africa index went sideways, as it rose only 0.32% in USD terms. The Ghanaian market increased the most, as the index edged up 4.46% in USD. In contrast, the Nigerian, Egyptian and Kenyan indices underperformed by declining 6.2%, 3.74% and 3.67% (all in USD), respectively.

Egyptian inflation accelerated to 14.2% YoY in August vs. 13.5% YoY in July, due to the subsidy cuts carried out by the government in compliance with the IMF's programme.

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Meanwhile, core inflation edged up 0.3ppt to 8.8% YoY in August.

The acceleration of inflation was broadly in line with the median market expectation and will probably fade over the course of the next couple of quarters, as the economy adjusts. Higher inflation itself does not call for a higher policy rate, since forward-looking real interest rates remain strongly positive.

South African retail sales are among the first signs of proof that the economy might slowly recover after two consecutive quarters of contraction in 2018 Q1 and Q2. The volume of retail sales grew 1.3% YoY in July, while the June volume growth was revised up to 1.8% YoY. The recovery itself will probably take a long period of time, as the business confidence index continues to signal weakness in the broader macroeconomic environment.

Moody's has given the benefit of the doubt to South Africa by stating that there is little chance of the country losing its investment grade credit rating this year. The credit rating agency cited, however, that it is imperative for South Africa to bolster the frail economy (e.g. high unemployment rate at 27%) and to address budgetary leakages. Currently, Moody's is the only agency that recognises the country as investment grade (Baa3), as the agency assigns the lowest investment grade level with stable outlook to South Africa. In contrast, S&P and Fitch recognise the country as a non-investment grade economy.

Moody's granted some additional time for South Africa to stabilise its public finances and put a stop to the increasing gross public debt to GDP ratio, which rose to 53.1% of GDP by the end of 2017, from just below 28% in 2008. Unless the government delivers a comprehensive and credible package to tackle the fiscal issues, Moody's will most likely downgrade the country.

The precautionary credit line provided by the IMF to Kenya expired last week. The IMF's criteria for the renewal of the credit line were clear, with one of the key requirements being the imposition of a 16% VAT on fuel that ensures fiscal stability. However, in direct opposition, the Kenyan government decided to postpone the introduction of this tax. In a twist, the legislative body then failed to pass the law in a timely manner and therefore a previously enacted piece of legislation automatically imposed the levy. The Revenue Authority therefore started (temporarily) charging for the VAT in the middle of September.

As there are multiple layers to the developing story, we will focus only the most relevant one: the political context and its consequences for the economy and the budget.

The inability of the government to both follow instruction and pass legislation on time is a cause for concern for the business environment and could introduce further volatility into Kenyan asset prices. In terms of economic impact and budgetary consequences, the lack of revenue that will ultimately result from failing to impose VAT on fuel, will endanger fiscal discipline and imply that the deficit will widen. According to a senior official in the Finance Ministry, next fiscal year's budget deficit target of 4.3% of GDP is not subject to revision. In our opinion, the Kenyan government will need to deliver adjustments to the FY2019-20 budget to keep it sustainable.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
US Markit manufacturing PMI (SEP)	Fri/21	55.0
US Markit services PMI (SEP)	Fri/21	55.0
EUROPE		
Eurozone CPI (AUG) % YOY	Mon/17	2.0
UK CPI (AUG) % YOY	Wed/19	2.4
France GDP (Q2) % YOY	Fri/21	1.7
Eurozone Markit PMI (SEP)	Fri/21	54.5
ASIA PACIFIC		
Thailand interest rate %	Wed/19	1.5
Japan CPI (AUG) % YOY	Fri/21	1.1
LATIN AMERICA		
Brazil interest rate %	Wed/19	6.50
Argentina GDP (Q2) % YOY	Wed/19	-4.2
AFRICA		
South Africa interest rate %	Thu/20	6.50

