GLOBAL MARKET UPDATE

26 JUNE TO 2 JULY: DAMNED IF YOU DO, DAMNED IF YOU DON'T

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	**Top 3:**	Austria **3.55%**, Luxembourg **2.49%**, Norway **1.77%**
	Bottom 3:	Japan **-1.42%**, Germany **-1.34%**, Europe **-1.00%**
EMERGING	**Top 3:**	Brazil **3.74%**, Czech Republic **2.37%**, Greece **2.33%**
	Bottom 3:	Malaysia **-1.09%**, South Africa **-0.92%**, India **-0.79%**
FRONTIER	**Top 3:**	Slovakia **8.72%**, Kazakhstan **6.79%**, Lativa **5.30%**
	Bottom 3:	Romania **-3.83%**, Ukraine **-0.98%**, Chile **-0.86%**

Despite continued momentum in global growth over the past 6 months, government bonds have rallied alongside equities. Last week, hawkish soundbites from central bankers prompted a spike in bond yields, a surge in the EUR and GBP and pushed most equites lower.

- In the US, 3 key members of the FED commented on financial market valuations:
  - Chair Janet Yellen "(asset prices are) somewhat rich if you use some traditional metrics like price earnings ratios".
  - Vice-Chair Stanley Fischer "high-risk appetite has not led to increased leverage across the financial system, but close monitoring is warranted".
  - San Francisco FED Chief John Williams "the stock market seems to be running pretty much on fumes."
- In the UK, (not for the first time) Mark Carney appeared to change his tone by stating the current inflation overshot "can only be temporary in nature and limited in scope" and "some removal of monetary stimulus is likely to become necessary".
- In the Eurozone, Mario Draghi also stressed the state-dependency of policy, saying "as the economy continues to recover, a constant policy stance will become more accommodative, and the central bank can accompany the recovery by adjusting the parameters of its policy instrument". Moreover, this weekend, Bundesbank President Jens Weidmann commented "at the moment we see that the economic situation is rather positive…if this sustainably passes on to inflation rates then monetary policy needs to be more taut, and it's not about putting full brakes on monetary policy, but to lift one's foot off the gas a little".

It's important to give some context to last week's comments and market moves. First, there is surely a case for over-interpretation; policymakers were mostly offering "what-if" analysis, rather than committing to more aggressive tightening. Second, there is still little/no concurrent evidence of a pickup in core inflation. Third, yields remain within their range of the last few months – there has been

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no breakout move higher.

Overall, we judge that the short-term path for global rates is unlikely to be synchronised. We still believe the US is most likely to tighten further, that Europe (in aggregate) has a lot of remaining spare capacity, which should keep rate hikes on the back foot and removal of QE gradual. Last, we don't think incoming UK data will be sufficiently resilient to support tightening.

Longer term, we still see monetary policy makers as "damned if they do and damned if they don't", unable to manage asset price bubbles and the secular growth slowdown at the same time.

Separately, oil prices have now managed 7 consecutive daily gains, WTI posting an over 8% rise from recent lows after a decline in weekly US crude production.

UNITED STATES

S&P 2,423 -0.61%, 10yr Treasury 2.31% +16.14bps, HY Credit Index 340 +5bps, Vix 11.05 +1.16Vol

There was a **host of economic data out of the US, with a modestly positive bias**: whilst durable goods and pending home sales disappointed, measures of consumer sentiment improved alongside the Core PCE index and personal income. This may have contributed to the 15bps sell-off in 10 year yields. However, it was interesting to note the front end of the curve moved much less; the US 2 year was 4bps higher and therefore there was little change in expectations for FED action in the near term.

In equities, there were **large divergences in performance at the sector level**:

- **Financials rallied** after the second round of the FED Comprehensive Capital Analysis and Review cleared nearly all major banks (Capital One the exception) to return capital to shareholders. Citigroup doubled its dividend, with Bank of America, Morgan Stanley and JPMorgan also announcing significant uplifts.
- **Technology stocks broadly fell** (NASDAQ 2% lower), as the "profit-taking" trend continued and the EU fined Google's parent Alphabet USD 2.7bn for antitrust violations. The NASDAQ has nonetheless still outperformed the S&P 500 by around 6% YTD.

The state of Illinois (5th largest in the US) is racing against the clock to avoid becoming the 1st US state to have its credit rating cut to junk. The state legislature was unable to reach a spending deal for a 3rd consecutive year and all 3 major rating agencies have a negative watch.

