

# GLOBAL MARKET UPDATE



## 25 DECEMBER TO 1 JANUARY: RINGING IN THE NEW YEAR

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Norway <b>2.54%</b> , UK <b>2.33%</b> , Canada <b>1.91%</b>
	Bottom 3:	United States <b>-0.36%</b> , Italy <b>-0.20%</b> , Japan <b>0.01%</b>
EMERGING	Top 3:	Turkey <b>4.59%</b> , South Africa <b>2.93%</b> , Poland <b>2.64%</b>
	Bottom 3:	Dubai <b>0.14%</b> , Colombia <b>0.43%</b> , China "H" <b>0.54%</b>
FRONTIER	Top 3:	Namibia <b>4.61%</b> , Tunisia <b>3.62%</b> , Croatia <b>3.54%</b>
	Bottom 3:	Bosnia <b>-2.33%</b> , Qatar <b>-1.11%</b> , Nigeria <b>-0.59%</b>

After a perfect year for passive investors (positive returns across asset classes and low volatility), 2018 is likely to be more discriminating. Economic momentum is strong and provides a positive impetus, but will play against a tightening in monetary conditions and rich valuations across developed markets. There are also a number of dynamics that will divide opinion. These include:

- In the US, whether tax reform will provide a boost to demand or simply redistribute wealth, whether new leadership at the FED will change the course of interest rate policy and whether low unemployment will finally force wage growth.
- In commodity markets, whether oil can continue its recent resurgence (Brent and WTI up 18.8% and 16.9% respectively in Q4) after OPEC members agreed to a 9-month supply cut extension.
- In Italy, Russia, Mexico and Brazil, the outcomes of general and presidential elections.

We believe a number of emerging markets remain well positioned on a relative basis. Of particular note, the election of Cyril Ramaphosa as President of the ANC, has a chance of reversing a decade long decline in South African business confidence and unemployment.

### UNITED STATES

S&P 2,674 **-0.36%**, 10yr Treasury 2.42% **-7.56bps**, HY Credit Index 308 **-3bps**, Vix 11.04 **+1.14Vol**

A small decline for US equity markets in the last week of the year didn't much change the overall picture for 2017; **total returns (including dividends) for the S&P 500 were positive and large caps outperformed small caps for the 9th and 4th straight year respectively.** In fixed income, (taking the US 10 year as a proxy) investors also notched positive returns for the 4th consecutive year. The price action was, however, more peculiar as, **despite a re-acceleration of the economy and 3 rate hikes, the 10-year**

**treasury finished the year at more-or-less exactly the yield it started.** Of course, this masked a substantial flattening of the curve (around 75bps between the 2 and 10 year points). Meanwhile, in currency space, the trade-weighted USD lost almost 10% and now sits around the weakest level in 3 years, reflecting stronger global growth.

Last week, economic data was mostly positive, including pending home sales for November beating expectations and Consumer Confidence consolidating near its 17-year high reached in November. This week we have the release of minutes to the December FOMC meeting on Wednesday and the employment report on Friday.

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## EUROPE

Eurostoxx 3,504 **+0.01%**, German Bund 0.45% **+0.70bps**, Xover Credit Index 234 **-2bps**, EURUSD 1.203 **-1.19%**

Given further stimulus from the ECB, improved growth dynamics and a positive outcome from the French election, investors might have expected better returns from European equities last year; the Eurostoxx 50 posted only a 7.26% return in local currency. However, a considerable strengthening in the EUR (the best performing major currency) meant that returns for foreign currency investors matched the strong performances of global peers.

Last week, German inflation and French and UK Q3 GDP growth, all came in better than expected. **Italian bond yields, however, widened** (to their highest absolute yield in 2 months and a spread over German bunds of 154bps) after the President dissolved parliament ahead of a general election on the 4th March. The market is concerned that voting will result in a hung parliament and therefore a continued period of instability. The Italian economy did improve in 2017, but still remained at the bottom of the EU pile with a projected economic growth of 1.5%. It appears to us, it is still a case of “kicking the can down the road” for the country as, even during this strongest period of the cycle, Italy is not able to improve its fiscal position.