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GLOBAL MARKET DATA (CONTD.)
10 TO 16 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	2,904.98	1.16%	0.12%	8.65%	16.40%		97%
RUSSELL 2000 INDEX	US	1,721.72	0.50%	-1.09%	12.13%	20.82%		88%
NASDAQ COMPOSITE INDEX	US	8,010.04	1.36%	-1.23%	16.03%	24.59%		101%
S&P/TSX COMPOSITE INDEX	Canada	16,013.49	0.56%	-1.38%	-5.10%	-1.24%	-1.21%	112%
S&P 500 CONS DISCRET IDX	US	928.73	1.18%	-0.05%	18.26%	29.73%		92%
S&P 500 CONS STAPLES IDX	US	560.42	0.63%	1.62%	-4.59%	-1.26%		91%
S&P 500 FINANCIALS INDEX	US	466.98	-0.35%	-0.50%	0.66%	13.94%		94%
S&P 500 HEALTH CARE IDX	US	1,078.92	1.02%	0.70%	12.82%	12.54%		90%
S&P 500 INFO TECH INDEX	US	1,311.93	1.83%	-1.15%	18.60%	29.65%		114%
S&P 500 ENERGY INDEX	US	545.87	2.05%	-0.31%	2.34%	12.20%		95%
S&P 500 ECO SECTORS IDX	US	2,904.98	1.16%	0.12%	8.65%	16.40%		97%
S&P 500 INDUSTRIALS IDX	US	661.90	1.87%	2.51%	3.78%	12.28%		88%
S&P 500 MATERIALS INDEX	US	371.61	0.57%	0.00%	-1.93%	5.72%		99%
S&P 500 REAL ESTATE IDX	US	206.22	0.16%	-1.07%	1.16%	1.16%		68%
S&P 500 TELECOM SERV IDX	US	158.55	2.89%	2.96%	-4.53%	3.65%		81%
S&P 500 UTILITIES INDEX	US	273.39	0.37%	1.37%	2.25%	-1.52%		90%
Europe								
Euro Stoxx 50 Pr	Europe	3,339.35	2.23%	-1.06%	-7.60%	-7.12%	-4.55%	95%
CAC 40 INDEX	France	5,343.13	2.59%	-0.64%	-2.47%	0.32%	0.75%	98%
DAX INDEX	Germany	12,056.12	2.05%	-1.58%	-9.14%	-5.32%	-6.14%	105%
Athex Composite Share Pr	Greece	682.20	-0.23%	-6.22%	-17.75%	-15.60%	-15.04%	105%
FTSE MIB INDEX	Italy	20,941.24	2.82%	3.42%	-7.48%	-8.20%	-4.43%	99%
AEX-Index	Netherlands	540.61	1.04%	-2.84%	-3.91%	0.00%	-0.74%	111%
PSI All-Share Index GR	Portugal	3,114.63	1.44%	-2.47%	1.62%	4.58%	4.97%	106%
MOEX Russia Index	Russia	2,361.37	4.24%	-0.26%	-5.43%	-2.83%	11.87%	136%
IBEX 35 INDEX	Spain	9,387.40	2.80%	0.01%	-9.73%	-11.48%	-6.76%	70%
OMX STOCKHOLM 30 INDEX	Sweden	1,638.14	1.55%	-0.23%	-6.22%	-8.76%	3.67%	82%
SWISS MARKET INDEX	Switzerland	8,938.79	1.70%	0.30%	-3.72%	-1.22%	-4.39%	91%
BIST 100 INDEX	Turkey	94,908.82	5.38%	9.40%	-49.46%	-51.06%	-17.84%	97%
FTSE 100 INDEX	UK	7,297.12	1.49%	-0.86%	-8.16%	-2.23%	-4.99%	92%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	648.44	0.71%	-2.65%	-9.11%	-3.21%	-9.11%	92%
S&P/ASX 200 INDEX	Australia	6,184.97	1.07%	-2.78%	-6.81%	-3.52%	1.65%	94%
DSE 30 Index	Bangladesh	1,903.49	-1.97%	-1.97%	-17.31%	-15.70%	-15.91%	
HANG SENG CHINA ENT INDX	China "H"	10,446.06	0.19%	-2.73%	-10.08%	-5.16%	-9.69%	97%
SHANGHAI SE COMPOSITE	China "A"	2,651.79	-0.96%	-2.09%	-23.23%	-24.18%	-18.91%	78%
HANG SENG INDEX	HK	26,930.35	1.20%	-2.13%	-9.20%	-2.20%	-8.80%	108%
Nifty 50	India	11,407.15	-0.57%	-2.90%	-2.95%	1.89%	9.35%	117%
JAKARTA COMPOSITE INDEX	Indonesia	5,815.97	2.54%	-1.20%	-14.34%	-9.07%	-6.68%	97%
