

1 - 7 JULY

GLOBAL MARKET UPDATE

Reality check: it's time for the market to take the chill pill

The broad market was getting ready to enjoy the refreshing effects of a massive liquidity wave by the Federal Reserve up until the jobs report was released on Friday afternoon. According to the pricing implied by the Fed funds future, the broad market foresaw a cumulative 100bp worth of rate cuts over the course of the next 12 months, and even toyed with the thought of a greater-than-25bp rate cut in July. The actual June US (un)employment numbers, however, were at odds with the market's overly bearish expectation. **Our longstanding view was confirmed that the domestic consumption-led growth story in the US would last and serve as one of the most important growth engines this year.** We maintain our view that real GDP growth in the US is not going to meaningfully slow below trend growth (if at all) over the course of the coming quarters.

In the aftermath of the jobs report release, the market has started to recalibrate its expectations for the Fed funds rate. On Monday morning, the pricing implied a 25bp cut with very high certainty in July and 50bp additional easing for the next 6-9 months. In conclusion: a release of liquidity vis-à-vis Fed funds rate cut could give the broad market a sugar rush in the short-term but would not have a long-lasting positive effect. We are of the view that **strong economic growth is without question better news for the world economy** than 'lower for longer' interest rates.

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	
Top 3	Italy 2.26% Ireland 1.75% United States 1.65%
Bottom 3	Luxembourg -2.46% Switzerland -0.75% Sweden -0.68%

EMERGING	
Top 3	Turkey 6.24% Pakistan 3.96% Brazil 3.46%
Bottom 3	South Korea -2.27% South Africa -1.77% Poland -0.67%

FRONTIER	
Top 3	Vietnam 2.97% Bahrain 2.92% Sri Lanka 2.90%
Bottom 3	Nigeria -2.46% Lebanon -1.83% Oman -1.76%

UNITED STATES

S&P 2,990 **-0.29%**, 10yr Treasury 2.02% **-4.89bps**, HY Credit Index 338 **+0bps**, Vix 13.28 **-.32Vol**

Investor sentiment was positive in the US stock markets during the week, as the major stock indices gained: the S&P500 increased 1.7%, whilst the Nasdaq Composite rose 2%. As a result, the S&P500's year-to-date gain adds up to a whopping 19.3%. By the end of the trading week, **the broad USD index (DXY) rose 1.2%, whilst the Treasury curve shifted upwards on the back of an unexpectedly strong jobs report**. Consequently, the short-end of the curve exhibited a significant increase, i.e. Fed funds futures price now a cumulative 75bp rate cut for the next 6-9 months vs. 100bp just a week ago. The 2-year Treasury yield jumped 10bp to 1.84%, whilst the 10-year edged up 3bp to 2.01% by the end of the Friday.

The June jobs report released on Friday was stronger than the ADP report on Wednesday implied and definitely more robust than the market consensus. **Non-farm payrolls increased by 224,000 in June**, bouncing from 72,000 in May. The strengthening of employment was broad-based. Meanwhile, unemployment rate rose 0.1ppt to 3.7% in June, due to the fact that labour force participation increased to 62.9%, i.e. a number of inactive unemployed people returned to the formal labour market seeking a job. Most importantly, **nominal earnings growth was stable at 3.1% YoY in June**, which means that in the context of softening consumer price inflation, real wage growth further accelerated.

This jobs report underpins our longstanding view that the US consumer is healthy, which means that real GDP growth is unlikely to exhibit any meaningful slowdown below trend growth over the course of the coming quarters.

EUROPE

Eurostoxx 3,465 **+3.80%**, German Bund -0.30% **-3.00bps**, Xover Credit Index 253 **-19bps**, USDEUR .879 **-1.17%**

European stock markets were sluggish. The Italian benchmark delivered the strongest performance out of the for largest Eurozone economies, as the index rose 2.3% in USD. **In contrast, the Spanish index was up 0.2%, the German index gained 0.1%, whilst the French one declined 0.3% (all in USD).** Sovereign yields further declined in the Eurozone after it was announced that **the Christine Lagarde, the IMF's current Managing Director was nominated to take over the premiership of the European Central Bank.** According to the market moves, the broad market expects policy continuity under Mrs. Lagarde, i.e. cutting interest rates and restarting the asset purchase programme. By the end of the trading week, the 2-year German Bund yields was **-0.75%**, whilst the 10-year Bund yield slipped 4bp to **-0.36%**.

