

# GLOBAL MARKET UPDATE



## 15 - 21 OCTOBER: POLITICS MAY CONTINUE TO TRUMP ECONOMICS THIS WEEK

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Denmark <b>1.92%</b> , Switzerland <b>1.85%</b> , Netherlands <b>1.34%</b>
	Bottom 3:	Ireland <b>-2.02%</b> , Italy <b>-1.28%</b> , Japan <b>-1.12%</b>
EMERGING	Top 3:	Turkey <b>4.51%</b> , Qatar <b>3.31%</b> , Egypt <b>3.26%</b>
	Bottom 3:	China "A" <b>-2.27%</b> , South Africa <b>-1.86%</b> , Mexico <b>-1.68%</b>
FRONTIER	Top 3:	Kazakhstan <b>2.10%</b> , Romania <b>2.02%</b> , Lithuania <b>1.29%</b>
	Bottom 3:	Argentina <b>-3.61%</b> , Sri Lanka <b>-2.06%</b> , Slovenia <b>-1.80%</b>

Due to the light economic diary in the US and the lack of protectionist rhetoric by the President of the United States, risk assets attempted to recover at the beginning of the week. Indeed, idiosyncratic issues within the EM universe have finally started to fade; crisis management in Argentina continuing, the Turkish central bank maintaining higher interest rates, political risks gradually dissipating in Brazil, and South Africa expressing its commitment to stabilising the country's public finances.

Even though China was not labelled as 'currency manipulator' by the US Treasury, sentiment in Asian markets remained gloomy, as the never-ending themes of tightening USD liquidity and trade wars hindered the recuperation of risk assets. Continued risk-aversion on the global scene impacted some of the Latin American and African markets as well. **Unless international political tensions fade, global market sentiment is unlikely to significantly improve, which could keep financial markets choppy, in our view.**

Developed markets will focus on Eurozone PMI indicators at the beginning of this week and will shift their attention to the European Central Bank's press conference on Thursday during which the monetary authority will almost surely announce that policy rates remain unchanged. Finally, the flash estimate of Q3 GDP growth in the US bears the potential to spur markets to reprice risk assets, again.

In Asia, the Indonesian central bank will hold a monetary policy meeting. Lately, the MPC has sent signals that they might put the tightening cycle on hold. At the end of the week, China releases industrial profits that might shed further light on how companies fare in the world of trade wars. Latin America will continue to focus on Brazilian elections (28th October) and crisis management in Argentina. Everything else, including the monetary policy meeting of the Colombian central bank will be of secondary importance. African markets eagerly await the release of the budget proposal by the South African government (24th October), which should be solid enough to convince Moody's not to worsen the country's credit rating or its outlook.

## UNITED STATES

S&P 2,768 +0.02%, 10yr Treasury 3.20% +3.08bps, HY Credit Index 366 +5bps, Vix 19.89 -1.42Vol

The performance of the S&P500 was flat, while the Russell 2000 and the Nasdaq Composite underperformed, as they decreased 0.3% and 0.6%, respectively. The sectoral breakdown reveals that market players favoured consumer staples (+4.3%) and utilities (+3.1%), while consumer discretionary (-2%) and energy firms (-2%) struggled. During the week, US Treasury yields slightly rose, while the degree of steepness remained broadly unchanged, as the 2s10s spread was ca. 30bp. The USD gained momentum, as the broad DXY index rose 0.5%, which brings the year-to-date gain of the DXY to 3.9%.

**Although US retail sales volume rose only 0.1% MoM in September, it is cause for no concern**, as volatile components weighed on the sector's prospects. The softness in sales at food service places and at gas stations was probably driven by adverse weather conditions, that should prove transitional.

**Industrial production in the US expanded 0.3% MoM in September.** Industrial output growth was boosted mainly by motor vehicles. Domestic demand for industrial products was solid. Capacity utilisation was unchanged at 78.1%, remaining below the peak in the last cycle of 81.1%.

*Reports on retail sales and industrial output confirm that the US economy will have had a strong performance in 2018. High-frequency data suggest that economic growth has probably exceeded its potential this year, which implies that it might decelerate to some extent in 2019 – especially if economic policy stimulus is withdrawn.*

**The tone of the Fed's September minutes turned more hawkish**, as FOMC members not only agreed on the continuation of rate hikes going forward but argued that **interest rates in real terms need to become restrictive over time**. The majority of the Committee members called for the removal of the term 'accommodative' from the minutes, since – in their view – the phrase no longer provides 'useful forward guidance.' From a macroeconomic point of view, the FOMC see risks to the economic outlook as balanced.

