

GLOBAL MARKET UPDATE



14 TO 20 AUGUST: JUST A MINUTE

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	New Zealand 2.20% , Italy 1.54% , Australia 1.50%
	Bottom 3:	Denmark -1.57% , Japan -1.45% , Singapore -1.09%
EMERGING	Top 3:	South Africa 2.40% , Brazil 2.29% , Indonesia 2.14%
	Bottom 3:	Egypt -2.04% , Abu Dhabi -1.28% , Dubai -1.26%
FRONTIER	Top 3:	Tanzania 15.99% , Argentina 8.84% , Kazakhstan 4.61%
	Bottom 3:	Pakistan -4.87% , Slovakia -4.03% , Iceland -3.64%

Last week, minutes to the ECB and FED July meetings revealed an increasingly agitated discussion about the lack of inflation associated with the current expansion and period of declining unemployment (the failure of the Phillips curve). We've highlighted our view many times that monetary policy has failed to properly recognise both declining potential growth in the developed world and its own role in propagating a vicious circle of inefficient asset allocation and increasing leverage.

Considering the Phillips curve specifically, it would be difficult to argue that the link between resource utilisation and inflation has completely broken (as slack reduces, there must be increasing price pressures as demand outweighs supply). However, the nature of this relationship (the slope, position and formulation of the Phillips curve) has never been stable through time and has clearly shifted over the past decade. Currently, we suggest the curve is extremely flat (there are very limited inflationary pressures) because of:

- **Mis-measurement**, given aging demographics and post financial crisis shifts in the labour market (for example towards part-time working), the headline unemployment rate may no longer represent unemployment accurately.
- **Expectations**, firms and investors have limited faith in the long-term sustainability of economic growth due to dynamics such as limited avenues for productivity growth, elevated leverage and the inability of policy to innovate (so called secular stagnation). We think this is the key explanation.
- **Technology**, firms are losing pricing power due to "disruption" from technology.
- **Energy and Materials**, economic growth is not leading to a demand/supply imbalance in the energy and materials sector due to a decade of China inspired investment in capacity.

Whilst these trends do not augur well for the long-term, over coming months they could continue to foster a positive environment for risk assets. Global growth is as strong and broad based as it has been since the financial crisis and, if the forces that would usually translate this into inflation and

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monetary policy tightening are weakened, the “Goldilocks” conditions of the last 12 months could prevail. Moreover, whilst our discussion above focuses on the developed world, emerging market central banks are biased to ease policy.

Of course, this is not to confuse resilience with complacency; our major risks to the outlook are political, particularly in the US.

UNITED STATES

S&P 2,426 **-0.65%**, 10yr Treasury 2.18% **+0.51bps**, HY Credit Index 345 **+0bps**, Vix 14.66 **-1.25Vols**

For a second week, Donald Trump managed to knock the wind out of the market for a day. Having recorded its biggest one-day gain in nearly 3 months (1%) on Monday after Kim Jong Un of North Korea opted not to launch missiles on the US territory of Guam, and instead “watch a little more the foolish and stupid conduct of the Yankees”, the S&P 500 fell the most in 3 months on Thursday (-1.54%). This was triggered by the President disbanding 2 business councils after a majority of member CEOs (including those at Intel, Merck and Under Armour) quit in protest at his remarks regarding white nationalists. Indeed, it was rumoured Gary Cohn (chief economic advisor and Director of the National Economic Council) was also set to step down, whilst controversial Chief strategist Steve Bannon did leave his post.

Just a month ago, Trump invited Kenneth Frazier, the CEO of the mega-cap pharmaceutical company Merck, to the white house, referring to him as one of the “great, great leaders of business in this country.” Less than an hour after his resignation on the basis of a “matter of personal conscience...a responsibility to take a stand against intolerance and extremism”, Trump tweeted “Now that Ken Frazier of Merck Pharma has resigned from President’s Manufacturing Council, he will have more time to LOWER RIPOFF DRUG PRICES!” The market’s subsequent sell-off summarised the dwindling hope that the US will achieve any meaningful reform or fiscal stimulus during the President’s tenure.

