

# GLOBAL MARKET UPDATE



## 6 TO 12 MARCH: A CHANGE IN THE WIND

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Spain <b>3.16%</b> , Belgium <b>2.70%</b> , Netherlands <b>2.07%</b>
	Bottom 3:	New Zealand <b>-1.17%</b> , UK <b>-1.15%</b> , Canada <b>-1.08%</b>
EMERGING	Top 3:	South Korea <b>1.43%</b> , Greece <b>0.84%</b> , Czech Republic <b>0.82%</b>
	Bottom 3:	Russia <b>-5.07%</b> , Egypt <b>-3.56%</b> , Brazil <b>-3.56%</b>
FRONTIER	Top 3:	Bulgaria <b>3.51%</b> , Serbia <b>3.26%</b> , Ghana <b>2.85%</b>
	Bottom 3:	Tanzania <b>-5.17%</b> , Peru <b>-3.65%</b> , Jamaica <b>-2.88%</b>

Over the past 6 months equity markets have benefited from the tailwinds of a strong rebound in the global economy and continued monetary stimulus. This week's events confirm that the second order consequences of a better macro picture are building. In particular, the monetary impulse may be turning negative:

- The FED is extremely likely to raise rates on Wednesday.
- We think the ECB will start adjusting its forward guidance in June (post French elections).
- Most economists expect the BOJ (meeting on Thursday) will cut bond purchase targets or raise its 10-year yield by the end of the year (and there are reports it has already started buying an annualised 18% fewer bonds than targeted).
- China also has a tightening bias.

This leaves Brazil as the only major central bank still in a credible rate cutting cycle. **The Bank of England also meets this week.**

Of course the outlook is not set in stone. After US crude inventories rose by 8.2 million barrels (9th consecutive weekly gain), oil saw its biggest one-day drop in 13 months and touched a 3-month low. The recent surge in headline inflation could therefore reverse. There is also political risk. This week sees Dutch elections, which are expected to pass without major event.

In India, Prime Minister Narendra Modi claimed a landslide state election victory in Uttar Pradesh, steamrolling the opposition and generating a wave of support that already makes a victory in the 2019 general election look a very likely outcome. Indian markets are expected to perform strongly on Tuesday (closed for holiday today).

## UNITED STATES

S&P 2,373 **-0.44%**, 10yr Treasury 2.56% **+9.65bps**, HY Credit Index 334 **+24bps**, Vix 12.18 **+0.70Vol**

**The S&P 500 recorded its first weekly decline since mid-January**, whilst small caps (represented by the Russell 2000) underperformed for the 4th consecutive week alongside a sharp decline in energy stocks. The energy sector has lagged the broader market by almost 15% YTD. Government bonds also fell, with **the 10-year touching its highest yield since December at 2.62% (within 2bps of the highest level since 2014)**. Last, the high yield index **suffered its worst week since November**.

Supporting expectations for FED rate hikes was a **blowout employment report**. Nonfarm payrolls came in at 235,000, well ahead of consensus and with positive revisions for the past 2 months. Unemployment consequently declined to 4.7% (actually despite a rise in the participation rate to a 3-year high, reflecting the “underemployment rate”, which includes discouraged workers and part-time employees unable to find full-time jobs, dropping to 9.2% from 9.4%). Average hourly wages grew at a 2.8% annualised pace.

## EUROPE

Eurostoxx 3,410 **+1.40%**, German Bund 0.46% **+12.90bps**, Xover Credit Index 285 **-9bps**, EURUSD 1.068 **-0.47%**

At Thursday's ECB meeting the governing council upgraded its assessment of the economic outlook (2017 and 2018 GDP growth projection increased by 0.1%), self-assuredly attributing some of the rebound to its own actions. In the accompanying press conference **Mario Draghi took his first steps towards a shift in policy**; the sentence “if warranted to achieve its objective, the Governing Council will act by using all instruments available within its mandate” was missing from the opening statement. He explained this had “been removed, basically to signal that there is no longer that sense of urgency in taking further actions ... that was prompted by the risks of deflation.” Moreover, he commented that the ECB sees a good chance that the “cyclical recovery may be gaining momentum.” Indeed, there had been a discussion about removing the downside bias on interest rates from forward guidance.