This week we have the minutes to the last FOMC meeting, the July employment report and speeches from FED governors Fisher and Powell.

EUROPE

Eurostoxx 3,468 -1.00%, German Bund 0.47% +21.10bps, Xover Credit Index 245 -13bps, EURUSD 1.140 -2.04%

At a speech on Tuesday in Portugal, **Mario Draghi was interpreted as having signalled an imminent reduction the ECB's asset purchases**, saying "reflation dynamics (were) slowly taking hold". The EUR gained around 2% against the USD and the German 10-year Bund posted the biggest gain in yield since December 2015. This was despite a concerted "backtrack":

- Reuters reported ECB "sources" commenting that Draghi had intended to signal tolerance for a period of soft inflation rather than imminent policy tightening.
- Vice-President Constancio stated that the ECB needed to persist with current policy because "if we adopt, as in the U.S., a broader concept of unemployment (which in the U.S. they call U6) then unemployment in the euro area is at 18% whereas it is at 9 (percent) in the case of the U.S. which would imply that the slack is then bigger than we could judge some time ago."

Indeed, **Eurozone HICP inflation for June declined to 1.3%** (from 1.4% in May) at the headline level and registered 1.1% at the core (versus 0.9% in May) – well below the central bank's 2% target and inconsistent with an aggressive tightening. Moreover, temporary factors over the coming months are likely to continue to weigh on price growth. Perhaps, the minutes of the June ECB meeting, to be released on Thursday, will deliver some clarification.
We continue to expect a very gradual removal of policy accommodation; practically this means a further reduction in purchases in Q4 but no move in interest rates for the foreseeable future.

The **Eurozone Economic Sentiment Indicator (ESI) touched a 10-year high** of 111.1 in June (from 109.2 in May and having reached 111.8 in August 2007). Optimism was broad based in the survey, which measures corporate and private householder sentiment.

In the UK, Q1 GDP was confirmed at 0.2% QOQ. After fledgling signs of a slowdown, there is **increasingly robust evidence of the British economy coming under pressure**, particularly at the consumer level:

- The savings ratio (proportion of income that is saved) is at an all-time low of 1.7% of gross disposable income.
- Real wage growth is negative, as imported inflation outpaces wage gains.
- Lending conditions are tightening and consumer confidence is declining (GfK Consumer Confidence Barometer fell by 5pts in June to -10).

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Nonetheless, **a speech from Mark Carney prompted sharp gains in GBP and Gilt yields**, on the interpretation of a more hawkish stance. Although 3 members of the MPC voted for a hike at the last meeting, we continue to believe the UK will not raise rates. Deputy Governor Cunliffe confirmed his view that it was not the time to alter policy on Wednesday and we do not see Carney's comments as changing his stance. The discord does, however, show the tough position faced by the country – managing inflation from a weak currency against a deteriorating domestic environment. To be fair, there is also very low unemployment, which some members believe could prompt wage growth in the near-term..

ASIA PACIFIC

HSCEI 1,040 -0.71%, Nikkei 2,005.00 -1.42%, 10yr JGB 0.09% +0bps, USDJPY 112.840 +0.97%

China's NBS Manufacturing PMI accelerated to 51.7 in June, up from 51.2 in May, surprising to the upside. The production sub-index rose to a 43-month high of 54.4, while new export orders rose to a 76-month high of 52.0.

Industrial profits also showed signs of strength, with growth accelerating to +16.7% YOY in May, up from +14.0% in April, despite lower PPI inflation.

In-line with what we have seen so far in 2017, the latest numbers suggest that the Chinese economy is performing well on both the internal and external fronts. This has come despite policymakers' monetary adjustments to attempt to reduce the systemic-level risk in the banking system. In terms of domestic performance specifically, the government has shown an ability to stimulate the economy through fiscal and quasi-fiscal stimulus, with the right-hand of monetary policy tied behind its back (by the need to maintain interest rates and money supply at certain levels in order to avoid depreciation pressure and capital outflows).

With the crucial 19th National Congress scheduled for October, for which every institute of policymaking and government wishes to have the economy on song, we see no reason for the current 'pro-growth anti-systemic-risk-accumulation' stance to change.