NIKKEI 225	Japan	23,094.67	2.60%	0.16%	1.96%	15.26%	1.45%	112%
KOSPI 200 INDEX	Korea	295.23	2.08%	-1.31%	-12.55%	-3.80%	-8.45%	104%
Laos Composite Index	Laos	890.22	2.36%	2.24%	-11.70%	-15.00%	-9.55%	61%
FTSE Bursa Malaysia KLCI	Malaysia	1,803.76	0.58%	-1.42%	-1.48%	2.90%	0.39%	115%
KARACHI 100 INDEX	Pakistan	40,555.75	0.35%	-2.24%	-9.49%	-18.09%	1.11%	79%
PSEi - PHILIPPINE SE IDX	Philippines	7,413.56	-2.81%	-6.44%	-19.94%	-13.73%	-13.38%	88%
STRAITS TIMES INDEX STI	Singapore	3,136.94	1.24%	-1.71%	-9.61%	-3.56%	-7.10%	87%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,032.21	-2.47%	-2.20%	-11.22%	-11.74%	-5.31%	143%
TAIWAN TAIEX INDEX	Taiwan	10,828.61	0.25%	-2.04%	-1.61%	0.76%	2.12%	98%
STOCK EXCH OF THAI INDEX	Thailand	1,712.52	2.38%	0.41%	-2.11%	5.13%	-1.80%	120%
HO CHI MINH STOCK INDEX	Vietnam	987.65	2.55%	0.40%	-1.57%	20.24%	0.72%	103%
Rest of the World								
MSCI ACWI	MSCI World	519.46	1.27%	-0.65%	1.25%	7.30%	1.25%	117%
MSCI EM	MSCI EM	1,028.53	0.54%	-2.60%	-11.21%	-6.49%	-11.21%	118%
MSCI Fronter Market Index	MSCI FM	2,567.90	-0.64%	-3.00%	-14.07%	-10.14%	-14.07%	108%
DFM GENERAL INDEX	Dubai	2,745.62	-0.59%	-1.07%	-16.63%	-23.17%	-16.62%	204%
MSCI EM LATIN AMERICA	Latin America	2,435.50	-0.74%	-1.15%	-13.88%	-17.67%	-13.88%	117%
ARGENTINA MERVAL INDEX	Argentina	30,177.43	-5.98%	-2.55%	-52.96%	-45.56%	0.37%	69%
MSCI BRAZIL	Brazil	1,575.28	-4.02%	-2.71%	-22.13%	-25.48%	-22.13%	95%
S&P/CLX IPSA (CLP) TR	Chile	5,354.45	3.18%	0.87%	-13.74%	-5.70%	-3.78%	124%
IGBC GENERAL INDEX	Colombia	12,268.49	4.22%	1.03%	5.72%	5.70%	6.89%	
S&P/BMV IPC	Mexico	49,611.93	3.61%	1.96%	4.90%	-6.88%	0.52%	103%
Bolsa de Panama General	Panama	462.40	-1.41%	-1.70%	4.40%	7.40%	4.40%	17%
S&P/BVLPeruGeneralTRPEN	Peru	18,934.81	0.63%	-2.80%	-7.19%	2.59%	-5.20%	80%
MSCI EFM AFRICA	Africa	765.95	0.32%	-5.72%	-24.43%	-13.56%	-24.43%	114%
EGYPT HERMES INDEX	Egypt	1,415.52	-3.74%	-5.14%	1.29%	16.84%	2.03%	124%
GSE Composite Index	Ghana	2,757.22	4.46%	-0.56%	0.99%	10.08%	6.88%	434%
Nairobi SE 20 Share	Kenya	2,993.38	-3.67%	-6.79%	-17.56%	-20.03%	-19.36%	111%
MASI Free Float Index	Morocco	11,162.43	1.01%	-3.04%	-10.38%	-12.35%	-9.90%	80%
NIGERIA STCK EXC ALL SHR	Nigeria	32,327.59	-6.20%	-7.76%	-16.40%	-10.34%	-15.47%	74%
FTSE/JSE AFRICA TOP40 IX	South Africa	49,861.30	1.13%	-5.40%	-20.35%	-10.10%	-3.98%	114%
Global Style								
MSCI WORLD GROWTH INDEX	US	2,682.49	1.50%	-0.80%	8.25%	15.50%	8.25%	112%
MSCI WORLD VALUE INDEX	US	2,810.22	1.20%	0.01%	-2.27%	2.99%	-2.27%	96%
MSCI World Large Cap	US	1,329.06	1.35%	-0.37%	3.31%	9.46%	3.31%	99%
MSCI World Mid-Cap	US	1,404.95	1.39%	-0.59%	1.54%	8.18%	1.54%	105%
Average			0.76%	-1.22%	-6.49%	-2.30%	-5.39%	104%
Top 25%			2.07%	0.06%	1.21%	5.71%	0.84%	112%
Bottom 25%			0.17%	-2.57%	-12.13%	-10.24%	-10.23%	90%