ASIA PACIFIC

HSCEI 10,706 **-0.36%**, Nikkei 21,513.18 **-0.28%**, 10yr JGB-0.15% **0bps**, USDJPY 108.300 **+0.36%**

Asian stock markets delivered a mixed performance during the week. Pakistan's stock market was among the strongest performers, as the country's stock index rose 4%, followed by Vietnam 3% and Sri Lanka 2.9% (all in USD). Major markets such as Chinese "A" and "H" shares increased 0.7% and 0.3% in USD, respectively. In contrast, the South Korean (-2.5% in USD), the Thai (-0.2% in USD) and the Taiwanese market (-0.1% in USD) underperformed.

The Finance Minister of India announced the cornerstones of the Indian budget on Friday. According to the Minister, **the budget deficit was set to 3.3% of GDP for FY2020, 0.1ppt lower than in the previous fiscal year.** The measures include increasing the threshold for highest corporate income tax key (to INR 400,000 per annum), an allocation of INR 700bn (about 0.3% of GDP) for bank recapitalisation, expanding the government-funded pension scheme to include employees of up to 30mn small retailers, etc.

In our view, the structure of the budget and the new measures are net positive in terms of the medium-term sustainability of public finances, impact on economic activity and investor sentiment. A tight fiscal stance will allow the central bank to further loosen monetary conditions, in our view. Consequently, we maintain our out-of-consensus view that the RBI will further reduce the policy rate, by at least 50bp to 5.25%.

Inflation in the Philippines slowed to 2.7% YoY in June, as the disinflation of food prices (such as rice and corn) carried on. In addition, the declines in fuel and education costs contributed to the lower headline inflation figure. According to the central bank governor, 'there is a lot of monetary policy space' for easing financial conditions and added that inflation will stay within the inflation target range of 2-4% in 2019 and 2020.

The governor's remarks very strongly imply - in our view - that the Philippine central bank will reduce the policy rate throughout 2H19. The degree of further monetary accommodation will be a function of domestic inflation and global investor appetite for risk assets.

Inflation in South Korea remained depressed in June, as the headline gauge was 0.7% YoY, whilst the core measure reached 0.9% YoY.

Weak domestic price pressures in South Korea are increasingly likely to trigger rate cuts by the central bank soon.

LATIN AMERICA

MSCI Lat Am 2,910 **-1.24%**

The majority of Latin American stock markets performed well during the week. The Brazilian market delivered a very strong performance of 3.1% in USD, as the pension reform bill was passed by the Lower House Special Committee. The Brazilian market was followed by the Colombian (+1.7% in USD) and the Mexican market (+1.4% in USD). In contrast, the Chilean market underperformed, as the country's stock index declined 0.6% in USD.

The Bolsonaro-led government's flagship **pension reform bill was passed by the Lower House Special Committee.** The bill now proceeds to the Lower House floor, where the government expects a vote before the 18th July, when Congress breaks for recess.

It is very promising in our view that the reform process is still on track and the potential amount of fiscal savings has not been watered down, i.e. the equivalent of 9-10% of GDP in savings over the next decade.

Investment activity in Mexico remained underwhelming, as the growth of investments was 2.5% MoM in April despite the low base. Meanwhile, **private consumption rose 1.3% MoM in April.**

Domestic drivers of Mexico's GDP growth have been losing momentum. Both monetary and fiscal policymakers have a limited room to provide stimulus to the frail Mexican economy. Consequently, it is unlikely to observe a sustained cyclical upswing in the short-term, in our opinion.