On 1st July, the Modi government rolled out its transformational Goods and Services Tax across India, the country's first unified tax structure in the post-independence era.

The GST has the potential to be truly transformational for India. The new tax structure abolishes the greatest barriers to interstate trade. This effectively unifies India as a single common market similar to the EU, as opposed to the outgoing system whereby trading across state lines required negotiating an international-style tax border.

Companies that previously were forced to operate elaborate networks of warehouses and distribution centres so as not to pay multiple layers of tax will now be able to rationalise their operations. Foreign direct investors will now face far simpler decisions in how to set up their Indian presence.

Another key dimension to the GST is the incentivisation of much higher tax compliance. Companies will now prefer to work with suppliers that have paid their fair share of taxation, so as to benefit from an input credit, rather than go with the cheapest supplier available, who potentially had been able to offer such a low price by evading taxes. This will erode the entrenched competitive advantages of the unorganised sector and accelerate the development of India's organised companies. At the same time, this will significantly raise India's dismally low tax compliance rate, with a current estimate of less than 1% of the population paying income tax.

In the short term, there will inevitably be an adjustment period where companies are forced to adapt to the new structure and the accompanying electronic reporting system. We envisage, however, that any disruption to economic activity will be far less significant than that which was observed last year with the government's demonetisation programme.

LATIN AMERICA

MSCI Lat Am 2,544 +2.04%

The Brazilian equity market shrugged off the General Prosecutor's formal charges of corruption against President Temer. The indictment would need to be signed-off by the Supreme Court, by a special judicial committee in the Lower House and the Lower House for a full vote. As of now, a majority of Congress doesn't support removing Temer. It would require 342 votes and the clear-cut opposition amounts to only 95 representatives.

Brazil's National Monetary Council reduced its Inflation target to 4.25% for 2019 and 4.0% for 2020, with a margin of tolerance of +/-1.5pp. This is the first time in 14 years that this inflation target range has been lowered. This is perfect timing as inflation expectations are well anchored below the current official target. Last week, the market revised IPCA expectations to the downside for 2017 to 3.48% (-16 bps), and to 4.30% (-3 bps) by YE18.

Historically, inflation crippled real GDP growth in Brazil, thus such a commitment from a credible central bank is positive. Lower inflation could pave the way for lower nominal interest rates.

Brazil's current account surplus totalled USD 2.9bn in May, better than the USD 1.2bn surplus recorded in May 2016. Over 12 months, the current account deficit receded to USD 18.1bn (1.0% of GDP). The strong trade surplus has helped to maintain low current account deficits.

Large surpluses are to be expected in the months to come but a rebound in domestic demand and lower commodity prices tend to produce slightly weaker readings.

However, things are not improving on the fiscal front in Brazil. The central government posted a primary fiscal deficit of BRL 29.4bn in May, above consensus. The central government posted a primary deficit of BRL 35.0bn in 5M17, up from BRL 23.7bn in 5M16.

Now that the fiscal ceiling rule is in place and GDP growth is still sluggish, the government has no other choice than to increase taxes or cut discretionary spending to reduce

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the primary fiscal deficit. This is also why pension reform is the only sustainable way to stabilise the debt trajectory and comply with the fiscal ceiling rule.

Colombia's central bank cut interest rates by 50 bps to 5.75%. The continued deterioration in leading economic activity indicators together with prospects of inflation temporarily converging to the target band of 2% - 4% led to an acceleration of the easing cycle. The monthly proxy for real GDP averaged 0.7% in 5M17, consumer confidence (-17%), oil production (-6%) and real commercial credit (-3%) are all down in May.

The economy has been growing below its potential rate of 3% - 3.5% for two consecutive years. After a 50% devaluation of the COP in the past 3 years and a period of fiscal tightening (FARC peace agreement and VAT hike mainly), the national accounts start rebalancing, inflation has peaked and GDP growth is bottoming.

AFRICA

MSCI Africa 827 -1.70%

South Africa's President Jacob Zuma will face a no-confidence vote on the 8th August. The key question of whether the vote will be held as a secret ballot is said to be "receiving consideration" according to the Speaker. In the meantime, the country reported a R9.5bn trade surplus for May, a 4th consecutive monthly surplus and an increase on April's R4.97bn, driven by the export of more vegetable products. The positive data had little effect on the markets however, with all eyes on the ongoing ANC national policy conference.