*The fact that the FOMC sees the balance of risks even, implies that decisionmakers see no meaningful risks stemming from domestic developments or emerging markets that could weaken the case for further rate hikes. Consequently, members see sufficient room for tightening in the coming quarters. Fed funds futures do not fully agree with the number of rate hikes implied by the latest 'dot plot,' as markets foresee the Fed funds rate in the range between 2.75-3.00% vs. the FOMC's median forecast of 3.00-3.25%. Although rates markets were unfazed, Treasury markets were caught somewhat off-guard, as the yield on the 10-year US Treasury rose in response to the release of the document and broke through the 3.20% threshold again, while inflation expectations sharply fell – signalling higher real interest rates. We remain of the view that the FOMC might not be able lift the Fed funds rate above 3%, unless PCE inflation continues to hover above 2%.*

## EUROPE

Eurostoxx 3,241 +0.14%, German Bund 0.48% -3.80bps, Xover Credit Index 291 -1bps, USDEUR .866 +0.37%

Due to political tensions related to Brexit negotiations, to the Italian budget discussions, and speculations about the ECB's exit from the asset purchase programme, market players in the Eurozone remained averse to risk. As a result, the major stock indices in the big-four economies decreased (in USD terms), as capital flows sought safe haven in sovereign debt markets. The German Bund returned below the 0.5% mark, as it finished the week at 0.46%, while Italian risk premium remained extremely elevated, above 300bp.

**The UK and the EU failed to come to an agreement over the UK's departure during the week.** According to UK Prime Minister May, the transition period might be extended by months to resolve the political deadlock between the EU and the UK.

**CPI inflation in the UK slipped to 2.4% YoY in September** vs. 2.7% YoY in August. The main driving force for the downward adjustment came from transport, food and recreation and culture prices. Meanwhile, core inflation eased from 2.1% to 1.9% YoY. Both measures undershot Bloomberg consensus.

*It remains unclear when the Bank of England could deliver the next rate hike to scale back monetary stimulus. One thing is certain: once the unpredictability posed by Brexit fades, the trajectory of future rate hikes will become clearer. Currently, the market sees about 50% probability of a 25bp hike as early as May, when the policy rate could rise to 1%.*

**The ECB's Chief Economist, Peter Praet argued that the equilibrium real interest rates in the Euro Area have fallen to a very low level**, due to the ageing of population and slow productivity growth. Mr. Praet refrained from pinpointing an estimate for the equilibrium real rate.

*The implications of Mr. Praet claim are twofold: the ECB might not be in a hurry to kick-start the rate hike cycle anytime soon, and the trajectory of hikes will be shallow with a relatively low terminal nominal interest rate. Currently, markets see about 77% probability of a rate hike as early as December 2019.*

**The National Bank of Hungary left the policy rate unchanged at 0.90%** and the overnight deposit rate at -0.15%. According to forward guidance by the MPC, rates may not lift off before the middle of 2019, or even later, depending on inflationary dynamics.

## ASIA PACIFIC

HSCEI 10,519 -0.81%, Nikkei 22,614.82 -1.12%, 10yr JGB 0.16% 0bps, USDJPY 112.720 +0.41%

Asian markets had a challenging week, again. The MSCI Asia Pacific (ex. Japan) index lost 1.1% in USD, as the majority of Asian markets finished the week down. Chinese 'A' shares were among the worst performers, as the

Shanghai Composite index decreased 2.3% in USD. The continent's second largest economy, India, had a difficult week as well as its broad market index, the Nifty50, decreased 1.3% in USD. The Philippines and Indonesia gained (in USD) during the week, as both markets bounced after several weeks of continuous underperformance vs. the broader market.

**Japanese exports in seasonally-adjusted real terms shrank 4.6% MoM in September** and 2.7% QoQ in 2018 Q3. Real imports decreased 0.7% MoM SA, while rising 0.8% QoQ in Q3. Foreign trade dynamics were primarily disrupted by the adverse impact of natural disasters, including Typhoon Jebi and an earthquake in Hokkaido. Details revealed that international trade negotiations and tensions have not weighed on the volume of Japanese foreign trade until September, yet.

**Chinese real GDP growth slowed 0.2ppt to 6.5% YoY (1.6% QoQ) in 2018 Q3**, undershooting Bloomberg consensus of 6.6% YoY. In the first three quarters of 2018, the Chinese economy grew 6.7% YoY. The government's GDP growth target for this year 'around 6.5%' remains within reach.