The monthly GDP proxy index in Chile indicated the underlying economy expanded 2.3% YoY in May, bringing the year-to-date growth to 1.8% YoY. The headline figure was primarily driven by non-mining activities, as mining output contracted in May.

AFRICA

MSCI Africa 813 -0.68%

Investor sentiment in the African space deteriorated. As a result, the vast majority of the African stock indices declined: the Egyptian benchmark decreased 0.6%, the South African index was down 1.8%, whilst the Nigerian benchmark declined 2.5% (all in USD).

Purchasing manager indices (PMIs) in Africa were promising in June. The respective Kenyan and Nigerian PMIs improved to 54.3 and 54.8, signalling that confidence related to future industrial activity became more positive and the majority of respondents expect industrial output to increase over the course of the next few months. Meanwhile, PMIs in Egypt and South Africa were 49.2 and 49.7 in June, signalling that industrial activity could stagnate or slightly weaken. On the bright side, both the Egyptian and South African PMIs strengthened compared with the May values.

The South African government announced that it was planning a new rescue plan for Eskom, the country's troubled electricity company. According to government officials, no decision has been made yet whether the state will provide further subsidies or take over some portion of Eskom's debt (total amount is about 9% of GDP).

An actual sustainable resolution to Eskom's deep financial issues would be more than welcome, as business and industrial confidence got stuck at depressed levels largely due to domestic structural deficiencies, such as the unreliable electricity supply.

Real GDP growth in Morocco moderately slowed in 2Q, to 2.6% YoY. The slowdown was due to a moderation in the growth of household demand as well as a contraction in agricultural output, as the lack of rain significantly weighed on cereals production.

Morocco's real GDP growth will likely be in the range between 2.6-2.9% in full-year 2019, in our view.

THE WEEK A HEAD

UNITED STATES	DATE	CONSENSUS
CPI inflation (Jun) YoY	Thu/11	1.6%
PPI inflation (Jun) YoY	Fri/12	1.6%

EUROPE	DATE	CONSENSUS
UK: monthly GDP (May) MoM	Wed/10	0.3%
Eurozone: industrial production (May) YoY	Fri/12	-1.6%

ASIA PACIFIC	DATE	CONSENSUS
China: M2 money supply growth (Jun) YoY	9-12 Jul	8.6%
China: CPI inflation (Jun) YoY	Wed/10	2.7%
India: CPI inflation (Jun) YoY	Fri/12	3.2%

LATIN AMERICA	DATE	CONSENSUS
Chile: CPI inflation (Jun) YoY	Mon/08	2.2%
Mexico: CPI inflation (Jun) YoY	Tue/09	4.0%
Brazil: retail sales (May) YoY	Thu/11	1.3%

AFRICA	DATE	CONSENSUS
Egypt: CPI inflation (Jun) YoY	Wed/10	
Egypt: interest rate decision	Thu/11	
South Africa: manufacturing (May) YoY	Thu/11	1.4%