The minutes to the July FOMC meeting were more revealing than normal. In particular:

- **A struggle to understand or agree on the inflation outlook.** Several participants showing “concern about the recent decline in inflation” and suggesting the Fed “could afford to be patient under current circumstances.” Others “worried about risks arising from a labour market that had already reached full employment and was projected to tighten further. The confusion was summarised by a number of participants noting “much of the analysis of inflation used in policymaking rested on a framework in which, for a given rate of expected inflation, the degree of upward pressures on prices and wages rose as...employment of resources increased above long-run sustainable levels”
- **Loss of faith in the federal government.** “Several participants noted that uncertainty about the course of federal government policy, including in the areas of fiscal policy, trade, and health care, was tending to weigh down firms’ spending and hiring plans,” and “In addition, a few participants

suggested that the likelihood of near-term enactment of a fiscal stimulus program had declined further or that the fiscal stimulus likely would be smaller than they previously expected.”

In aggregate, the minutes were taken as dovish with the probability of a December rate cut falling from 44% to 40% and the US 10 year finishing the week at 2.19% yield (the taper tantrum of a few weeks ago long forgotten). In terms of economic data, the Philly Fed, industrial production and leading indicators all declined but retail sales and Michigan consumer sentiment improved.

Elsewhere, President Trump signed a Presidential Memorandum directing the Office of the United States Trade Representative to conduct an investigation into China’s trade practices with respect to intellectual property theft. This week negotiations on NAFTA are set to begin.

This week, Janet Yellen will speak at Jackson Hole on Friday morning at 10AM EST on financial stability.

EUROPE

Eurostoxx 3,426 **+0.55%**, German Bund 0.40% **+3.20bps**, Xover Credit Index 252 **-0bps**, EURUSD 1.174 **+0.52%**

Just as in the US, **the ECB meeting minutes contained a discussion about inflation and the Phillips curve.** Relative to its US peers, the governing council appeared to have greater consensus, judging that the curve was merely extremely flat and that “patience, persistence and prudence” were required. There was also a focus on recent Euro strength, **“concerns were expressed about a possible overshooting in the repricing by financial markets, notably the foreign exchange markets.”** The dovish tone to the minutes is likely to have reduced expectations that Mario Draghi announces a change to policy at Jackson Hole this week.

In terms of economic data, HICP inflation remained well below target at 1.3%, whilst the preliminary reading of Eurozone wide GDP growth came in at 2.4% annualised.

The UK government finally released its first position paper on Brexit (with more to follow this week), which discussed the government’s stance on trade agreements. The paper was greeted by cynicism, for example former Treasury solicitor Paul Jenkins stating, “If the UK is to be part of something close enough to a customs union or the single market to remove the need for hard borders, it will only work if the rules are identical to the EU’s own internal rules.”

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ASIA PACIFIC

HSCEI 1,075 +1.09%, Nikkei 1,939.00 -1.45%, 10yr JGB 0.03%
Obps, USDJPY 109.020 -0.01%

Japanese GDP growth for Q2 came in well above consensus at 4% annualised. We are slightly sceptical about this reading (revisions are common), but nonetheless, the country has now registered 6 consecutive quarters of growth.

China's economic data softened in July. Retail Sales growth slowed to 10.4% YOY, down from 11.0% in June. Fixed Asset Investment growth dropped from 8.6% to 8.3%, while Industrial Production growth fell from 7.6% to 6.4%.

Despite the sequentially weaker July numbers, we still see the Chinese economy performing strongly in to the end of the year. With the highest-ranking positions across the Chinese Communist Party and the far reaches of the government machine up review at the upcoming National Congress, it is within the firm interest of every policymaker and regulator to act consistently with the government's official 6.5% GDP growth target for the year.