*The Q3 release showed some signs of weakness, which was broadly expected, and that weakness might spread into Q4 to some extent. Economic policy measures carried out by the Chinese authorities to stimulate growth will impact the economy in 2018 Q4 or 2019 Q1 at the earliest, which will offset the prevailing deceleration.*

**Chinese M2 money supply growth slightly strengthened, to 8.3% YoY in September** in tandem with M1 growth, which rose to 4% YoY. The firm money supply growth in September could be the first sign of the spurring effect of looser monetary conditions within the Chinese domestic economy.

Despite fears that inflation in China might strongly tick up, due to recent policy measures that were delivered to bolster the domestic economy, inflation remained contained in September. **Consumer price inflation (CPI) was 2.5% YoY (0.7% MoM)**, matching Bloomberg consensus. Food prices (2.4% MoM) were the primary drivers of accelerating CPI inflation, while, non-food prices increased 0.3% MoM. On average, CPI inflation was 2.3% YoY in 2018 Q3 vs. 2% YoY in 2018 H1. **Producer price inflation (PPI) slowed to 3.6% YoY in September.** On average, PPI inflation was 4.1% YoY in 2018 Q3 vs. 3.9% YoY in H1.

*The Chinese central bank's inflation target is 'around 3%', which is currently undershot by actual inflation. As long as CPI inflation is benign and below target, there is room for the sustenance of - monetary - policy support without endangering price stability, which - in theory - should also remove some pressure from the Chinese FX market. For the time being, inflation does not call for withdrawing monetary policy stimulus.*

**The trade deficit in India narrowed to USD 14bn in September**, as imports growth faltered to 10.5% YoY, while exports contracted 2.2% YoY. In seasonally-adjusted terms, imports shrank by a greater extent than exports, as they decreased 7% MoM and 3% MoM, respectively. Since the detailed breakdown of trade data is not available yet, it is not clear whether the government's measure to curb

imports contributed to the reduction of the foreign trade deficit in a meaningful manner.

**The central bank of South Korea kept the policy rate on hold at 1.50%.** The median of the survey conducted by Bloomberg also expected no rate change. A large number of participants, however, foresaw a 25bp hike at this meeting. According to the Governor, Korean economic growth has reached its potential, while financial imbalance risks will need to be considered more seriously going forward. The statement released by the MPC strengthened the case for a hike as well, as it expressed that the time for adjusting the accommodative monetary policy stance may be close.

**Cash remittances from abroad to the Philippines amounted to USD 2.5bn in August**, implying a 0.9% YoY decrease. From the beginning of 2018, the cumulative amount of remittances reached USD 19.1bn, 2.5% higher than a year ago.

## LATIN AMERICA

MSCI Lat Am 2,702 **+1.61%**

Latin American markets delivered a mixed performance during the week. The Brazilian stock index (3.5% in USD) continued to enjoy the improved domestic market sentiment, as polls confirmed that a pro-business candidate is likely to win the second round of presidential elections on 28th October. The Colombian market gained as well, since the country's broad stock index increased 1.9% in USD. Others, such as Argentina struggled, as the Argentine benchmark lost 3.6% of its value in USD.

**The minutes from the October MPC meeting in Mexico revealed that the Committee welcomed the announcement of USMCA.** According to the majority of the members, USMCA may provide clarity and help reduce market risk premium. However, a lack of visibility with respect to public finances calls for current nominal interest rates to be held steady.

*In our view, the MPC remains divided on the appropriate monetary policy stance and measures, due to the great degree of uncertainty around the exchange rate that could translate into elevated inflation.*

**The Chilean central bank hiked the policy rate 25bp to 2.75%**, in line with the median expectation in Bloomberg's survey. The MPC downplayed the recent slowdown in mining activity as well as slightly slower-than-expected inflation in September. The statement noted that the rest of the sectors, excluding mining, have evolved in line with expectations. The MPC highlighted that prices sensitive to the output gap have increased in a sustainable manner. Meanwhile, inflation expectations remain anchored, around the 3% midpoint target.

*The tone of the statement was only slightly hawkish, as a result, another 25bp hike to 3% at the next MPC meeting, which is the last one this year, is not a done deal just yet. The MPC will likely be data dependent, i.e. any further acceleration in core inflation could trigger a hike in Q4.*

According to the latest polls, **Jair Bolsonaro (PSL) leads**

**the Brazilian presidential race with 59% of votes**, while Fernando Haddad (PT) has 41%. Mr. Bolsonaro is rejected by 41% of the electorate, while Fernando Haddad is rejected by 54%. The second round of elections is held on the 28th October.