PLEASE CONTINUE FOR MARKET DATA

GLOBAL MARKET DATA

1 - 7 JULY

Market Summary				Data: Last Calendar Week				YTD (Local)	Volume 1wk/3mc
Equities				Return (USD)					
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y		
North America									
S&P 500 INDEX	SPX Index	US	2,990.41	-0.29%	6.89%	17.35%	8.30%		103%
RUSSELL 2000 INDEX	RTY Index	US	1,575.63	1.09%	6.90%	16.17%	-4.77%		153%
NASDAQ COMPOSITE INDEX	CCMP Index	US	8,161.79	-0.32%	7.42%	20.66%	6.70%		130%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	16,541.99	0.11%	5.51%	19.02%	2.49%	14.38%	70%
S&P 500 CONS DISCRET IDX	S5COND Index	US	965.13	-0.34%	7.63%	20.99%	8.84%		97%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	610.37	-1.02%	4.81%	14.46%	12.74%		100%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	467.83	1.47%	6.56%	15.92%	3.90%		108%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	1,085.09	-1.17%	6.50%	7.12%	11.21%		105%
S&P 500 INFO TECH INDEX	S5INFT Index	US	1,403.17	-0.20%	9.05%	26.12%	12.64%		103%
S&P 500 ENERGY INDEX	S5ENRS Index	US	466.84	0.15%	9.07%	11.13%	-15.53%		96%
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,990.41	-0.29%	6.89%	17.35%	8.30%		103%
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	652.39	0.30%	7.75%	20.20%	8.45%		102%
S&P 500 MATERIALS INDEX	S5MATR Index	US	369.06	1.47%	11.48%	15.96%	1.19%		97%
S&P 500 REAL ESTATE IDX	S5RLST Index	US	233.46	-2.73%	1.26%	18.48%	13.06%		113%
S&P 500 COMM SVC	S5TELS Index	US	168.73	-0.81%	4.26%	18.34%	10.18%		104%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	307.90	-2.12%	3.09%	12.82%	15.13%		112%
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,527.98	0.35%	7.76%	14.80%	1.22%	15.73%	79%
CAC 40 INDEX	CAC Index	France	5,593.72	0.35%	8.24%	16.14%	2.96%	17.09%	76%
DAX INDEX	DAX Index	Germany	12,568.53	0.64%	7.60%	16.58%	-0.15%	17.42%	79%
Athex Composite Share Pr	ASE Index	Greece	894.66	3.71%	6.45%	40.46%	13.86%	41.61%	82%
FTSE MIB INDEX	FTSEMIB Index	Italy	21,985.79	-0.56%	9.13%	15.05%	-2.84%	15.88%	99%
AEX-Index	AEX Index	Netherlands	570.46	0.05%	5.77%	14.21%	0.62%	15.14%	89%
PSI All-Share Index GR	BVLX Index	Portugal	3,174.69	0.22%	3.97%	12.73%	-4.63%	13.65%	100%
MOEX Russia Index	IMOEX Index	Russia	2,835.35	0.39%	7.31%	28.62%	22.54%	16.74%	127%
IBEX 35 INDEX	IBEX Index	Spain	9,335.00	-0.15%	3.96%	6.84%	-5.92%	7.72%	72%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,634.94	0.87%	9.74%	11.07%	2.66%	15.17%	90%
SWISS MARKET INDEX	SMI Index	Switzerland	9,980.22	-0.15%	6.59%	18.35%	19.41%	17.43%	95%
BIST 100 INDEX	XUI00 Index	Turkey	99,634.78	3.23%	7.55%	-3.39%	-20.47%	5.71%	124%
FTSE 100 INDEX	UKX Index	UK	7,553.14	0.16%	4.24%	9.93%	-5.47%	10.37%	84%
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	656.03	0.46%	6.06%	9.39%	-1.21%	9.39%	95%
S&P/ASX 200 INDEX	AS51 Index	Australia	6,675.50	0.75%	4.65%	16.69%	1.51%	17.22%	94%
DSE 30 Index	DS30 Index	Bangladesh	1,879.96	1.58%	2.56%	1.49%	-2.70%	2.35%	
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	10,705.51	-0.36%	5.16%	7.77%	0.60%	7.48%	69%
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	2,933.37	-0.72%	3.34%	19.65%	3.17%	19.45%	82%
HANG SENG INDEX	HSI Index	HK	28,247.57	0.24%	6.51%	10.73%	0.63%	10.43%	71%