India's inflation surprised to the upside in July, with CPI printing at 2.36% YOY, up from 1.46% in June. With the RBI coming off the back of a split decision to cut rates at the last meeting, should this level of inflation sustain, the next meeting is likely to have a less dovish flavour.

Philippines GDP growth in Q2 came out stronger than expected at 6.5% YOY, up from 6.4% in Q1. Higher levels of government spending and stronger private consumption led to the 8th consecutive quarter of above-6% growth. Infrastructure investment, a cornerstone of Duterte's economic agenda, rose significantly during the quarter (+31% YOY in May, +11% in June). The second half of the year is likely to see continued support from government spending, with the current trajectory falling short of the 3% fiscal deficit target for 2017.

The Bank of Thailand kept interest rates unchanged at 1.50% at the last policy meeting, in line with expectations. The decision was unanimous, while the commentary was largely unchanged, noting "economic growth gained further traction" with exports and tourism performing well.

With inflation currently undershooting and the Thai Baht outperforming its regional peers, monetary tightening looks unlikely at this stage.

Malaysia's economic growth accelerated to 5.8% YOY in Q2, up from 5.6% in Q1. Fiscal stimulus, accommodative monetary policy and low inflation all contributed to a growth-friendly backdrop. The sequentially higher oil price continues to support tax revenues. Trade data remained strong in Q2, with imports growing 10.7% YOY and exports 9.6% YOY in the month of June.

LATIN AMERICA

MSCI Lat Am 2,798 +1.55%

Argentine assets rallied after voters gave Macri's coalition a vote of confidence at the Senate Primary Elections. His ruling coalition Cambiemos garnered 35.9% of the total

votes at national level, followed by the Peronist party with 20.3% and Unidad Ciudadana (Cristina Kirchner's party) with 17.1%. Macri's party led in the primaries in about 12 out of 24 provinces ahead of congressional elections Oct 22nd.

Argentina's central bank kept the benchmark rate at 26.25% and strongly re-affirmed it would not hesitate to increase rates if inflation doesn't fall faster. Policy makers remain vigilant to price pressures as last month's inflation reading of 1.7% MOM puts the 3-month annualised rate at 18%. The central bank "will persist with its restrictive position, and will intensify it if necessary, to reach by year-end levels of 1% per month, a rate that's needed to meet next year's target that's based on inflation of 10% YOY".

Mexican industrial production growth was nil in 2Q17 YOY. Industrial production fell 0.3% YOY in June, below consensus, which implied a contraction of 1.1% YOY in 2Q17 or 0% once adjusted for calendar effect (from a 0.5% expansion in 1Q17). FX appreciation YTD should make Mexican exports less competitive.

Mexico's formal employment expanded 4.5% YOY in July, leaving the 3-month moving average growth rate at 4.4% (above the 4.3% recorded in June).

However, formal employment is the only fundamental determinant of private consumption that remains strong:

- Real wages are falling, due to higher inflation;
- Consumer confidence is at low levels, not far from the average of 2009 (when Mexico was in recession);
- Consumer credit is slowing down, amid higher domestic interest rates; and
- Growth of remittances converted into MXN is decreasing, because of MXN appreciation.

Peru's fiscal stimulus was enacted. Congress approved raising the fiscal deficit to 3% of GDP for this year, from 2.3% to 3.5% in 2018, from 2% to 2.9% in 2019 and from 1.5% to 2.1% in 2020. The Ministry of Economy and Finance said last April that such initiatives to expand the fiscal deficit will address the impact of heavy rains and floods caused by Coastal El Niño and the reconstruction of infrastructure damaged by this phenomenon.

Colombian retail sales advanced for the second time this year in June, coming in at 1% YOY. The consumption pullback following the increase in VAT is phasing out. Consumption is supported by declining inflation and interest rates compensating for low confidence and sluggish job creation growth.

Brazil's retail sales came in strong in June at 1.2% MOM or +3% YOY, marking a 3rd consecutive gain after 24 months in negative territory.