*Brazilian asset prices should continue to benefit from developments on the political front, as Mr. Bolsonaro's agenda is rather market- and business-friendly as opposed to Mr. Haddad's interventionist approach. Now, we see that the willingness to reform of the incoming President is there. the question is whether Mr. Bolsonaro possesses the political capital and ability to deliver.*

**A wide variety of high-frequency indicators in August implied underlying strength in the Colombian economy.**

Retail sales grew 5.5% YoY, while manufacturing production grew 3.9% YoY. Both indicators accelerated compared to the annual figures observed in July. Meanwhile, the foreign trade deficit was USD 765mn, in line with the Bloomberg consensus. The deficit in August was slightly smaller than the USD 810mn deficit a year ago. The rolling 12-month trade deficit at USD 5bn remained stable since May, as a larger non-energy deficit has been offset by a rising energy surplus.

**Argentine consumer price inflation rose 6.5% MoM or 40.5% YoY in September**, due to a weaker currency and regulated price hikes. The core measure reached a new peak as well, since it hit 38.9% YoY.

**AFRICA**

MSCI Africa 726 **-2.15%**

Despite the bad performance of the broad MSCI EFM Africa index (-2.2% in USD) and the South African stock market index (-1.9% in USD), other markets in Africa were not impacted by the bad sentiment plaguing the continent's largest economy. Egypt visibly outperformed its peers, as the country's stock index gained 3.3% in USD during the week.

**Credit rating agency Moody's released a short statement on South Africa** claiming that the successful implementation of structural reforms to raise potential growth as well as to stabilise public finances could lead to an improved credit rating. The statement emphasised that the restructuring of state-owned enterprises is one of the cornerstones that are required for a better credit rating. Moody's is the only credit rating agency that rates South Africa in the investment grade category (Baa3 rating) with stable outlook.

**Nigeria's government plans to reduce the budget deficit by 5.2% in 2019**, to NGN 8.65tn (about USD 23.7bn). The draft awaits approval by Parliament. The document projects inflation to slow to 10% and real GDP growth to accelerate to 3% in 2019. The government's forecast is more optimistic than the IMF, as the IMF foresees real GDP growth at 2.3% and inflation at 13.5% next year. In a separate event, the Nigerian Senate approved the issuance of Eurobonds worth ca. USD 2.79bn.

**The Moroccan government announced that the annual budget deficit will be 3.3% of GDP in 2019**, 0.5ppt lower

than the expectation for the deficit in 2018. Economic growth is projected to slow from this year's 3.6% to 3.2% next year.

**Morocco's trade deficit widened to MAD 152.2bn (about USD 16bn) in the period between January and September 2018.** The year-to-date deficit was 8.2% higher than a year ago. Oil import bills were among the main contributors to a wider trade deficit, as the value of energy imports rose 19.4% YoY, to MAD 60.5bn. Remittances from abroad to Morocco virtually stagnated at MAD 49.7bn, while tourism receipts shrank 1.1% YoY, to MAD 54.8bn. Value of foreign direct investments decreased 3.2% YoY, to MAD 19bn.

Egyptian international reserves stood at USD 44.5bn at the end of September, which is sufficient to cover imports for 9 months.

**THE WEEK AHEAD**

	Date	Consensus
<b>UNITED STATES</b>		
US manufacturing PMI (OCT)	Wed/24	55.5
US GDP (Q3) annualized % QOQ	Fri/26	3.3
Michigan consumer sentiment (OCT)	Fri/26	99.0
<b>EUROPE</b>		
Eurozone manufacturing PMI (OCT)	Wed/24	53.0
ECB interest rate %	Thu/25	0.0
Sweden interest rate %	Thu/25	-0.5
Turkey interest rate %	Thu/25	24.0
Russia interest rate %	Fri/26	7.5
<b>ASIA PACIFIC</b>		
Indonesia interest rate %	Tue/23	5.75
South Korea GDP (Q3) % YOY	Thu/25	2.2
<b>LATIN AMERICA</b>		
Colombia interest rate %	Fri/26	4.25