Nifty 50	NIFTY Index	India	11,614.00	1.49%	-0.17%	9.73%	11.17%	8.53%	100%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	6,348.21	0.72%	3.57%	5.53%	13.90%	2.65%	131%
NIKKEI 225	NKY Index	Japan	21,513.18	-0.28%	3.89%	8.79%	-2.29%	6.30%	80%
KOSPI 200 INDEX	KOSPI2 Index	Korea	268.67	0.81%	8.05%	1.97%	-9.86%	5.92%	101%
Laos Composite Index	LSXC Index	Laos	797.43	0.52%	-3.05%	-6.39%	-14.91%	-4.67%	215%
FTSE Bursa Malaysia KLCI	FBM KLCI Index	Malaysia	1,677.54	-0.61%	2.38%	-1.17%	-1.80%	-1.09%	96%
KARACHI 100 INDEX	KSE100 Index	Pakistan	33,923.82	-6.87%	-14.60%	-22.06%	-39.67%	-8.54%	69%
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	8,077.34	-0.29%	2.15%	9.83%	18.19%	7.15%	76%
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,321.98	0.20%	8.25%	8.99%	3.00%	8.24%	100%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	5,506.76	0.23%	1.04%	-8.02%	-22.09%	-11.24%	111%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,751.22	-0.72%	4.10%	8.72%	-0.61%	10.32%	91%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,727.73	1.08%	9.88%	17.34%	16.83%	10.64%	131%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	969.38	-1.00%	-0.59%	5.90%	-2.35%	6.43%	97%
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	529.51	0.02%	6.36%	14.88%	4.30%	14.88%	114%
MSCI EM	MXEF Index	MSCI EM	1,059.93	0.16%	5.70%	9.22%	0.78%	9.22%	117%
MSCI Fronter Market Index	MXFEM Index	MSCI FM	2,825.34	0.00%	4.52%	12.01%	5.65%	12.01%	85%
DFM GENERAL INDEX	DFMGI Index	Dubai	2,648.59	-1.24%	0.22%	3.80%	-6.91%	3.81%	74%
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,909.72	-1.24%	5.96%	10.82%	16.67%	10.82%	73%
S&P Merval TR ARS	MERVAL Index	Argentina	41,755.69	4.71%	30.07%	22.13%	2.26%	37.98%	111%
MSCI BRAZIL	MXBR Index	Brazil	2,286.50	-1.46%	6.09%	14.14%	36.37%	14.14%	87%
S&P/CLX IPSA (CLP) TR	IPSA Index	Chile	5,075.73	1.24%	6.58%	1.59%	-7.74%	-0.68%	77%
IGBC GENERAL INDEX	IGBC Index	Colombia	12,841.56	-1.05%	10.01%	14.61%	-6.12%	13.12%	
S&P/BMV IPC	MEXBOL Index	Mexico	43,405.32	-1.23%	3.41%	6.29%	-5.31%	3.65%	51%
Bolsa de Panama General	BVPSBVPS Index	Panama	440.37	0.74%	0.21%	-2.34%	-8.97%	-2.34%	97%
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	20,881.95	1.04%	6.14%	9.40%	3.70%	6.58%	52%
MSCI EFM AFRICA	MXFMEAF Index	Africa	812.51	-0.68%	5.73%	9.31%	0.79%	9.31%	71%
EGYPT HERMES INDEX	HERMES Index	Egypt	1,332.80	1.10%	2.55%	13.07%	-8.90%	5.41%	202%
GSE Composite Index	GGSECI Index	Ghana	2,330.24	0.37%	-3.27%	-14.09%	-27.23%	-4.18%	14%
Nairobi SE 20 Share	KNSMIDX Index	Kenya	2,665.15	-1.01%	-2.69%	-7.48%	-21.03%	-7.08%	104%
MASI Free Float Index	MOSENEW Index	Morocco	11,241.00	-1.87%	3.95%	-1.19%	-6.40%	-0.68%	79%
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	29,270.95	0.52%	-3.68%	-3.73%	-20.69%	-4.66%	56%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	51,539.30	0.48%	9.01%	13.88%	2.68%	11.71%	79%
Global Style									
MSCI WORLD GROWTH INDEX	MXWO000G Index	US	2,785.21	-0.13%	6.84%	20.25%	7.79%	20.25%	79%
MSCI WORLD VALUE INDEX	MXWO000V Index	US	2,804.50	0.16%	6.06%	11.07%	1.73%	11.07%	84%
MSCI World Large Cap	MXWOLC Index	US	1,360.16	-0.07%	6.48%	15.38%	5.57%	15.38%	84%
MSCI World Mid-Cap	MXWOMC Index	US	1,393.74	0.41%	6.33%	16.88%	0.84%	16.88%	84%
	Average			0.03%	5.13%	10.52%	0.78%	8.92%	96%
	Top 25%			0.68%	7.48%	16.37%	8.38%	14.50%	104%
	Bottom 25%			-0.64%	3.38%	6.56%	-5.39%	3.77%	79%