Nonetheless, Mario also commented that “Underlying inflation pressures continue to remain subdued, the Governing Council will continue to look through changes in HICP inflation if judged to be transient and to have no implication for the medium-term outlook for price stability.” As such “A very substantial degree of monetary accommodation is still needed for underlying inflation pressures to build up and support headline inflation in the medium term.”

After the meeting, government bonds sold off across the Eurozone, with the **German 10-year Bund yield closing around 0.49%, close to 1-year highs**.

*We doubt the potential for a structural change in the Eurozone growth outlook; imbalances and secular stagnation forces continue to dominate. However, over the near-term there is reasonable momentum (which we*

*mostly attribute to the broader global rebound). As such, Draghi's measured press conference probably struck the appropriate tone.*

In the UK, the March budget did not deliver any major changes, with the government maintaining its fiscal targets. Economic data was somewhat soft – Halifax house price index suggesting the slowest growth in over 3 years, Countrywide house rental data the first annual drop since November 2010 and industrial, manufacturing and construction output all below expectations. With respect to Brexit, the House of Lords voted to make 2 amendments to the Withdrawal Bill (protection for EU nationals already living in the UK and a requirement to submit any future agreement before debate at the European parliament). It is likely the House of Commons will reject both amendments and that the Bill will pass in its original form this week. **This implies triggering Article 50 by Friday**.

After almost 9 years, Iceland's government announced that capital controls will be removed on Tuesday. Meanwhile, Poland left the benchmark interest rate on hold at 1.50%.

## ASIA PACIFIC

HSCEI 1,025 **-0.75%**, Nikkei 1,963.00 **+0.33%**, 10yr JGB 0.09% **+0bps**, USDJPY 114.650 **+0.65%**

**India's Prime Minister, Narendra Modi, claimed a landslide victory on Saturday in the Uttar Pradesh (UP) state elections, winning 325 out of the 403 seats. Home to over 200 million of India's poorest people, this vote has a number of significant ramifications for India's political and economic future.** The results from three other, far smaller, state elections were also released over the weekend, with Modi performing better than expected in Uttarakhand, winning a majority, while finishing slightly behind Congress in Goa and Manipur.

*This election was interpreted as a referendum on Modi's economic reforms enacted so far; most significantly, demonetisation. The fact that one of India's poorest states, with its cash centric local economy being among the worst disrupted in the country, should vote in favour of this policy can be extrapolated to mean that India as a whole is showing a willingness to tolerate the short-term hardships associated with economic reforms, in exchange for the long term improvements in prosperity and efficiency these reforms promise.*

*This is the most powerful outcome of these elections and suggests that Modi's support levels have only increased since he swept to power in the 2014 general election, suggesting that winning a second term in 2019 is an increasingly likely outcome.*

*Secondly, the victory in UP guarantees Modi a greater number of seats in the Rajya Sabha, India's upper house of parliament. Building a two-thirds majority here (which the government currently lacks) will allow the government to pass key reforms which are currently being stonewalled by the opposition in the upper house.*

*The third implication is drawn from the counter-factual – what if Modi had lost this election? A defeat in Uttar Pradesh, along with the government's disappointing loss in*

*Bihar in 2015 would have created a pattern through which other parties can defeat the government in state level elections. In Bihar, the smaller parties, though not politically aligned in any major way, formed a coalition so as to stand a chance against the BJP, and succeeded. Had this strategy worked in the far larger arena of UP, this would have provided a blueprint for the rest of India's states as to how to fight against the BJP.*

***In our view, these election results were the most significant development for the Modi government since the general election victory in 2014.*** *Knowing that the people of India are still in support of the government's attempts to reform and liberalize the economy, despite the high upfront costs, gives the government full license to continue down this path knowing that popular support is only strengthening as we head towards the next general election in two years' time.*

**In China, the governor of the central bank held a press conference outlining policy objectives for 2017, with very little new content not already made public.** In terms of monetary policy, there was no change to the rhetoric calling for stability and de-risking of the financial system. On the RMB, Governor Zhou claimed that there is no basis for the currency to depreciate further in 2017 and that he expects foreign exchange reserves to stabilise around these levels, with market sentiment now having adjusted in the central bank's view. Deputy Governor Yi, however, followed up by saying that it is beneficial to use exchange reserves to support the currency as needed.