# GLOBAL MARKET DATA (CONTD.)

## 15 - 21 OCTOBER

Market Summary			Data: Last Calendar Week					YTD (Local)	Volume 1wk/3mo
Equities			Return (USD)						
Name	Country	Price	1 Week	MTD	YTD	1Y			
<b>North America</b>									
S&P 500 INDEX	US	2,767.78	0.02%	-5.02%	3.52%	8.03%		107%	
RUSSELL 2000 INDEX	US	1,542.04	-0.30%	-9.11%	0.43%	2.66%		100%	
NASDAQ COMPOSITE INDEX	US	7,449.03	-0.64%	-7.42%	7.90%	12.78%		107%	
S&P/TSX COMPOSITE INDEX	Canada	15,470.10	-0.18%	-5.04%	-8.83%	-6.98%	-4.56%	119%	
S&P 500 CONS DISCRET IDX	US	848.51	-1.97%	-9.56%	8.05%	16.95%		89%	
S&P 500 CONS STAPLES IDX	US	562.26	4.27%	1.32%	-4.28%	1.08%		106%	
S&P 500 FINANCIALS INDEX	US	442.52	0.77%	-3.42%	-4.62%	1.27%		126%	
S&P 500 HEALTH CARE IDX	US	1,058.82	0.45%	-3.86%	10.72%	9.24%		109%	
S&P 500 INFO TECH INDEX	US	1,228.63	-1.17%	-7.07%	11.07%	16.99%		90%	
S&P 500 ENERGY INDEX	US	530.02	-1.94%	-5.51%	-0.64%	5.81%		102%	
S&P 500 ECO SECTORS IDX	US	2,767.78	0.02%	-5.02%	3.52%	8.03%		107%	
S&P 500 INDUSTRIALS IDX	US	615.16	-1.02%	-6.66%	-3.55%	0.29%		115%	
S&P 500 MATERIALS INDEX	US	332.92	-1.35%	-8.32%	-12.14%	-8.73%		103%	
S&P 500 REAL ESTATE IDX	US	196.77	3.22%	-2.52%	-3.48%	-2.74%		84%	
S&P 500 COMM SVC	US	153.20	0.72%	-4.58%	-7.75%	-0.80%		203%	
S&P 500 UTILITIES INDEX	US	276.99	3.05%	3.63%	3.60%	-0.35%		92%	
<b>Europe</b>									
Euro Stoxx 50 Pr	Europe	3,241.03	0.14%	-6.31%	-12.19%	-13.23%	-8.37%	108%	
CAC 40 INDEX	France	5,130.58	-0.59%	-8.19%	-8.29%	-7.80%	-4.29%	121%	
DAX INDEX	Germany	11,669.15	-0.11%	-6.42%	-14.29%	-13.42%	-10.56%	104%	
Athex Composite Share Pr	Greece	624.81	-0.93%	-10.40%	-25.38%	-18.52%	-22.13%	64%	
FTSE MIB INDEX	Italy	19,456.34	-1.28%	-8.62%	-16.34%	-16.09%	-12.69%	104%	
AEX-Index	Netherlands	527.41	1.34%	-5.22%	-7.59%	-6.13%	-3.56%	115%	
PSI All-Share Index GR	Portugal	2,990.35	0.15%	-6.65%	-3.99%	-3.10%	0.20%	115%	
MOEX Russia Index	Russia	2,356.91	-1.13%	-5.16%	-2.19%	-0.80%	11.14%	103%	
IBEX 35 INDEX	Spain	9,006.30	-0.48%	-6.06%	-15.16%	-15.12%	-11.47%	130%	
OMX STOCKHOLM 30 INDEX	Sweden	1,536.25	-0.55%	-8.97%	-11.60%	-15.72%	-2.87%	167%	
SWISS MARKET INDEX	Switzerland	8,924.87	1.85%	-4.37%	-7.63%	-5.96%	-5.43%	120%	
BIST 100 INDEX	Turkey	97,065.64	4.51%	3.82%	-44.08%	-42.54%	-16.37%	106%	
FTSE 100 INDEX	UK	7,078.59	0.10%	-5.94%	-11.38%	-6.95%	-8.30%	98%	
<b>Asia Pacific</b>									
MSCI AC ASIA x JAPAN	MSCI Asia Ex	595.46	-1.14%	-9.14%	-16.54%	-12.94%	-16.54%	96%	
S&P/ASX 200 INDEX	Australia	5,904.94	0.98%	-5.76%	-10.67%	-8.85%	-2.07%	97%	
DSE 30 Index	Bangladesh	1,867.47	-1.64%	0.35%	-18.37%	-14.79%	-16.96%		
HANG SENG CHINA ENT INDX	China "H"	10,519.23	-0.81%	-7.40%	-13.02%	-10.44%	-12.70%	103%	
SHANGHAI SE COMPOSITE	China "A"	2,654.88	-2.27%	-10.39%	-27.59%	-27.95%	-22.88%	101%	
HANG SENG INDEX	HK	26,148.03	-1.00%	-8.19%	-14.87%	-9.67%	-14.57%	102%	
Nifty 50	India	10,353.45	-1.30%	-6.87%	-14.93%	-10.03%	-2.16%	99%	