GLOBAL MARKET DATA

1 - 7 JULY

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	97.19	-0.09%	-1.66%	-0.04%	0.86%
USD-EUR X-RATE	USDEUR Curncy	0.89	-0.16%	-1.73%	0.79%	1.97%
Russian Ruble SPOT (TOM)	USDRUB Curncy	63.83	-0.23%	-3.29%	-8.97%	0.30%
USD-TRY X-RATE	USDTRY Curncy	5.75	-0.59%	-0.96%	9.42%	26.08%
USD-GBP X-RATE	USDGBP Curncy	0.80	0.09%	-0.52%	0.40%	3.14%
Bloomberg JPMorgan Asia Dollar	ADXY Index	104.88	0.03%	1.14%	-0.01%	-1.47%
USD-AUD X-RATE	USDAUD Curncy	1.43	-1.21%	-1.12%	0.46%	4.91%
USD-CNY X-RATE	USDCNY Curncy	6.89	-0.05%	-0.55%	-0.17%	3.60%
USD-INR X-RATE	USDINR Curncy	68.70	-0.92%	-0.95%	-1.09%	0.14%
USD-JPY X-RATE	USDJPY Curncy	108.30	0.36%	-0.59%	-1.62%	-2.23%
USD-KRW X-RATE	USDKRW Curncy	1,180.42	-0.08%	-2.67%	4.04%	3.21%
USD-TWD X-RATE	USDTWD Curncy	31.18	0.05%	-1.81%	1.24%	1.33%
USD-ARS X-RATE	USDARS Curncy	41.86	-0.94%	-5.35%	13.03%	52.57%
USD-BRL X-RATE	USDBRL Curncy	3.82	0.21%	-2.27%	-1.23%	-0.60%
USD-CLP X-RATE	USDCLP Curncy	684.10	-1.02%	-4.41%	-2.24%	4.54%
USD-MXN X-RATE	USDMXN Curncy	19.02	0.40%	-2.37%	-2.48%	-3.08%
USD-EGP X-RATE	USDEGP Curncy	16.62	0.08%	-0.22%	-6.75%	-6.68%
USD-NGN X-RATE	USDNGN Curncy	360.50	-0.13%	0.14%	-0.96%	0.14%
USD-ZAR X-RATE	USDZAR Curncy	14.20	-1.80%	-3.43%	-1.90%	2.13%
Commodities			Return (USD)			
WTI CRUDE FUTURE Aug19	CLA Comdty	57.45	1.81%	9.00%	22.84%	-9.66%
BRENT CRUDE FUTR Sep19	COA Comdty	64.20	0.45%	5.85%	17.88%	-11.44%
Baltic Dry Index	BDIY Comdty	1,740.00	9.28%	23.54%	6.53%	1.88%
Natural Gas Futures	NGI Comdty	2.42	5.58%	-5.95%	-21.50%	-21.50%
Gold Spot \$/Oz	XAU Curncy	1,404.20	1.10%	8.04%	9.99%	12.76%
Silver Spot \$/Oz	XAG Curncy	15.06	0.15%	4.73%	-1.22%	-4.33%
LME COPPER 3MO (\$)	LMCADSO3 Comdty	5,902.00	0.37%	2.80%	0.47%	-9.51%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	1.84	-0.01	-0.17	-0.73	-0.76
US Generic Govt 5 Year Yield	USGG5YR Index	1.81	-0.02	-0.14	-0.74	-0.95
US Generic Govt 10 Year Yield	USGG10YR Index	2.02	-0.05	-0.12	-0.68	-0.83
Canadian Govt Bonds 10 Year No	GCAN10YR Index	1.57	-0.02	-0.02	-0.50	-0.67
Mexico Generic 10 Year	GMXN10YR Index	7.35	-0.11	-0.43	-1.07	-0.01
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	0.74	-0.01	-0.05	-0.44	-0.43
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.62	-0.05	-0.05	-0.28	-0.46
German Government Bonds 2 Yr B	GDBR2 Index	-0.75	-0.01	-0.09	-0.14	-0.09
German Government Bonds 5 Yr O	GDBR5 Index	-0.64	-0.03	-0.08	-0.35	-0.37