*The tone of Chinese monetary policy and accompanying macro-prudential regulation has remained consistent for two quarters now, and we see nothing on the short-term horizon with a material likelihood to change this. Tail risks, though, would include renewed pressure on foreign reserves and the exchange rate, sparked by some kind of panic over the health of the economy, or elevated stress levels of local government balance sheets, perhaps caused by tighter funding conditions.*

**China's CPI inflation rate came in at 0.8% YoY in February,** with lower pork and vegetable prices pushing down consumer price inflation to its lowest level since January 2015. **PPI however jumped to 7.8% YoY.** The National Bureau of Statistics commented that around -6% of this can be attributed to the increases in prices of coal, oil and non-ferrous metals seen over the last twelve months. **Imports grew 44.7% YoY** in February, with seasonality around Chinese New Year inflating the underlying trend of stronger domestic demand.

**South Korea's constitutional court upheld the National Assembly's decision to impeach the President.** The court's decision was unanimous, with all eight judges voting in favour of the decision, above the six votes required. Prime Minister Hwang Kyo-ahn will now continue his role as acting president until a permanent replacement can be elected, which could likely take place on 7th May according to local media outlets. Given that elections are constitutionally required to be held within 60 days of the court's decision, and that all elections must be called with 50 days of advance notice, there is only a short window of possible dates.

*While Korea's political future continues to progress along a fairly clear path (even if a sub-optimal one), the future of the country's economy and business establishment is far murkier. GDP and exports remain weak, while senior officials at the country's largest companies continue to face ongoing criminal accusations.*

**The RBA in Australia left interest rates on hold** for the 6th meeting in succession at 1.50%.

## LATIN AMERICA

MSCI Lat Am 2,541 -2.54%

**Brazil's industrial production marked the first YoY expansion after 34 consecutive months of decline.** It expanded 1.4% in January. Signs of an industrial recovery also appeared in electricity consumption where the industrial segment (+4.4% YoY) was responsible for the bulk of the YoY growth (+2.8%).

**Brazil Q4 GDP contracted 0.9% QoQ** leading 2016 GDP to decline by 3.6% YoY. In real terms, GDP is back to its 2010 level.

Increases in net exports, a significant decline in inventories, falling inflation, rising confidence, lower interest rates, stronger agricultural production, higher commodity prices and the pension reform to be approved later this year, all bode well for an economic recovery in 2017. However, high unemployment, high consumer and corporate leverage and political uncertainty will conspire against the smooth and broad improvement currently priced in the currency.

**Argentine GDP contracted 2.3% in 2016.** It was a painful transition year, where the economy had to adjust from 15 years of mismanagement. 2017 will be a make-or-break year where Argentines will pressure Macri's government if the structural reforms do not translate into a strong economic rebound.

Moody's raised its outlook for Argentina to positive from stable, maintaining its overall rating at B3 (6 notches below investment-grade territory). Comments were very encouraging: "Over the past fourteen months, a number of policies have been introduced which have laid the ground for future improvements to Argentina's economic and fiscal strength, and for a reduction in its exposure to shocks. The positive outlook reflects the rising likelihood that those policies, and the improvements in Argentina's institutional strength which they illustrate, will be sustained and bring about lasting improvements in Argentina's credit profile."

**Inflation in Chile declined to 2.7% in February,** 200 bps below the February 2016 reading. Thus, the CPI stood below the Central bank's target for a fifth month in a row. Importantly, core inflation decreased to 2.2% YoY, its lowest level since December 2013. This leaves ample room for a rate cut, which is needed to support the slow-growth Chilean economy.

*Monetary policy can be supportive cyclically, but structurally Chile cannot increase its long-term potential growth rate without deeper reforms of its labour market, pension system and education.*

**Peru's Minister of Economy and Finance, Alfredo Thorne, announced a fiscal stimulus** to boost the economy and achieve employment and public investment growth (to 15%, currently at 5%). The 5 measures announced are:

- A PEN 5.5Bn (0.8% of GDP) fiscal impulse that will create 100,000 direct and indirect jobs through direct public investment.
- Incentivising formal employment through the subsidy contribution to social security for young people entering the formal labour market for the first time (50,000 employments targeted).
- Social housing building (targets at 150,000 newly financed houses through social housing programs working along microfinance institutions).
- A credit program for SMEs (amounts to PEN 1.1 Bn aimed at fixed assets acquisitions).
- The acceleration of Public Works (62 infrastructure projects worth up to PEN1.5bn are selected)

## AFRICA

MSCI Africa 802 **-0.82%**

**The Tanzanian central bank cut its discount rate to 12%, from 16%.** This is the first interest rate move since 2013. It is aimed at stimulating lending as private sector credit grew at 2.5% in 2016 vs 26.8% year earlier. It is unclear if the IMF expected such a sharp 400bps cut when they warned in January that tight fiscal and monetary policies threatened its forecast for growth of around 7% in fiscal year 2016/17, which ends in June.