JAKARTA COMPOSITE INDEX	Indonesia	5,849.03	1.59%	-4.00%	-17.73%	-12.02%	-8.16%	99%	
NIKKEI 225	Japan	22,614.82	-1.12%	-5.71%	-0.91%	5.15%	-1.02%	95%	
KOSPI 200 INDEX	Korea	279.40	-0.03%	-9.02%	-18.73%	-14.61%	-14.20%	83%	
Laos Composite Index	Laos	839.55	0.60%	-4.53%	-18.18%	-20.69%	-15.91%	86%	
FTSE Bursa Malaysia KLCI	Malaysia	1,726.59	0.12%	-3.86%	-5.84%	0.89%	-3.60%	92%	
KARACHI 100 INDEX	Pakistan	38,684.12	0.23%	-13.44%	-21.39%	-26.93%	-5.04%	113%	
PSEi - PHILIPPINE SE IDX	Philippines	7,236.16	2.82%	-1.28%	-22.26%	-19.35%	-16.44%	79%	
STRAITS TIMES INDEX STI	Singapore	3,071.74	-0.12%	-6.67%	-12.64%	-9.48%	-10.00%	109%	
SRI LANKA COLOMBO ALL SH	Sri Lanka	5,768.95	-2.06%	-3.24%	-19.15%	-21.37%	-9.55%	125%	
TAIWAN TAIEX INDEX	Taiwan	9,974.28	-1.29%	-11.12%	-10.55%	-9.80%	-6.80%	93%	
STOCK EXCH OF THAI INDEX	Thailand	1,664.30	-1.08%	-5.82%	-4.91%	0.74%	-4.89%	87%	
HO CHI MINH STOCK INDEX	Vietnam	958.56	-1.25%	-5.87%	-5.26%	12.55%	-2.63%	74%	
<b>Rest of the World</b>									
MSCI ACWI	MSCI World	494.05	-0.14%	-5.76%	-3.70%	-0.34%	-3.70%	102%	
MSCI EM	MSCI EM	971.47	-0.88%	-7.29%	-16.14%	-13.02%	-16.14%	101%	
MSCI Frontier Market Index	MSCI FM	2,504.70	0.34%	-3.54%	-16.18%	-13.47%	-16.18%	98%	
DFM GENERAL INDEX	Dubai	2,761.50	0.09%	-2.72%	-18.17%	-24.91%	-18.17%	134%	
MSCI EM LATIN AMERICA	Latin America	2,702.34	1.61%	4.88%	-4.45%	-8.28%	-4.45%	84%	
ARGENTINA MERVAL INDEX	Argentina	28,673.28	-3.61%	-3.63%	-51.39%	-49.08%	-4.63%	54%	
MSCI BRAZIL	Brazil	1,970.70	3.52%	13.95%	-2.58%	-7.56%	-2.58%	112%	
S&P/CLX IPSA (CLP) TR	Chile	5,118.74	-0.73%	-6.29%	-16.76%	-14.01%	-8.01%	66%	
IGBC GENERAL INDEX	Colombia	12,512.56	1.88%	-3.42%	5.61%	8.23%	9.01%		
S&P/BMV IPC	Mexico	47,437.45	-1.68%	-6.87%	-1.72%	-7.23%	-3.88%	105%	
Bolsa de Panama General	Panama	459.88	-0.16%	0.14%	3.83%	4.73%	3.83%	39%	
S&P/BVLPeruGeneralTRPEN	Peru	18,895.09	-1.65%	-4.28%	-7.93%	-6.36%	-5.40%	118%	
MSCI EFM AFRICA	Africa	726.12	-2.15%	-7.84%	-28.36%	-18.74%	-28.36%	106%	
EGYPT HERMES INDEX	Egypt	1,287.26	3.26%	-6.81%	-10.55%	-2.39%	-9.87%	84%	
GSE Composite Index	Ghana	2,864.41	0.89%	2.23%	4.16%	12.54%	11.04%	11%	
Nairobi SE 20 Share	Kenya	2,807.12	-0.15%	-2.57%	-22.73%	-18.83%	-24.38%	155%	
MASI Free Float Index	Morocco	11,119.06	-0.33%	-2.19%	-11.43%	-10.56%	-10.25%	96%	
NIGERIA STCK EXC ALL SHR	Nigeria	32,841.69	0.91%	0.40%	-15.07%	-11.49%	-14.12%	81%	
FTSE/JSE AFRICA TOP40 IX	South Africa	46,270.82	-1.86%	-8.89%	-24.89%	-16.11%	-12.64%	100%	
<b>Global Style</b>									
MSCI WORLD GROWTH INDEX	US	2,509.93	-0.71%	-7.27%	1.29%	5.65%	1.29%	110%	
MSCI WORLD VALUE INDEX	US	2,723.50	0.63%	-3.76%	-5.29%	-2.85%	-5.29%	104%	
MSCI World Large Cap	US	1,272.01	0.01%	-5.21%	-1.12%	2.18%	-1.12%	104%	
MSCI World Mid-Cap	US	1,302.17	-0.38%	-7.34%	-5.88%	-2.12%	-5.88%	108%	
<b>Average</b>			-0.04%	-4.91%	-10.28%	-7.59%	-8.54%	101%	
<b>Top 25%</b>			0.66%	-3.48%	-3.51%	0.52%	-3.67%	109%	
<b>Bottom 25%</b>			-1.13%	-7.35%	-16.44%	-14.31%	-14.29%	92%	