German Government Bonds 10 Yr	GDBR10 Index	-0.36	-0.04	-0.13	-0.57	-0.65
French Generic Govt 10Y Yield	GTFRF10Y Govt	-0.09	-0.05	-0.21	-0.71	-0.71
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	2.12	-0.09	-0.46	-1.91	-1.59
Italy Generic Govt 10Y Yield	GBTGPR10 Index	1.75	-0.05	-0.57	-0.64	-0.68
Spain Generic Govt 10Y Yield	GSPG10YR Index	0.32	-0.04	-0.32	-1.02	-0.97
Portugal Generic Govt 10Y Yield	GSPT10YR Index	0.44	-0.10	-0.33	-1.25	-1.36
Australia Govt Bonds Generic Y	GACGB10 Index	1.33	0.04	-0.14	-1.00	-1.29
India Govt Bond Generic Bid Yi	GIND10YR Index	6.61	0.02	-0.15	-0.49	-1.06
KCMP South Korea Treasury Bond	GVSKI0YR Index	1.54	0.03	-0.07	-0.36	-0.97
Japan Generic Govt 10Y Yield	GJGB10 Index	-0.15	0.00	-0.06	-0.16	-0.19
South Africa Govt Bonds 10 Yea	GSAB10YR Index	8.84	-0.03	-0.29		
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/24	ITRXEXE CBIL Curncy	256.57	-0.70	-54.53	-99.74	-72.50
MARKIT ITRX EUROPE 06/24*	ITRXEBE CBIL Curncy	61.08	-1.27	-18.73	-35.86	-22.86
MARKIT ITRX EUR SNR FIN 06/24*	ITRXESE CBIL Curncy	74.95	-3.10	-26.80	-45.80	-28.85
MARKIT ITRX EUR SUB FIN 06/24	ITRXEUE CBIL Curncy	152.02	-4.32	-52.59	-92.24	-55.04
MARKIT CDX.NA.IG.32 06/24	IBOXUMAE CBIL Curncy	60.09	-0.39	-14.91	-33.33	-13.70
MARKIT CDX.NA.HY.32 06/24	IBOXHYSE CBIL Curncy	338.35	0.06	-65.67	-126.77	-39.25
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	12.00	-0.03	-2.78	-7.47	-2.86
FTSE 100 500 3month ATM	UKX Index	10.36	-0.35	-2.35	-9.15	-2.04
Hang Seng 3month ATM	HSI Index	15.06	0.15	-1.11	-6.78	-1.66
Nikkei 3month ATM	NKY Index	13.18	0.48	-2.33	-9.76	-0.64
S&P 500 3month ATM	SPX Index	12.07	-0.53	-3.31	-7.59	-0.41
Volatility (VIX)	VIX Index	13.28	-0.32	-3.63	-10.34	-1.77
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.27	-0.02	-0.06	-0.10	-0.40
UK 5Y5YF Inflation Swap		3.63	-0.02	-0.02	0.00	0.21
JPY 5Y5YF Inflation Swap		0.11	0.00	0.00	0.04	-0.29
EUR 5Y5YF Inflation Swap		1.36	-0.09	-0.08	-0.35	-0.52
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-36.10				
Citi Economic Surprise Index -	CESICNY Index	-48.00				
Citi Economic Surprise Index -	CESIEM Index	-35.60				
Citi Economic Surprise Index -	CESIEUR Index	-9.90				
Citi Economic Surprise Index -	CESIGIO Index	-22.70				
Citi Economic Surprise - Japan	CESIJPY Index	25.30				
Citi Economic Surprise Index -	CESILTAM Index	-60.20				
Citi Economic Surprise - Unite	CESIUSD Index	-58.50				