### Inflation in Egypt reached 30.2% YoY in February

from 28.1% a month earlier. Food and beverage prices accelerated to 40.5% YoY. The devaluation of last November still heavily impacts Egyptian consumer and businesses.

*The central bank needs to hike rates to anchor the currency and fight hyper-inflation.*

**South Africa's 4Q16 GDP came in at -0.3% QoQ,** negatively impacted by the mining and manufacturing sectors. However, business confidence and other leading indicators indicate that 2017 is starting on a better footing.

**Nigeria's government announced a new growth plan** targeting 7% GDP growth, sub 10% inflation and oil output from 1.6Mn bpd to 2.5 by 2020. It also confirmed a privatisation plan to raise capital and more sovereign debt issuance. Despite Nigeria's relatively-low debt (13% of GDP), rising interest costs and the government's chronic inability to raise taxes could trigger a liquidity crisis.

*There was no mention of currency market liberalisation, which would be the first step out of this distressed situation. These announcements were a wishful thinking exercise by a government that has totally lost credibility in the eyes of international organizations, investors and its own citizens.*

## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
CPI (FEB) % YoY	Wed/15	2.7
Core CPI (FEB) % YoY	Wed/15	2.2
Retail sales (FEB) % MoM	Wed/15	-0.1
Fed rate decision %	Wed/15	0.75
Industrial Production (FEB) % MoM	Fri/17	0.2
Michigan consumer sentiment (MAR)	Fri/17	97.0
<b>EUROPE</b>		
Eurozone Industrial Production (JAN) % YoY	Tue/14	0.9
Netherlands parliamentary elections	Wed/15	-
Norway rate decision %	Thu/16	0.5
Eurozone HICP (FEB) % YoY	Thu/16	2.0
Eurozone Core HICP (FEB) % YoY	Thu/16	0.9
BoE rate decision %	Thu/16	0.3
Turkey rate decision %	Thu/16	8.0
Eurozone trade balance (JAN) Bn EUR	Fri/17	24.1
<b>ASIA PACIFIC</b>		
China Retail sales (JAN-FEB) % YoY	Tue/14	10.7
China Industrial production (JAN-FEB) % YoY	Tue/14	6.2
India CPI (FEB) % YoY	Tue/14	3.6
New Zealand GDP (Q4) % YoY	Thu/16	3.2
Indonesia rate decision %	Thu/16	4.75
<b>LATIN AMERICA</b>		
Mexico industrial production (JAN) % YoY	Tue/14	0.1
<b>AFRICA</b>		
South Africa manufacturing output (JAN) sa % MoM	Tue/14	0.5
South Africa retail sales (JAN) sa % MoM	Wed/15	0.5
Nigeria CPI (FEB) % YoY	Wed/15	18.2