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# GLOBAL MARKET DATA (CONTD.)

## 15 - 21 OCTOBER

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DX Index	95.50	0.52%	0.61%	3.90%	2.62%
USD-EUR X-RATE	USDEUR Curncy	0.87	0.37%	0.82%	4.35%	2.72%
Russian Ruble SPOT (TOM)	USDRUB Curncy	65.25	-1.31%	-0.12%	13.63%	14.04%
USD-TRY X-RATE	USDTRY Curncy	5.62	-4.51%	-7.06%	49.56%	54.81%
USD-GBP X-RATE	USDGBP Curncy	0.76	0.67%	-0.22%	3.46%	0.70%
Bloomberg JPMorgan Asia Dollar	ADXY Index	103.82	0.03%	-0.92%	-5.41%	-3.62%
USD-AUD X-RATE	USDAUD Curncy	1.40	-0.26%	1.53%	9.62%	10.52%
USD-CNY X-RATE	USDCNY Curncy	6.93	0.11%	0.88%	6.50%	5.03%
USD-INR X-RATE	USDINR Curncy	73.29	-0.31%	1.22%	15.01%	12.87%
USD-JPY X-RATE	USDJPY Curncy	112.72	0.41%	-0.93%	-0.12%	-0.10%
USD-KRW X-RATE	USDKRW Curncy	1,128.59	-0.23%	1.91%	5.97%	-0.05%
USD-TWD X-RATE	USDTWD Curncy	30.91	0.03%	1.40%	4.19%	2.20%
USD-ARS X-RATE	USDARS Curncy	36.54	0.51%	-11.08%	96.20%	110.07%
USD-BRL X-RATE	USDBRL Curncy	3.71	-1.79%	-7.62%	12.16%	17.01%
USD-CLP X-RATE	USDCLP Curncy	679.75	0.22%	3.38%	10.51%	8.68%
USD-MXN X-RATE	USDMXN Curncy	19.23	1.70%	2.89%	-2.20%	2.27%
USD-EGP X-RATE	USDEGP Curncy	17.91	-0.08%	0.60%	0.78%	1.51%
USD-NGN X-RATE	USDNGN Curncy	364.00	0.28%	-0.17%	1.11%	1.25%
USD-ZAR X-RATE	USDZAR Curncy	14.27	-1.07%	1.72%	16.32%	6.18%
Commodities			Return (USD)			
WTI CRUDE FUTURE Nov18	CLA Comdty	69.65	-3.11%	-5.64%	18.40%	34.45%
BRENT CRUDE FUTR Dec18	COA Comdty	80.35	-0.81%	-3.57%	25.36%	43.93%
Baltic Dry Index	BDIY Comdty	1,576.00	-0.19%	2.34%	15.37%	-0.38%
Natural Gas Futures	NGI Comdty	3.20	2.82%	8.05%	10.06%	13.12%
Gold Spot \$/Oz	XAU Curncy	1,227.29	0.61%	2.93%	-6.03%	-4.68%
Silver Spot \$/Oz	XAG Curncy	14.68	0.24%	-0.28%	-14.18%	-15.03%
LME COPPER 3MO (\$)	LMCADSO3 Comdty	6,220.00	-1.30%	-0.61%	-14.17%	-10.72%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.91	0.05	0.09	1.02	1.37
US Generic Govt 5 Year Yield	USGG5YR Index	3.05	0.03	0.09	0.84	1.09
US Generic Govt 10 Year Yield	USGG10YR Index	3.20	0.03	0.13	0.79	0.87
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.50	0.00	0.07	0.46	0.49
Mexico Generic 10 Year	GMXN10YR Index	8.22	0.09	0.28	0.57	1.16
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.58	-0.06	0.00	0.39	0.30
Switzerland Govt Bonds 10 Year	GSWISS10 Index	0.04	-0.06	-0.02	0.17	0.09
German Government Bonds 2 Yr B	GDBR2 Index	-0.58	-0.02	-0.06	0.05	0.15
German Government Bonds 5 Yr O	GDBR5 Index	-0.12	-0.03	-0.04	0.08	0.18