Fitch affirmed Egypt's country rating at 'B' with stable outlook, balancing Egypt's large fiscal deficit, high government debt/GDP ratio, with progress on the reform agenda. On the note of reform, the **Egyptian President ratified capital gains tax freeze extension** for three years and approved stamp duty on stock exchange transactions for both buyers and sellers, set at EGP1.25 per 1,000 for the first year, rising to EGP1.5 in the second year and EGP1.75 in the third.

Kenya's inflation fell to 9.21% YOY in June, down from 11.70% in May, partly due to a drop in food prices (YOY food inflation fell from 21.52% in May to 15.81% in June). Provisional quarterly GDP estimates for Q1 2017 however showed growth slowing to 4.7%, down from 5.9% in the same period of 2016, due to contraction in agriculture following the drought and a slowdown in lending.

In Nigeria, maize prices rose 83% to a one year high due to an armyworm invasion. Separately, Nigeria completed a third capital raising this year via the LSE, to plug its c.USD 7.7bn budget deficit. The five-year, 5.625% bond issue which was aimed at the Nigerian Diaspora, raised a total of $300 million and brings the total capital raised this year to USD 1.8bn. Also, the French government announced that it has set aside about EUR 1bn to be invested in Nigeria's oil and gas industry.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
ISM manufacturing PMI (JUN)	Mon/03	55.0
Trade balance (MAY) Bn USD	Thu/06	-46.2
Non-farm payroll (JUN) th change	Fri/07	177.0
EUROPE		
Eurozone manufacturing PMI (JUN)	Mon/03	57.3
Eurozone unemployment rate (MAY)	Mon/03	9.3
UK Manufacturing PMI (JUN)	Mon/03	56.3
Sweden rate decision %	Tue/04	-0.5
Eurozone PMI (JUN)	Wed/05	55.7
Eurozone retail sales (MAY) % YOY	Wed/05	2.3
Poland rate decision %	Wed/05	1.5
UK trade balance (MAY) Bn GBP	Fri/07	-2.5
ASIA PACIFIC		
China manufacturing PMI (JUN)	Mon/03	49.8
Australia rate decision %	Mon/03	1.5
Thailand rate decision %	Wed/05	1.5
China FX reserves (JUN) Bn USD	Fri/07	3062
LATIN AMERICA		
Mexico CPI (JUN) % YOY	Fri/07	6.30
AFRICA		
Egypt rate decision %	Thu/06	16.75