**PLEASE CONTINUE FOR MARKET DATA**

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# GLOBAL MARKET DATA

6 to 12 March 2017

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	2,372.60	-0.44%	0.38%	5.97%	19.25%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,365.27	-2.07%	-1.54%	0.60%	28.32%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,861.73	-0.15%	0.62%	8.89%	25.73%		3.9
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,506.68	-1.08%	-0.72%	1.30%	15.21%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	410.72	-0.65%	1.07%	6.26%	39.44%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	689.82	-0.26%	0.38%	6.48%	14.56%		5.0
S&P 500 INFO TECH INDEX	S5INFT Index	US	897.57	0.54%	1.53%	11.09%	29.07%		4.8
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	876.38	0.15%	1.36%	9.97%	13.00%		3.9
S&P 500 ENERGY INDEX	S5ENRS Index	US	510.15	-2.64%	-1.85%	-8.00%	12.91%		2.0
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,372.60	-0.44%	0.38%	5.97%	19.25%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	563.67	-0.79%	-0.06%	4.76%	22.03%		4.6
S&P 500 CONS STAPLES IDX	S5CONS Index	US	564.66	-0.17%	-0.20%	6.18%	5.61%		5.4
S&P 500 UTILITIES INDEX	S5UTIL Index	US	257.00	-1.17%	-1.76%	4.12%	5.89%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	326.37	-1.15%	-0.54%	4.55%	19.27%		4.0
S&P 500 TELECOM SERV IDX	S5TELS Index	US	170.17	-0.29%	0.24%	-3.65%	1.35%		2.9
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,410.13	1.40%	3.50%	5.02%	9.60%	3.82%	1.6
CAC 40 INDEX	CAC Index	France	4,987.15	0.98%	3.36%	3.88%	9.40%	2.69%	1.5
DAX INDEX	DAX Index	Germany	11,964.92	0.47%	1.67%	5.40%	20.05%	4.20%	1.8
Athex Composite Share Pr	ASE Index	Greece	648.59	0.84%	1.00%	1.93%	9.58%	0.77%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	19,617.06	0.98%	4.54%	3.39%	3.41%	2.20%	1.0
AEX-Index	AEX Index	Netherlands	510.74	2.07%	3.78%	7.01%	13.25%	5.79%	1.7
PSI All-Share Index GR	BVLX Index	Portugal	2,537.32	0.60%	0.23%	1.82%	2.85%	0.65%	1.2
MICEX INDEX	INDEXCF Index	Russia	1,983.24	-5.07%	-4.04%	-8.37%	27.13%	-11.59%	0.8
IBEX 35 INDEX	IBEX Index	Spain	9,985.50	3.16%	5.32%	8.23%	8.79%	7.00%	1.4
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,587.51	0.66%	1.24%	5.55%	6.36%	4.66%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	8,672.85	0.07%	0.73%	6.20%	6.90%	5.48%	2.5
BIST 100 INDEX	XU100 Index	Turkey	89,080.19	-0.37%	-0.26%	8.29%	-11.83%	14.68%	1.2
FTSE 100 INDEX	UKX Index	UK	7,348.90	-1.15%	-0.92%	1.34%	3.62%	2.80%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	560.59	0.24%	-0.66%	8.99%	16.40%	8.99%	1.5
S&P/ASX 200 INDEX	AS51 Index	Australia	5,757.35	0.40%	-0.76%	6.44%	13.70%	1.94%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,042.52	-0.12%	0.97%	11.99%	17.37%	13.18%	-
HANG SENG CHINA ENT INDEX	HSCEI Index	China "H"	10,258.71	-0.75%	-2.25%	7.03%	19.58%	7.18%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,237.02	-0.17%	-1.51%	4.07%	8.00%	3.52%	1.8
HANG SENG INDEX	HSI Index	HK	23,829.67	0.06%	-0.75%	6.98%	17.93%	7.13%	1.2
Nifty 50	NIFTY Index	India	8,934.55	0.74%	0.83%	11.48%	20.67%	9.15%	2.8