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GLOBAL MARKET DATA (CONTD.)
10 TO 16 SEPTEMBER

FX (vs USD)			Return +ive=USD Stronger			
Name	**BBG Code**	**Price**	**1 Week**	**MTD**	**YTD**	**1Y**
DOLLAR INDEX SPOT	DXY Index	94.88	-0.46%	-0.22%	3.04%	3.04%
USD-EUR X-RATE	USDEUR Curncy	0.86	-0.68%	-0.42%	3.27%	2.09%
Russian Ruble SPOT (TOM)	USDRUB Curncy	68.16	-2.48%	0.88%	18.30%	18.36%
USD-TRY X-RATE	USDTRY Curncy	6.27	-3.60%	-6.58%	62.56%	78.88%
USD-GBP X-RATE	USDGBP Curncy	0.76	-1.11%	-0.88%	3.43%	2.40%
Bloomberg JPMorgan Asia Dollar	ADXY Index	104.44	0.02%	-0.53%	-4.78%	-3.53%
USD-AUD X-RATE	USDAUD Curncy	1.40	-0.73%	0.33%	9.05%	11.33%
USD-CNY X-RATE	USDCNY Curncy	6.87	0.20%	0.50%	5.63%	4.90%
USD-INR X-RATE	USDINR Curncy	72.46	-0.07%	1.52%	12.68%	12.05%
USD-JPY X-RATE	USDJPY Curncy	111.91	0.91%	0.85%	-0.50%	1.16%
USD-KRW X-RATE	USDKRW Curncy	1,126.80	-0.56%	0.38%	5.07%	-1.11%
USD-TWD X-RATE	USDTWD Curncy	30.80	-0.06%	0.28%	3.79%	2.20%
USD-ARS X-RATE	USDARS Curncy	39.94	7.67%	5.72%	113.38%	133.86%
USD-BRL X-RATE	USDBRL Curncy	4.17	2.37%	2.06%	26.13%	33.35%
USD-CLP X-RATE	USDCLP Curncy	686.75	-0.55%	0.72%	11.55%	10.04%
USD-MXN X-RATE	USDMXN Curncy	18.87	-2.22%	-1.79%	-4.18%	6.33%
USD-EGP X-RATE	USDEGP Curncy	17.91	0.08%	0.42%	0.71%	1.55%
USD-NGN X-RATE	USDNGN Curncy	364.00	1.25%	0.57%	1.11%	1.11%
USD-ZAR X-RATE	USDZAR Curncy	14.98	-1.88%	1.63%	20.55%	13.31%
Commodities			**Return (USD)**			
WTI CRUDE FUTURE Oct18	CLA Comdty	69.23	1.83%	-1.16%	17.49%	34.61%
BRENT CRUDE FUTR Nov18	COA Comdty	78.32	1.64%	0.58%	21.98%	41.83%
Baltic Dry Index	BDIY Comdty	1,366.00	-8.32%	-13.49%	0.00%	0.37%
Natural Gas Futures	NG1 Comdty	2.78	-0.32%	-5.11%	-6.30%	-9.87%
Gold Spot $/Oz	XAU Curncy	1,196.16	-0.08%	-0.41%	-8.50%	-9.79%
Silver Spot $/Oz	XAG Curncy	14.11	-0.34%	-2.93%	-17.30%	-20.25%
LME COPPER 3MO ($)	LMCADS03 Comdty	5,973.00	0.67%	-0.03%	-17.58%	-8.08%
Government Bond Yields %			**Change (percentage points)**			
US Generic Govt 2 Year Yield	USGG2YR Index	2.77	0.08	0.15	0.89	1.42
US Generic Govt 5 Year Yield	USGG5YR Index	2.89	0.08	0.17	0.70	1.13
US Generic Govt 10 Year Yield	USGG10YR Index	2.99	0.06	0.14	0.59	0.81
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.35	0.06	0.12	0.30	0.29
Mexico Generic 10 Year	GMXN10YR Index	8.03	-0.02	0.11	0.38	1.21
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.52	0.07	0.10	0.34	0.30
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.02	0.05	0.08	0.13	0.07
German Government Bonds 2 Yr B	GDBR2 Index	-0.54	0.01	0.07	0.09	0.18