## ASIA PACIFIC

HSCEI 1,207 **+0.54%**, Nikkei 2,276.00 **+0.01%**, 10yr JGB 0.05% **0bps**, USDJPY 112.600 **-0.50%**

**China's official Manufacturing PMI slowed in December**, to 51.6 down from 51.8 in November. This was slightly lower than consensus expectations of 51.7. The modest deceleration was broad at the sub-index level. Export orders were the exception, increasing month on month from 50.8 to 51.9. On the supply-side, pricing trends established for much of last year persisted, with both the producer price and raw material price sub-indices continuing to rise, symptomatic of the ongoing government efforts to reduce excess capacity.

In what we interpret as a sign of policy continuity, **the Chinese government this week imposed a RMB100,000 limit** on withdrawals made overseas from Chinese bank accounts by any individual. Previously, the limit was imposed as a RMB100,000 cap on each account possessed by a Chinese national, whereas now the same cap is applied to all accounts in aggregate.

*Whilst the country's official foreign exchange regulator justified the policy move as a measure to reduce terrorist financing and money laundering, we see this as a calibrated statement of intent. In a culture where symbolism plays such a central role, we see this incremental adjustment in the direction of capital account tightness as a warning shot. Specifically, this is the Chinese government reminding the world that although its economy is on a slowing trajectory, the stability of both the capital account and the value of the RMB will remain non-negotiable features of macroeconomic policy for the foreseeable future.*

**India's Nikkei Manufacturing PMI hit a five-year high in December of 54.7**, increasing from 52.6 in November. The strengthening of activity was broad based at the sub-index level, with manufacturing output and new orders leading the way.

*This was the second consecutive month of stronger Manufacturing PMI data in India, with the activity gauge now back above pre-demonetisation levels. This is another data point consistent with the under-appreciated trend of fundamental improvement of the Indian economy. We now see established positive momentum in both economic activity and corporate earnings in India, both of which should prove supportive for equities as we head in to 2018.*

Having been foreshadowed by the recent upward move in money market rates, **a previously unanticipated bout of fiscal slippage has begun to emerge in India**. The Finance Ministry announced additional borrowing last week of an amount equal to 0.3% of GDP, a departure from its firm commitment to fiscal discipline up to this point.

*We attribute this to weaker than expected collections from the Goods and Services Tax during its first few months of implementation, and a more modest rebound in economic activity than the government likely expected. Importantly, we view this fiscal adjustment as a response to a temporary economic situation, rather than as a mind-set shift from the government towards a more populist stance heading in to the 2019 general elections. Given the BJP's state election victories over the last twelve months, we see no need for the government to resort to mass fiscal handouts in order to secure a second term in office, softening any potential concerns of higher government borrowings and associated spikes in rates down the track.*

**In South Korea, export growth decelerated to 8.9% YOY**, down from 9.5% in November, while **import growth accelerated to 13.0% YOY**, up from 12.7% the previous month. The monthly trade surplus thus narrowed, from US\$7.6bn to \$5.8bn. **Headline inflation rose slightly**, from 1.3% YOY in November to 1.5% YOY last month.

**Vietnam's equity market continued its out-performance, with stock rising a further 3% during the last week of December to touch a 10-year high**. High profile IPOs, strong domestic growth and high foreign direct investment all helped propel the local stock market index to a return of +48% in US dollars during 2017.

**The central bank of Sri Lanka left deposit rates unchanged at 7.25% last week.**

*Though GDP growth remains weak at sub-4% levels, the central bank is constrained in its ability to stimulate the economy on account of the current high levels of credit growth (+15% YOY) and inflation (CPI at 7.1% YOY).*

## LATIN AMERICA

MSCI Lat Am 2,828 **+1.70%**

If 2017 was a recovery year for Latin American economies, 2018 should confirm the rebound but, beyond this, nothing is guaranteed. More structural reforms must be delivered to increase potential GDP growth rates and

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sustain development over a longer period. The easing of monetary policy and falling inflation in LatAm ex Mexico is near its end (except in Argentina where they should keep falling) but inflation and interest rates seem sustainable at those low levels. Cyclically, Mexico is the only outlier in Latin America: increasing inflation and interest rate, most indicators pointing to a growth slowdown.