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GLOBAL MARKET DATA

26 June to 2 July 2017

Name	BBG Code	Country	Price	Return (USD) 1 Week	MTD	YTD	1Y	YTD (Local)	Price/ Book
Equities									
North America									
S&P 500 INDEX	SPX Index	US	2,423.41	-0.61%	0.48%	8.24%	15.46%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,415.36	0.04%	3.30%	4.29%	22.87%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,140.42	-1.99%	-0.94%	14.07%	26.80%		4.0
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,182.19	1.16%	2.89%	2.82%	7.85%		1.8
S&P 500 FINANCIALS INDEX	S5FINL Index	US	409.59	3.25%	6.32%	5.97%	32.82%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	714.06	0.10%	-1.34%	10.22%	15.09%		5.1
S&P 500 INFO TECH INDEX	S5INFT Index	US	940.28	-2.88%	-2.75%	16.38%	31.87%		5.0
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	916.93	-1.55%	4.49%	15.06%	10.55%		4.0
S&P 500 ENERGY INDEX	S5ENRS Index	US	477.91	0.65%	-0.27%	-13.81%	-6.73%		1.8
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,423.41	-0.61%	0.48%	8.24%	15.46%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	582.92	-0.02%	1.21%	8.34%	19.57%		4.7
S&P 500 CONS STAPLES IDX	S5CONS Index	US	566.83	-1.06%	-2.53%	6.59%	0.33%		5.4
S&P 500 UTILITIES INDEX	S5UTIL Index	US	263.77	-2.36%	-2.92%	6.86%	-1.10%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	337.42	-0.21%	1.56%	8.09%	16.10%		3.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	154.03	-1.08%	-2.98%	-12.79%	-15.66%		2.6
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,467.90	-1.00%	-1.65%	13.19%	23.84%	4.60%	1.6
CAC 40 INDEX	CAC Index	France	5,164.05	-0.89%	-1.57%	13.96%	24.55%	5.31%	1.5
DAX INDEX	DAX Index	Germany	12,394.94	-1.34%	-0.77%	16.17%	31.23%	7.35%	1.7
Athex Composite Share Pr	ASE Index	Greece	824.63	2.33%	7.92%	38.49%	56.61%	27.98%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	20,776.21	0.71%	0.84%	15.80%	30.98%	7.02%	1.1
AEX-Index	AEX Index	Netherlands	510.95	-0.49%	-1.71%	13.58%	19.92%	4.96%	1.7
PSI All-Share Index GR	BVLX Index	Portugal	2,836.60	0.81%	-1.74%	21.35%	22.92%	12.14%	1.3
MICEX INDEX	INDEXCF Index	Russia	1,894.02	1.25%	-5.13%	-12.85%	7.46%	-15.82%	0.7
IBEX 35 INDEX	IBEX Index	Spain	10,527.50	0.14%	-2.50%	20.85%	31.87%	11.68%	1.5
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,614.96	0.88%	0.58%	13.64%	21.56%	5.62%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	8,958.51	-0.33%	-0.28%	14.93%	13.18%	8.36%	2.5
BIST 100 INDEX	XU100 Index	Turkey	100,621.30	0.52%	3.36%	28.86%	6.87%	28.54%	1.4
FTSE 100 INDEX	UKX Index	UK	7,342.44	0.75%	-1.87%	7.88%	10.23%	2.38%	1.8
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	625.37	-0.30%	1.12%	21.59%	24.16%	21.59%	1.6
S&P/ASX 200 INDEX	AS51 Index	Australia	5,684.49	1.45%	3.20%	7.43%	12.72%	0.98%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,097.25	0.60%	3.91%	12.37%	14.38%	15.07%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	10,404.96	-0.71%	-2.42%	9.58%	18.24%	10.33%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,195.91	1.90%	3.21%	5.52%	7.19%	2.86%	1.7