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,402.71	0.03%	-0.08%	3.12%	10.83%	1.77%	2.3
NIKKEI 225	NKY Index	Japan	19,633.75	0.33%	-0.07%	4.15%	14.30%	2.56%	1.8
KOSPI 200 INDEX	KOSPI Index	Korea	275.41	1.47%	-0.98%	9.88%	18.33%	4.72%	1.0
Laos Composite Index	LSXC Index	Laos	1,128.89	2.13%	5.75%	9.41%	-4.33%	9.66%	1.0
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,720.87	0.57%	1.11%	5.42%	-5.89%	4.62%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	48,885.41	-0.86%	1.34%	2.46%	50.16%	2.90%	2.1
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,233.09	-1.39%	-1.08%	2.91%	-5.64%	4.47%	2.3
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,142.80	0.51%	0.21%	11.41%	9.08%	8.77%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,061.52	-0.44%	-0.72%	-3.40%	-2.10%	-2.30%	1.4
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,697.34	-0.11%	-2.34%	8.73%	17.86%	4.05%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,531.29	-2.39%	-2.49%	1.23%	11.26%	-0.20%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	710.17	-0.03%	0.06%	6.92%	20.77%	7.12%	2.1
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	445.52	-0.21%	0.23%	5.61%	15.74%	5.61%	2.2
MSCI EM	MXEF Index	MSCI EM	926.14	-0.53%	-1.09%	7.41%	17.12%	7.41%	1.6
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,541.12	-0.68%	-0.26%	5.08%	5.70%	5.08%	1.8
DFM GENERAL INDEX	DFMGI Index	Dubai	3,472.10	-1.79%	-3.05%	-0.30%	4.92%	-0.30%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,540.59	-2.54%	-2.29%	8.54%	23.88%	8.54%	1.9
ARGENTINA Merval INDEX	MERVAL Index	Argentina	18,895.91	-2.14%	-1.14%	14.95%	42.35%	11.69%	0.6
MSCI BRAZIL	MXBR Index	Brazil	1,835.80	-3.66%	-4.55%	9.81%	45.39%	9.81%	1.7
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,474.88	-0.02%	0.46%	8.74%	19.96%	7.79%	1.5
IGBC GENERAL INDEX	IGBC Index	Colombia	9,926.64	0.10%	-1.61%	-1.15%	11.57%	-1.78%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	47,102.31	-0.71%	2.70%	8.48%	-3.09%	3.20%	2.5
Bolsa de Panama General	BVPSBVPS Index	Panama	415.30	0.27%	0.40%	0.43%	5.66%	0.49%	1.9
S&P/BVLPeruGeneralTRPEN	SPBPLPGPT Index	Peru	15,306.28	-3.65%	-3.61%	0.39%	40.41%	-1.67%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	38,545.32	2.52%	7.94%	21.57%	50.62%	21.57%	3.1
MSCI EFM AFRICA	MXFMEAF Index	Africa	802.01	-0.82%	0.16%	4.24%	13.96%	4.24%	2.3
EGYPT HERMES INDEX	HERMES Index	Egypt	1,163.55	-3.56%	-2.98%	9.57%	-13.50%	6.09%	2.0
GSE Composite Index	GGSECI Index	Ghana	1,874.76	2.85%	2.95%	2.69%	-19.94%	10.99%	1.7
Nairobi SE 20 Share	KNSMIDX Index	Kenya	2,963.08	0.04%	-0.81%	-7.12%	-25.82%	-7.00%	1.8
MASI Free Float Index	MOSENEW Index	Morocco	11,935.03	0.49%	0.40%	3.21%	25.62%	2.50%	2.7
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	25,238.01	0.98%	-0.14%	-5.95%	-38.38%	-6.09%	1.2
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	44,468.07	-1.44%	-0.17%	5.11%	14.00%	0.92%	2.0
<b>Average</b>				-0.30%	0.14%	5.00%	12.90%	4.45%	
<b>Top 25%</b>				0.50%	0.98%	8.38%	19.77%	7.23%	
<b>Bottom 25%</b>				-0.84%	-1.03%	2.58%	5.68%	1.90%	