On the political front, 2017 was a confirmation that the pendulum has shifted from irresponsible fiscal policies and anti-business stance to more structural pro-business reforms, with the end Bachelet's era in Chile and the election of Pinera in December 2017 (After Argentina in 2015, Brazil and Peru in 2016). In 2018, there will be presidential elections in Colombia, Mexico and Brazil.

**Moving on to Peru where President PP Kuczynski avoided impeachment for being accused of corruption in a new Odebrecht scandal.** The opposition led by Keiko Fujimori fell short of the 87 votes (2/3 majority) necessary to impeach him, as her brother Kenji and 8 other member of her party voted to keep the president in power. The timing (1 week after the vote) of the pardon granted by PPK to ex-President Alberto Fujimori (father of Keiko and Kenji), who was jailed for crimes against humanity, human rights violations and corruption, could be questioned.

**Argentina's central bank kept its benchmark interest rate on hold again at 28.75%.** The inflation target for 2018 has been adjusted from 10% to 15% reflecting the inability of the central bank to tame inflation and price liberalisations in 2017 despite high real interest rates.

**Argentina's trade deficit widened in November to USD 1.5Bn,** bringing the 12-month rolling deficit to a record high of USD 7.6Bn. The current account deficit is now expected to hit 5.5% of GDP in 2017.

This reflects the overvalued exchange rate (making exports less competitive) and a strong internal demand (investment driven growth needs imports of capital goods).

In the latest session of the year, **Argentina's Congress voted the 2018 budget (deficit of 3.2% of GDP) and passed:**

- **The tax reform,** seeking to reduce the corporate tax rate (from 35% to 25%) and labour costs for companies, thereby encouraging them to invest and hire. The government estimates a fiscal cost of 1.5% of GDP in 5 years and is relying on a higher growth rate to compensate.
- **The fiscal responsibility law** (capping real government and Provinces' expenses growth to 0% in real terms),
- The fiscal pact between the Nation and the provinces, and
- **The pension reform.**

## AFRICA

MSCI Africa 1,014 +3.84%

2017 was an eventful year for major African economies. The

highlights were:

- Electoral disputes and fiscal imbalances in Kenya;
- Corruption, recession and credit rating downgrades in South Africa;
- Recession and limited appetite for necessary reform in Nigeria;
- Major economic reform and modest recovery in Egypt; and
- A much-welcomed end to Robert Mugabe's 37 years tenure as the leader of Zimbabwe.

Looking forward into 2018, the outcome of the ANC electoral conference in December provides the setting for a recovery in South Africa, while Egypt's painful economic reform which saw inflation increase to 33% should begin to bear fruits. In contrast, the near term outlook for the Nigerian and Kenyan economies will remain challenging, driven by weak fundamentals, limited political will to address structural imbalances, and high sensitivity to external shocks.

**The business-friendly candidate Cyril Ramaphosa was elected as the new head of South Africa's ruling African National Congress,** succeeding President Jacob Zuma.

The outcome, together with the prospect of the new ANC leadership calling for Zuma's resignation before the 2019 general election, saw the rand gain close to 10% against the dollar. Elsewhere, the Constitutional Court ruled that parliament had failed to hold Zuma to account over a scandal related to state-funded upgrades to his home, and must launch proceedings that could remove him from office.

*Ramaphosa's much more disciplined and rational approach, and influence of the new leadership team should see the country avoid further ratings downgrade, while an early resignation by Zuma will bring an end to c.10 years of economic decline and spur an economic rebound.*

Moving on to data publication in South Africa, private sector credit demand growth rose to 6.45% in November from 5.43% in October, while an 11.5% expansion in exports supported by rebound in global prices of commodities such as gold and platinum, drove the country's trade surplus up from 4.34Bn in October to 13Bn rand in November, its highest in one and half years.

*The positive trade account provides a buffer to shield the economy from an increasing cost of debt following several credit rating downgrades in 2017. Overall, the near-term outlook is positive in South Africa.*

**In Egypt, the central bank held its overnight deposit and lending rates at 18.75% and 19.75%, respectively,** noting that "baseline inflation outlook remains consistent with achieving the CBE's inflation target of 13% (+/-3%) in 2018 Q4 and single digits thereafter".