HANG SENG INDEX	HSI Index	HK	25,759.44	0.28%	0.23%	16.32%	23.15%	17.11%	1.3
Nifty 50	NIFTY Index	India	9,607.90	-0.79%	-1.21%	22.35%	20.05%	16.31%	2.9
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,865.34	0.00%	1.47%	11.86%	14.95%	10.06%	2.5
NIKKEI 225	NKY Index	Japan	20,055.80	-1.42%	0.42%	8.81%	18.13%	4.81%	1.8
KOSPI 200 INDEX	KOSPI2 Index	Korea	312.39	-0.37%	0.20%	26.51%	28.63%	19.90%	1.1
Laos Composite Index	LSXC Index	Laos	1,020.85	-0.74%	-2.57%	-1.05%	-11.15%	-0.19%	0.9
FTSE Bursa Malaysia KLCI	FBMKLCI index	Malaysia	1,764.50	-1.09%	-0.30%	12.14%	-0.97%	7.43%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	45,025.64	0.50%	-7.97%	-3.04%	23.12%	-2.60%	1.8
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,866.52	-0.17%	-1.17%	12.63%	-5.98%	14.66%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,225.03	1.26%	0.97%	17.71%	11.30%	12.00%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,737.15	0.30%	0.60%	5.68%	1.86%	8.33%	1.5
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,412.79	-0.10%	2.65%	19.80%	27.18%	12.34%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,577.99	-0.45%	1.19%	7.86%	12.87%	2.06%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	778.58	0.95%	5.20%	17.05%	20.56%	16.79%	2.3
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	465.09	-0.40%	0.28%	10.25%	16.48%	10.25%	2.2
MSCI EM	MXEF Index	MSCI EM	1,010.80	-0.09%	0.54%	17.23%	21.18%	17.23%	1.6
MSCI Fronter Market Index	MXFEM Index	MSCI FM	2,700.68	0.33%	-0.32%	11.68%	6.94%	11.68%	1.9
DFM GENERAL INDEX	DFMGI Index	Dubai	3,431.90	-0.31%	1.58%	-3.93%	2.44%	-3.93%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,544.13	2.04%	0.47%	8.69%	12.11%	8.69%	1.7
ARGENTINA MERVAL INDEX	MERVAL Index	Argentina	21,912.63	1.29%	-4.64%	24.28%	34.31%	29.52%	0.7
MSCI BRAZIL	MXBR Index	Brazil	1,700.18	3.39%	-1.82%	1.70%	13.70%	1.70%	1.5
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,747.24	-0.86%	-1.01%	15.45%	18.06%	14.35%	1.5
IGBC GENERAL INDEX	IGBC Index	Colombia	10,891.25	1.03%	-2.48%	6.06%	6.53%	7.77%	-
S&P/BMV IPC	MEXBOL Index	Mexico	49,857.49	1.09%	5.44%	24.72%	10.79%	9.23%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	422.82	0.21%	-0.86%	2.25%	6.15%	2.31%	2.1
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	16,132.87	0.78%	1.79%	7.18%	18.10%	3.64%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	123,355.30	0.91%	63.51%	283.82%	846.92%	289.07%	10.4
MSCI EFM AFRICA	MXFMEAF Index	Africa	826.56	-1.70%	-3.06%	7.43%	8.00%	7.43%	2.3
EGYPT HERMES INDEX	HERMES Index	Egypt	1,220.79	0.39%	1.77%	11.95%	-6.63%	11.75%	1.9
GSE Composite Index	GGSECI Index	Ghana	1,964.55	1.17%	0.24%	12.87%	-1.21%	16.31%	1.8
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,607.18	-0.48%	4.37%	11.82%	-3.45%	13.21%	2.2
MASI Free Float Index	MOSENEW Index	Morocco	12,015.84	1.63%	4.70%	8.06%	28.44%	3.19%	2.6
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	33,117.48	3.26%	12.27%	23.32%	0.43%	23.23%	1.5
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	45,529.65	-0.92%	-2.95%	8.84%	11.16%	3.46%	2.0