EUROPE & UK

Benoit Ribaud
+44 207 5577 862
benoit.ribaud@alquity.com

MIDDLE EAST, ASIA & UK

Suresh Mistry
+44 207 5577 854
suresh.mistry@alquity.com

LATIN AMERICA

Cyn Cano
+44 207 5577 871
cyn.cano@alquity.com

DISCLAIMER

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

The information in this document (this "Document") is for discussion purposes only. This Document does not constitute an offer to sell, or a solicitation of an offer to acquire, an investment (an "Interest") in any of the funds discussed herein. This Document is not intended to be, nor should it be construed or used as, investment, tax or legal advice. This Document does not constitute any recommendation or opinion regarding the appropriateness or suitability of an Interest for any prospective investor.

This material is for distribution to Professional Clients only, as defined under the Financial Conduct Authority's ("FCA") conduct of business rules, and should not be relied upon by any other persons. Issued by Alquity Investment Management Limited, which is authorised and regulated in the United Kingdom by the FCA and operates in the United States as an "exempt reporting adviser" in reliance on the exemption in Section 203(m) of the United States Investment Advisers Act of 1940.

The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American Fund are all sub-funds of the Alquity SICAV ("the Fund") which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.

This Document is qualified in its entirety by the information contained in the Fund's prospectus and other operative documents (collectively, the "Offering Documents"). Any offer or solicitation may be made only by the delivery of the Offering Documents. Before making an investment decision with respect to the Fund, prospective investors are advised to read the Offering Documents carefully, which contains important information, including a description of the Fund's risks, conflicts of interest, investment programme, fees, expenses, redemption/withdrawal limitations, standard of care and exculpation, etc. Prospective investors should also consult with their tax and financial advisors as well as legal counsel. This Document does not take into account the particular investment objectives, restrictions, or financial, legal or tax situation of any specific prospective investor, and an investment in the Fund may not be suitable for many prospective investors.

An investment in the Fund is speculative and involves a high degree of risk. Performance may vary substantially from year to year and even from month to month. Withdrawals/redemptions and transfers of Interests are restricted. Investors must be prepared to lose their entire investment, and without any ability to redeem or withdraw so as to limit losses.

References to indices herein are for informational and general comparative purposes only. There will be significant differences between such indices and the investment programme of the Funds. The Fund will not invest in all (or any material portion) of the securities, industries or strategies represented by such indices. Comparisons to indices have inherent limitations and nothing herein is intended to suggest or otherwise imply that the Fund will, or are likely to, achieve returns, volatility or other results similar to such indices. Indices are unmanaged and do not reflect the result of management fees, performance-based allocations and other fees and expenses.

All Fund performance results presented herein are unaudited and should not be regarded as final until audited financial statements are issued. Past performance is not necessarily indicative of future results. All performance results are based on the NAV of fee paying investors only and are presented net of management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any, and include the reinvestment of all dividends, interest, and capital gains. Net returns shown herein reflect those of an investor admitted at inception of the Fund, and are representative of a regular [shareholder], net of applicable expenses and reflect reinvestment of dividends and interest. In the future, the Fund may offer share in the Fund with different fee and expense structures.

The Fund's investment approach is long-term, investors must expect to be committed to the Fund for an extended period of time (3-5 years) in order for it to have an optimal chance of achieving its investment objectives.

This Document may not be reproduced in whole or in part, and may not be delivered to any person (other than an authorised recipient's professional advisors under customary undertakings of confidentiality) without the prior written consent of the Investment Manager.

SWISS INVESTORS:

The prospectus, the Articles of Association, the Key Investor Information Document "KIIDs" as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge from the Representative. In respect of the units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.

Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