*CPI declined for the fourth consecutive month to 26.0% YOY in November, from a peak of 33.0% in July. A second wave of energy subsidy cuts (follows a 42% price hike in July 2017) is expected in July 2018. This will make reaching the CBE's inflation targets more difficult; it will limit the CBE's ability to cut rates in the 2H18 and consequently increases the likelihood of monetary easy in the 1H18.*

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Elsewhere in Egypt:

- The IMF approved the release of the latest USD2Bn loan tranche, bringing total disbursements to USD6.1Bn; and
- The Zohr gas field which has the potential to improve Egypt's net oil balance by reducing its import demands, came online at an initial rate of 350 mcf/d. Production is expected to increase to about 1 bcf/d in June and 2.7 bcf/d by the end of 2019.

In Nigeria, unemployment rate increased to 18.8% in Q3 2017 from 14.2% in December 2016, while the underemployment increased to 21.2% in from 21.0%.

Lastly, Kenyan inflation fell to its lowest level in almost five years, 4.5% in December from 4.73% in November, driven by a slower rise in food and non-alcoholic drink price

	Date	Consensus
<b>UNITED STATES</b>		
US nonfarm payroll (DEC) change th	Fri/05	175
US trade balance (DEC) Bn USD	Fri/05	-49.2
<b>EUROPE</b>		
Eurozone PMI (DEC)	Thu/04	58.0
UK PMI (DEC)	Thu/04	-
Eurozone HICP (DEC) % YOY	Fri/05	1.5
<b>ASIA PACIFIC</b>		
China manufacturing PMI (DEC)	Tue/02	-
<b>LATIN AMERICA</b>		
Brazil industrial production (NOV) % YOY	Fri/05	4.0
<b>AFRICA</b>		
Egypt GDP (3Q) % YOY	Wed/03	-
South Africa PMI (DEC)	Thu/04	49.5
Egypt CPI (DEC) % YOY	Mon/08	-

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MARKET DATA**

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# GLOBAL MARKET DATA (CONTD.)