	1 Week	MTD	YTD	1Y	YTD (Local)	Price/ Book
Average	0.15%	1.36%	15.21%	26.92%	15.00%	
Top 25%	0.90%	1.78%	16.24%	23.02%	14.76%	
Bottom 25%	-0.66%	-1.68%	7.30%	7.07%	4.36%	

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GLOBAL MARKET DATA (CONTD.)

26 June to 2 July 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	95.87	-1.68%	-1.34%	-6.44%	-0.54%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.88	-2.04%	-1.60%	-7.93%	-2.80%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	58.90	-2.38%	2.27%	-5.79%	-9.27%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.53	0.35%	-0.19%	-0.06%	22.37%
USD-GBP X-RATE	USDGBP Curncy	UK	0.77	-2.35%	-1.03%	-5.23%	2.21%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	106.00	0.21%	-0.01%	3.22%	-0.58%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.30	-1.60%	-3.37%	-6.31%	-3.11%
USD-CNY X-RATE	USDCNY Curncy	China	6.79	-0.74%	-0.76%	-2.62%	1.91%
USD-INR X-RATE	USDINR Curncy	India	64.79	0.17%	0.23%	-4.93%	-4.29%
USD-JPY X-RATE	USDJPY Curncy	Japan	112.84	0.97%	1.44%	-3.96%	8.89%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,147.02	0.91%	2.29%	-5.13%	-0.64%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.45	0.08%	1.02%	-6.11%	-5.62%
USD-ARS X-RATE	USDARS Curncy	Argentina	16.62	2.74%	3.28%	4.74%	10.51%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.31	-1.05%	2.49%	1.61%	2.96%
USD-CLP X-RATE	USDCLP Curncy	Chile	664.90	0.46%	-1.36%	-1.01%	0.37%
USD-MXN X-RATE	USDMXN Curncy	Mexico	18.14	0.66%	-2.68%	-12.58%	-0.87%
USD-EGP X-RATE	USDEGP Curncy	Egypt	18.01	-0.16%	0.12%	-0.06%	103.84%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	314.75	-0.16%	-2.20%	-0.07%	11.42%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.09	1.10%	-0.18%	-4.80%	-11.38%
Commodities				**Return (USD)**			
WTI CRUDE FUTURE Aug17	CLA Comdty	US	46.39	7.04%	-5.19%	-19.09%	-12.19%
BRENT CRUDE FUTR Sep17	COA Comdty	UK	49.07	6.60%	-4.54%	-17.11%	-9.11%
BALTIC DRY INDEX	BDIY Comdty		901.00	3.56%	2.62%	-6.24%	36.52%
Natural Gas Futures	NG1 Comdty		2.96	3.62%	-1.17%	-18.50%	3.80%
Gold Spot $/Oz	XAU Curncy		1,235.18	-1.21%	-2.16%	7.75%	-6.10%
Silver Spot $/Oz	XAG Curncy		16.56	-0.52%	-4.07%	4.46%	-11.15%
LME COPPER 3MO ($)	LMCADS03 Comdty		5,937.00	2.35%	4.49%	7.25%	22.54%
Government Bond Yields %				**Change (percentage points)**			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.39	0.04	0.10	0.19	0.80
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.89	0.13	0.14	-0.04	0.89
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.32	0.16	0.10	-0.14	0.83
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.76	0.29	0.35	0.04	0.70
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	6.80	0.07	-0.55	-0.64	0.90
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.29	0.23	0.21	0.02	0.39
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.03	0.14	0.15	0.16	0.55
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.57	0.05	0.14	0.19	0.09
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.22	0.16	0.21	0.31	0.34
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.47	0.21	0.16	0.26	0.60
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.82	0.21	0.08	0.13	0.63
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	5.35	-0.01	-0.66	-1.66	-2.82
Italy Generic Govt 10Y Yield	GBTPGR10 Index	Italy 10yr	2.14	0.24	-0.04	0.34	0.90
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.51	0.16	-0.01	0.16	0.38
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	3.03	0.10	-0.03	-0.74	0.02
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.67	0.23	0.21	-0.17	0.62
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.60	0.05	-0.15	0.00	-0.94
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.21	0.08	-0.02	0.12	0.75
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.09	0.03	0.04	0.04	0.30
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.78	0.26	0.19	-0.14	-0.05
Corporate Credit Indices				**Change (Bps) +ive = Widening**			
MARKIT ITRX EUR XOVER 06/22	ITRXEXE CBIL Curncy	EUR XOVER	244.79	13.04	-6.00	-41.94	-118.57
MARKIT ITRX EUROPE 06/22	ITRXEBE CBIL Curncy	EUR MAIN	55.27	2.44	-6.33	-16.04	-27.68
MARKIT ITRX EUR SNR FIN 06/22	ITRXESE CBIL Curncy	EUR SNR FIN	51.77	-0.41	-16.87	-40.73	-59.04
MARKIT ITRX EUR SUB FIN 06/22	ITRXEUE CBIL Curncy	EUR SUB FIN	131.41	9.09	-24.53	-88.62	-98.05
MARKIT CDX.NA.IG.28 06/22	IBOXUMAE CBIL Curncy	US IG	60.86	0.50	-1.11	-6.37	-17.85
MARKIT CDX.NA.HY.28 06/22	IBOXHYSE CBIL Curncy	US HY	340.25	4.70	11.53	-14.75	-87.77
Implied Volatility (Equity Index)				**Change (Volatility Points) +ive = Volatility Rising**			
Eurostoxx 3month ATM	SX5E Index	Europe	15.31	1.76	1.49	-2.53	-8.59
FTSE 100 500 3month ATM	UKX Index	UK	11.71	1.14	0.68	-1.27	-6.24
Hang Seng 3month ATM	HSI Index	HK	13.20	0.67	0.86	-2.98	-6.59
Nikkei 3month ATM	NKY Index	Japan	13.74	0.57	0.78	-5.49	-11.79
S&P 500 3month ATM	SPX Index	US	10.51	0.77	0.60	-2.95	-3.73
Volatility (VIX)	VIX Index	US	11.05	1.16	0.77	-2.86	-4.45
Inflation (Long term inflation expectation proxy) %				**Change (percentage points)**			
US 5Y5YF Inflation Swap		USD	2.22	0.05	-0.02	-0.22	0.35
UK 5Y5YF Inflation Swap		GBP	3.40	0.08	0.01	-0.16	0.31
JPY 5Y5YF Inflation Swap		JPY	0.32	-0.02	-0.09	-0.24	0.23
EUR 5Y5YF Inflation Swap		EUR	1.61	0.05	0.02	-0.16	0.27
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	0.40				
Citi Economic Surprise Index -	CESICNY Index	China	18.70				
Citi Economic Surprise Index -	CESIEM Index	EM	12.50				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	30.30				
Citi Economic Surprise Index -	CESIG10 Index	G10	-20.50				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	-7.80				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	32.80				
Citi Economic Surprise - Unite	CESIUSD Index	US	-72.60				

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

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