German Government Bonds 10 Yr	GDBR10 Index	0.48	-0.04	-0.01	0.03	0.07
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.83	-0.03	0.03	0.06	0.03
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.24	-0.05	0.18	0.26	-1.18
Italy Generic Govt 10Y Yield	GBTGRI10 Index	3.35	-0.09	0.34	1.47	1.45
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.67	0.06	0.24	0.17	0.10
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.96	-0.02	0.14	0.08	-0.29
Australia Govt Bonds Generic Y	GACGB10 Index	2.70	-0.07	0.01	0.05	-0.08
India Govt Bond Generic Bid Yi	GIND10YR Index	7.91	-0.06	-0.10	0.60	1.16
KCMP South Korea Treasury Bond	GVSK10YR Index	2.32	-0.08	-0.03	-0.15	-0.10
Japan Generic Govt 10Y Yield	GJGB10 Index	0.16	0.00	0.02	0.10	0.08
South Africa Govt Bonds 10 Yea	GSAB10YR Index	8.72				
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/23	ITRXEXE CBIL Curncy	291.04	1.46	21.31	62.84	49.57
MARKIT ITRX EUROPE 12/23	ITRXEBE CBIL Curncy	72.92	-0.25	5.10	28.92	17.73
MARKIT ITRX EUR SNR FIN 12/23	ITRXESE CBIL Curncy	89.69	0.75	9.66	49.57	33.00
MARKIT ITRX EUR SUB FIN 12/23	ITRXEUE CBIL Curncy	180.62	-0.29	16.88	82.75	51.38
MARKIT CDX.NA.IG.31 12/23	IBOXUMAE CBIL Curncy	67.45	1.72	7.10	17.77	12.91
MARKIT CDX.NA.HY.31 12/23	IBOXHYSE CBIL Curncy	365.85	5.04	30.28	57.08	48.46
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	15.59	-0.96	2.53	1.93	3.95
FTSE 100 500 3month ATM	UKX Index	13.96	-0.70	2.38	4.57	5.23
Hang Seng 3month ATM	HSI Index	20.83	0.05	3.14	5.92	6.29
Nikkei 3month ATM	NKY Index	18.16	-0.35	3.03	2.63	4.51
S&P 500 3month ATM	SPX Index	16.33	0.27	5.25	6.41	7.66
Volatility (VIX)	VIX Index	19.89	-1.42	7.77	8.85	9.84
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.40	-0.01	-0.05	0.06	0.14
UK 5Y5YF Inflation Swap		3.55	-0.02	0.02	0.05	0.15
JPY 5Y5YF Inflation Swap		0.27	0.00	0.00	-0.13	-0.03
EUR 5Y5YF Inflation Swap		1.68	-0.01	-0.02	-0.05	0.04
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-2.40				
Citi Economic Surprise Index -	CESICNY Index	-13.80				
Citi Economic Surprise Index -	CESIEM Index	-4.00				
Citi Economic Surprise Index -	CESIEUR Index	-29.20				
Citi Economic Surprise Index -	CESIG10 Index	-14.00				
Citi Economic Surprise - Japan	CESIJPY Index	-35.50				
Citi Economic Surprise Index -	CESILTAM Index	-3.00				
Citi Economic Surprise - Unite	CESIUSD Index	-1.70				

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

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