## 25 DECEMBER TO 1 JANUARY

Market Summary

Data: Last Calendar Week

Equities				Return (USD)				YTD	Price/
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y	(Local)	Book
North America									
S&P 500 INDEX	SPX Index	US	2,673.61	-0.36%	0.98%	19.42%	18.87%		3.3
RUSSELL 2000 INDEX	RTY Index	US	1,535.51	-0.48%	-0.56%	13.14%	12.64%		2.4
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,903.39	-0.81%	0.43%	28.24%	27.09%		3.8
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	16,209.13	1.91%	3.89%	13.84%	13.38%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	463.94	-0.56%	1.83%	20.03%	20.31%		1.6
S&P 500 CONS DISCRET IDX	S5COND Index	US	785.33	-0.38%	2.28%	21.23%	20.10%		5.5
S&P 500 INFO TECH INDEX	S5INFT Index	US	1,106.18	-1.04%	-0.03%	36.91%	35.57%		5.5
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	956.32	-0.40%	-0.76%	20.00%	19.56%		4.0
S&P 500 ENERGY INDEX	S5ENRS Index	US	533.41	0.20%	4.74%	-3.80%	-4.07%		2.1
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,673.61	-0.36%	0.98%	19.42%	18.87%		3.3
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	637.81	0.18%	1.77%	18.54%	18.05%		4.8
S&P 500 CONS STAPLES IDX	S5CONS Index	US	587.39	0.02%	1.97%	10.46%	9.94%		5.5
S&P 500 UTILITIES INDEX	S5UTIL Index	US	267.37	0.29%	-6.36%	8.32%	7.80%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	378.94	0.13%	1.75%	21.39%	20.49%		3.0
S&P 500 TELECOM SERV IDX	S5TELS Index	US	166.07	-0.42%	5.77%	-5.97%	-6.43%		2.7
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,503.96	0.01%	-0.77%	21.38%	22.95%	6.49%	1.6
CAC 40 INDEX	CAC Index	France	5,312.56	0.44%	-0.03%	24.54%	26.05%	9.26%	1.6
DAX INDEX	DAX Index	Germany	12,917.64	0.22%	0.28%	28.25%	29.50%	12.51%	1.9
Athex Composite Share Pr	ASE Index	Greece	802.37	1.21%	9.59%	42.10%	44.68%	24.66%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	21,853.34	-0.20%	-1.23%	29.50%	30.64%	13.61%	1.2
AEX-Index	AEX Index	Netherlands	544.58	0.70%	1.94%	28.47%	29.58%	12.71%	1.9
PSI All-Share Index GR	BVLX Index	Portugal	2,969.55	1.37%	0.59%	34.31%	35.46%	17.83%	1.5
MOEX Russia Index	INDEXCF Index	Russia	2,109.74	1.73%	1.96%	0.49%	0.38%	-5.51%	0.8
IBEX 35 INDEX	IBEX Index	Spain	10,043.90	0.05%	-0.55%	22.42%	23.62%	7.40%	1.5
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,577.30	0.11%	0.24%	15.47%	15.99%	3.94%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	9,381.87	1.53%	1.77%	19.25%	19.60%	14.14%	2.6
BIST 100 INDEX	XUI00 Index	Turkey	116,358.60	4.59%	14.96%	37.38%	37.68%	47.60%	1.5
FTSE 100 INDEX	UKX Index	UK	7,687.77	2.33%	5.05%	17.91%	19.43%	7.63%	2.0
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	712.83	1.27%	2.51%	38.71%	39.68%	38.71%	1.8
S&P/ASX 200 INDEX	AS51 Index	Australia	6,061.28	1.18%	4.94%	15.87%	15.36%	7.05%	2.1
DSE 30 Index	DS30 Index	Bangladesh	2,287.00	3.05%	-0.93%	20.40%	20.40%	26.08%	-
HANG SENG CHINA ENT IND	HSCFI Index	China "H"	12,071.05	0.54%	2.01%	23.70%	24.82%	24.64%	1.1
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,348.33	1.21%	1.21%	13.65%	14.11%	6.56%	1.8
HANG SENG INDEX	HSI Index	HK	30,485.91	1.21%	2.52%	34.98%	36.30%	35.99%	1.4