German Government Bonds 5 Yr O	GDBR5 Index	-0.13	0.05	0.10	0.07	0.18
German Government Bonds 10 Yr	GDBR10 Index	0.45	0.06	0.12	0.02	0.04
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.76	0.05	0.09	-0.02	0.07
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.05	-0.20	-0.30	-0.01	-1.30
Italy Generic Govt 10Y Yield	GBTPGR10 Index	2.91	-0.05	-0.25	0.97	0.92
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.48	0.02	0.01	-0.08	-0.12
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.84	-0.05	-0.07	-0.09	-0.96
Australia Govt Bonds Generic Y	GACGB10 Index	2.62	0.05	0.08	-0.03	-0.12
India Govt Bond Generic Bid Yi	GIND10YR Index	8.15	0.10	0.18	0.80	1.54
KCMP South Korea Treasury Bond	GVSK10YR Index	2.31	0.05	0.00	-0.16	0.07
Japan Generic Govt 10Y Yield	GJGB10 Index	0.12	0.00	0.01	0.07	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	281.56	-8.51	-18.54	48.58	54.93
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	60.28	-4.56	-8.47	14.98	8.71
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	68.41	-7.57	-16.56	24.42	19.59
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	144.90	-17.59	-31.82	40.36	32.13
MARKIT CDX.NA.IG.30 06/23	IBOXUMAE CBIL Curncy	55.73	-4.09	-4.81	6.61	-0.61
MARKIT CDX.NA.HY.30 06/23	IBOXHYSE CBIL Curncy	317.15	-12.40	-13.30	12.94	-4.97
Implied Volatility (Equity Index)			**Change (Volatility Points) +ive = Volatility Rising**			
Eurostoxx 3month ATM	SX5E Index	13.06	-1.60	-0.79	-0.61	-0.03
FTSE 100 500 3month ATM	UKX Index	12.16	-0.64	-0.16	2.77	1.13
Hang Seng 3month ATM	HSI Index	17.81	-1.09	0.34	2.90	3.44
Nikkei 3month ATM	NKY Index	14.67	-0.49	1.01	-0.86	2.14
S&P 500 3month ATM	SPX Index	10.83	-1.72	-0.41	0.91	0.75
Volatility (VIX)	VIX Index	12.71	-2.81	-0.79	1.03	1.63
Inflation (Long term inflation expectation proxy) %			**Change (percentage points)**			
US 5Y5YF Inflation Swap		2.38	0.00	0.00	0.06	0.11
UK 5Y5YF Inflation Swap		3.45	0.02	0.04	-0.04	0.08
JPY 5Y5YF Inflation Swap		0.27	0.00	0.00	-0.13	0.03
EUR 5Y5YF Inflation Swap		1.69	0.00	-0.02	-0.03	0.07
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-10.00				
Citi Economic Surprise Index -	CESICNY Index	-21.70				
Citi Economic Surprise Index -	CESIEM Index	-10.60				
Citi Economic Surprise Index -	CESIEUR Index	-13.60				
Citi Economic Surprise Index -	CESIG10 Index	-3.00				
Citi Economic Surprise - Japan	CESIJPY Index	2.80				
Citi Economic Surprise Index -	CESILTAM Index	0.40				
Citi Economic Surprise - Unite	CESIUSD Index	-8.50				

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