# GLOBAL MARKET DATA (CONTD.)

6 to 12 March 2017

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	USD Index	101.26	-0.29%	0.13%	-0.94%	5.40%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.94	-0.47%	-0.91%	-1.44%	4.74%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	59.01	1.27%	0.96%	-4.33%	-17.53%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.74	0.80%	2.36%	5.92%	29.09%
USD-GBP X-RATE	USDGBP Curncy	UK	0.82	1.11%	1.79%	1.49%	17.42%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	104.48	-0.04%	-0.47%	1.51%	-2.19%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.32	0.73%	1.52%	-4.47%	-1.16%
USD-CNY X-RATE	USDCNY Curncy	China	6.91	-0.04%	0.45%	-0.77%	5.96%
USD-INR X-RATE	USDINR Curncy	India	66.50	-0.34%	-0.41%	-2.16%	-1.19%
USD-JPY X-RATE	USDJPY Curncy	Japan	114.65	0.66%	1.78%	-1.90%	1.40%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,146.94	-0.29%	1.04%	-4.89%	-4.65%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.95	0.19%	1.08%	-4.30%	-5.78%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.47	0.21%	-0.07%	-2.54%	0.87%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.14	0.75%	0.92%	-3.55%	-13.31%
USD-CLP X-RATE	USDCLP Curncy	Chile	663.90	1.07%	2.14%	-0.97%	-2.73%
USD-MXN X-RATE	USDMXN Curncy	Mexico	19.56	0.48%	-2.49%	-5.41%	10.09%
USD-EGP X-RATE	USDEGP Curncy	Egypt	17.64	8.68%	10.76%	-3.20%	124.10%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	314.54	-0.05%	0.00%	-0.12%	58.05%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.11	1.12%	0.31%	-3.98%	-14.56%
Commodities				Return (USD)			
WTI CRUDE FUTURE Apr17	CLA Comdty	US	48.27	-9.08%	-10.22%	-12.52%	9.66%
BRENT CRUDE FUTR May17	COA Comdty	UK	51.22	-8.10%	-9.10%	-11.49%	12.90%
BALTIC DRY INDEX	BDIY Comdty		1,086.00	15.65%	26.43%	13.01%	182.81%
Natural Gas Futures	NGI Comdty		3.06	6.40%	8.44%	-19.23%	68.23%
Gold Spot \$/Oz	XAU Curncy		1,209.59	-2.41%	-3.49%	4.55%	-5.31%
Silver Spot \$/Oz	XAG Curncy		17.12	-5.22%	-6.96%	7.06%	9.24%
LME COPPER 3MO (\$)	LMCADS03 Comdty		5,732.00	-3.13%	-4.03%	3.55%	17.22%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.35	0.05	0.09	0.17	0.43
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	2.09	0.09	0.17	0.17	0.66
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.56	0.10	0.18	0.13	0.64
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.81	0.11	0.18	0.09	0.51
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.39	0.05	0.01	-0.04	1.22
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.21	0.05	0.08	-0.01	-0.31
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	0.03	0.18	0.29	0.25	0.32
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.82	-0.03	0.07	-0.06	-0.38
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.32	0.11	0.26	0.23	-0.07
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.46	0.13	0.28	0.28	0.18
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	1.08	0.18	0.23	0.43	0.43
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	7.08	0.14	0.03	0.07	-1.84
Italy Generic Govt 10Y Yield	GBTPGR10 Index	Italy 10yr	2.34	0.27	0.28	0.55	0.91
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.87	0.21	0.23	0.51	0.30
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	4.02	0.12	0.18	0.29	0.92
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.94	0.17	0.26	0.21	0.39
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.90	0.12	0.03	0.39	-0.73
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.31	0.09	0.15	0.22	0.45
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.09	0.01	0.03	0.04	0.11
South Africa Govt Bonds 10 Ya	GSAB10YR Index	SA 10yr	8.67	-0.04	-0.11	-0.23	-0.51
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	ITRXXE CBIL Curncy	EUR XOVER	285.35	9.20	-8.58	-5.33	-73.02
MARKIT ITRX EUROPE 12/21	ITRXXE BE CBIL Curncy	EUR MAIN	72.31	2.39	-1.29	-0.26	-13.39
MARKIT ITRX EUR SNR FIN 12/21	ITRXXE SE CBIL Curncy	EUR SNR FIN	86.58	0.57	-5.41	-7.08	-5.95
MARKIT ITRX EUR SUB FIN 12/21	ITRXXE SB CBIL Curncy	EUR SUB FIN	195.66	-1.43	-15.93	-25.94	-5.25
MARKIT CDX.NA.IG.27 12/21	IBOXUMAE CBIL Curncy	US IG	64.23	4.13	2.00	-3.10	-30.14
MARKIT CDX.NA.HY.27 12/21*	IBOXHYSE CBIL Curncy	US HY	333.68	23.96	16.63	-22.65	-141.37
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	17.62	-0.27	-1.41	-0.23	-6.55
FTSE 100 500 3month ATM	UKX Index	UK	12.89	-0.13	-1.02	-0.08	-6.13
Hang Seng 3month ATM	HSI Index	HK	13.88	-0.69	-1.16	-2.31	-8.24
Nikkei 3month ATM	NKY Index	Japan	17.68	-1.02	-2.07	-1.55	-4.44
S&P 500 3month ATM	SPX Index	US	11.66	-0.03	-0.84	-1.80	-5.44
Volatility (VIX)	VIX Index	US	12.18	0.70	-1.26	-2.38	-6.39
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.41	0.04	0.06	-0.01	0.49
UK 5Y5YF Inflation Swap		GBP	3.52	0.06	0.06	-0.03	0.23
JPY 5Y5YF Inflation Swap		JPY	0.50	0.00	0.00	-0.06	0.49
EUR 5Y5YF Inflation Swap		EUR	1.73	0.01	0.02	-0.02	0.23
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	51.60				
Citi Economic Surprise Index -	CESICNY Index	China	-9.60				
Citi Economic Surprise Index -	CESIEM Index	EM	51.50				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	57.90				
Citi Economic Surprise Index -	CESIG10 Index	G10	41.30				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	-26.80				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	35.30				
Citi Economic Surprise - Unite	CESIUSD Index	US	48.00				

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

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