Nifty 50	NIFTY Index	India	10,436.50	0.62%	4.13%	36.96%	38.30%	28.65%	3.1
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	6,350.73	1.91%	6.41%	19.57%	18.87%	19.99%	2.5
NIKKEI 225	NI225 Index	Japan	22,764.94	0.01%	0.11%	23.39%	23.05%	19.10%	1.9
KOSPI 200 INDEX	KOSPI2 Index	Korea	326.00	1.76%	1.27%	40.70%	40.70%	24.90%	1.1
Laos Composite Index	LSXC Index	Laos	990.09	0.24%	-2.88%	-2.94%	-2.94%	-1.59%	0.9
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,781.88	2.54%	5.39%	20.92%	21.11%	9.45%	1.4
KARACHI 100 INDEX	KSE100 Index	Pakistan	41,236.24	2.58%	-3.52%	-19.96%	-19.42%	-15.34%	1.5
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	8,558.42	1.60%	4.37%	23.99%	23.99%	25.11%	2.5
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,430.37	1.09%	0.01%	27.87%	27.72%	18.13%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,425.09	0.36%	-0.60%	-0.20%	-0.48%	2.26%	1.3
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,710.73	1.83%	2.04%	25.57%	26.50%	15.01%	1.8
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,753.71	1.19%	3.47%	25.10%	25.72%	13.66%	2.1
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	995.77	3.36%	3.66%	48.42%	48.48%	48.03%	2.8
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	512.98	0.34%	1.50%	21.62%	21.57%	21.62%	2.4
MSCI EM	MXEF Index	MSCI EM	1,157.55	1.52%	3.36%	34.35%	34.95%	34.35%	1.8
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,988.80	0.98%	3.58%	23.57%	23.96%	23.57%	2.0
DFM GENERAL INDEX	DFMGI Index	Dubai	3,390.39	0.14%	-1.46%	-4.55%	-4.55%	-4.55%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,828.15	1.70%	4.00%	20.83%	20.47%	20.83%	1.9
ARGENTINA Merval INDEX	MERVAL Index	Argentina	30,065.61	0.73%	3.81%	51.94%	51.94%	77.72%	2.1
MSCI BRAZIL	MXBR Index	Brazil	2,022.89	1.62%	3.90%	21.00%	20.64%	21.00%	1.7
CHILE STOCK MKT SELECT	IPSA Index	Chile	5,564.60	1.56%	17.09%	45.98%	46.16%	34.04%	1.8
IGBC GENERAL INDEX	IGBC Index	Colombia	11,478.10	1.14%	7.24%	14.16%	14.16%	13.57%	-
S&P/BMV IPC	MEXBOL Index	Mexico	49,354.42	2.10%	-0.73%	13.37%	12.83%	8.13%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	442.93	0.10%	-0.43%	7.12%	7.27%	7.17%	1.9
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	19,974.38	1.55%	1.20%	32.72%	32.58%	28.31%	1.7
VENEZUELA STOCK MKT IND	IBVC Index	Venezuela	1,263.14	0.39%	-4.30%	3884.04%	3947.22%	###	22.2
MSCI EFM AFRICA	MXFMEAF Index	Africa	1,013.54	3.84%	7.99%	31.74%	31.14%	31.74%	2.7
EGYPT HERMES INDEX	HERMES Index	Egypt	1,439.21	2.26%	2.41%	34.59%	34.59%	31.94%	1.9
GSE Composite Index	GGSECI Index	Ghana	2,579.23	-0.26%	3.03%	44.03%	47.04%	52.73%	2.4
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,711.94	-0.39%	-2.55%	15.68%	16.80%	16.50%	2.3
MASI Free Float Index	MOSENEW Index	Morocco	12,388.82	2.77%	-0.65%	15.32%	16.63%	6.39%	2.9
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	38,243.19	-0.59%	0.65%	24.51%	24.93%	42.30%	1.6
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	52,664.84	2.93%	9.02%	32.64%	31.19%	19.66%	2.3
Average				0.95%	2.20%	79.76%	80.92%	94.03%	
Top 25%				1.66%	3.85%	32.19%	31.16%	28.40%	
Bottom 25%				0.08%	-0.03%	15.57%	16.31%	8.01%	

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# GLOBAL MARKET DATA (CONTD.)

## 25 DECEMBER TO 1 JANUARY

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	USD Index	92.06	-1.31%	-0.99%	-9.87%	-10.28%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.83	-1.19%	-0.85%	-12.37%	-12.61%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	57.38	-1.06%	-1.27%	-6.25%	-4.21%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.77	-0.29%	-3.11%	7.80%	7.78%
USD-GBP X-RATE	USDGBP Curncy	UK	0.74	-1.10%	0.12%	-8.63%	-9.23%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	110.06	0.62%	1.12%	6.64%	6.71%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.28	-1.20%	-3.08%	-7.76%	-7.52%
USD-CNY X-RATE	USDCNY Curncy	China	6.50	-1.07%	-1.55%	-6.31%	-6.46%
USD-INR X-RATE	USDINR Curncy	India	63.67	-0.27%	-0.92%	-5.96%	-6.21%
USD-JPY X-RATE	USDJPY Curncy	Japan	112.60	-0.53%	0.13%	-3.65%	-3.30%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,061.43	-1.13%	-1.89%	-11.48%	-11.63%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	29.61	-0.63%	-0.92%	-8.02%	-7.84%
USD-ARS X-RATE	USDARS Curncy	Argentina	18.62	3.04%	7.62%	17.27%	16.93%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.31	-0.75%	1.36%	1.76%	1.80%
USD-CLP X-RATE	USDCLP Curncy	Chile	615.43	-1.16%	-5.13%	-8.20%	-7.62%
USD-MXN X-RATE	USDMXN Curncy	Mexico	19.60	-0.46%	5.53%	-5.15%	-5.16%
USD-EGP X-RATE	USDEGP Curncy	Egypt	17.72	-0.48%	0.50%	-2.02%	-1.62%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	359.99	-0.14%	0.03%	14.16%	14.29%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	12.34	-1.89%	-9.60%	-9.88%	-9.05%
Commodities				Return (USD)			
WTI CRUDE FUTURE Feb18	CLA Comdty	US	60.64	3.34%	5.17%	6.17%	6.09%
BRENT CRUDE FUTR Mar18	COA Comdty	UK	67.16	3.31%	7.27%	14.15%	14.25%
BALTIC DRY INDEX	BDIY Comdty		1,366.00	0.00%	-13.43%	42.14%	42.14%
Natural Gas Futures	NGI Comdty		3.01	10.72%	-2.38%	-20.70%	-22.33%
Gold Spot \$/Oz	XAU Curncy		1,308.93	2.25%	2.18%	13.53%	12.49%
Silver Spot \$/Oz	XAG Curncy		17.04	3.74%	3.04%	6.34%	4.81%
LME COPPER 3MO (\$)	LMCADS03 Comdty		7,247.00	1.71%	7.17%	30.92%	32.08%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.90	-0.01	0.10	0.69	0.67
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	2.22	-0.04	0.07	0.28	0.25
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.43	-0.08	0.00	-0.04	-0.07
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	2.05	0.02	0.16	0.32	0.33
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.66	-0.11	0.38	0.22	0.15
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.22	-0.05	-0.14	-0.05	-0.04
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.08	-0.05	-0.03	0.04	0.03
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.61	0.00	0.06	0.14	0.15
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.18	0.01	0.11	0.33	0.34
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.45	0.01	0.06	0.22	0.25
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.80	0.05	0.10	0.10	0.13
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	4.08	0.00	-1.28	-2.95	-2.95
Italy Generic Govt 10Y Yield	GBTGPR10 Index	Italy 10yr	2.01	0.10	0.27	0.20	0.22
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.57	0.10	0.12	0.18	0.24
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	1.93	0.11	0.07	-1.82	-1.81
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.69	-0.08	0.13	-0.14	-0.15
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	7.38	0.05	0.27	0.81	0.80
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.47	-0.02	-0.01	0.38	0.38
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.05	0.00	0.01	0.00	0.01
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.72	0.00	-0.61	-0.20	-0.22
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/22	ITRXEXE CBIL Curncy	EUR XOVER	233.52	1.84	1.92	-56.27	-58.34
MARKIT ITRX EUROPE 12/22	ITRXEBE CBIL Curncy	EUR MAIN	45.14	-0.35	-2.99	-27.12	-27.75
MARKIT ITRX EUR SNR FIN 12/22	ITRXESE CBIL Curncy	EUR SNR FIN	44.07	-0.29	-2.95	-49.56	-50.44
MARKIT ITRX EUR SUB FIN 12/22	ITRXEUE CBIL Curncy	EUR SUB FIN	104.37	-0.04	-5.88	-117.08	-118.77
MARKIT CDX.NA.IG.29 12/22	BOXUMAE CBIL Curncy	US IG	49.10	-0.14	-3.13	-18.37	-18.97
MARKIT CDX.NA.HY.29 12/22	IBOXHYSE CBIL Curncy	US HY	307.65	-3.04	-10.11	-49.44	-51.81
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	13.66	0.78	0.91	-4.18	-4.23
FTSE 100 500 3month ATM	UKX Index	UK	9.39	0.10	-0.43	-3.59	-3.73
Hang Seng 3month ATM	HSI Index	HK	14.91	0.22	-1.85	-1.28	-2.18
Nikkei 3month ATM	NKY Index	Japan	15.53	1.48	-0.41	-3.70	-3.12
S&P 500 3month ATM	SPX Index	US	9.92	0.36	0.18	-3.54	-3.18
Volatility (VIX)	VIX Index	US	11.04	1.14	-0.24	-3.00	-2.33
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.28	-0.01	0.02	-0.12	-0.15
UK 5Y5YF Inflation Swap		GBP	3.50	-0.01	0.08	-0.08	-0.05
JPY 5Y5YF Inflation Swap		JPY	0.40	0.03	0.00	-0.16	-0.13
EUR 5Y5YF Inflation Swap		EUR	1.75	0.01	0.02	-0.01	-0.01
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	-2.50				
Citi Economic Surprise Index -	CESICNY Index	China	4.40				
Citi Economic Surprise Index -	CESIEM Index	EM	-3.30				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	49.30				
Citi Economic Surprise Index -	CESIG10 Index	G10	51.60				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	19.30				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	-26.00				
Citi Economic Surprise - Unite	CESIUSD Index	US	75.70				

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

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