Brazil's government revised its primary fiscal deficit targets for 2017 to BRL 159Bn vs. a prior target of BRL139Bn; similarly, the 2018 deficit is BRL30Bn higher than its prior target, and will only reach breakeven after 2020. This difference is largely due to lower-than-expected tax collection as the government revised down its inflation and real GDP forecasts for both years.

Chile's economy grew by 0.9% YOY or 0.7% QOQ

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during 2Q17, surprising to the upside and reaching its biggest expansion since 3Q16. This rebound in growth can be attributed to rebuilding of inventories and good private consumption amid rising business and consumer confidence respectively. This is due to the expectation of a positive change in government in December.

This growth remains feeble and well below Chile's potential but highlights the fact that the worst is behind us and that even very small improvements are not priced in.

AFRICA

MSCI Africa 885 +2.83%

In a change from recent weeks, there were some positive developments in South Africa:

- **A court set aside the proposal by the public prosecutor to change the central bank's mandate** from inflation and currency stability to economic growth.

The court's decision upholds the central bank's independence and saw the rand strengthen 0.26% after the ruling to 13.2850 per dollar.

- Retail sales recovered 2.9% YOY in June, an increase of 2.2% from Q2 2016 and 0.6% YTD. The main contributors were retailers in food, beverages and tobacco in specialised stores and retailers in household furniture, appliances and equipment, who recorded 12.4% and 8.3% YOY growth respectively.

The recovery of the household goods sector together with trade surpluses for the last five months and a narrowing current account deficit should help boost Q2 GDP growth estimates.

In Egypt, **the central bank left its key interest rates unchanged; deposit rate at 18.75% and overnight lending rate at 19.75%**. This follows a 700bps increase since it floated the EGP in November. There was also further positive data, this time by way of c.52% YOY increase in tourist arrivals; 3.6 million in 1H2017 from 2.3 million in the same period last year. The number of nights spent also increased 185% YOY to 37 million nights.

In other news:

- **Tunisia's economy grew 1.9% in the 1H 2017**, up from 1% in the same period last year, owing to improvements in the agricultural and service sectors. However **foreign currency reserves fell to USD 4.8 billion, which equates to 90 days import coverage** (compared with that 118 days registered in the same period a year earlier) and a 30-year low.
- Morocco's trade deficit widened 7.9% YOY to MAD111bn in 7M17 from MAD102.85bn in 7M16, driven by increased imports. Energy imports rose 33.4% YOY to MAD39.13bn, and spending on raw materials rose 11.6% YOY to MAD11.93bn.
- Finally, **the Kenyan opposition party filed a petition with the Supreme Court to challenge the legitimacy of the electoral process and the results of the presidential election**. The Supreme Court has 14 days to deliver its judgement.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Manufacturing PMI (AUG) %	Wed/23	53.4
New home sales (JUL) thousand	Wed/23	613.0
Existing home sales (JUL) million	Thu/24	5.6
Durable Goods (JUL) % MOM	Fri/25	-5.7
EUROPE		
Hungary Rate Decision (AUG) %	Tue/22	0.9
Eurozone Manufacturing PMI (AUG) %	Wed/23	-
Norway GDP (Q2) %QOQ	Thu/24	-
Spain final GDP (Q2) %QOQ	Thu/24	0.9
UK GDP preliminary (Q2) %QOQ	Thu/24	0.3
Germany final GDP (Q2) %QOQ	Fri/25	0.6
France Consumer Confidence (AUG)	Fri/25	103.0
German Ifo Surveys (AUG)	Fri/25	-
ASIA PACIFIC		
Thailand GDP (Q2) %YOY	Mon/21	3.4
Malaysia CPI (JUL) %YOY	Wed/23	3.4
Singapore CPI (JUL) %YOY	Wed/23	-
Taiwan industrial production (JUL) %YOY	Wed/23	3.3
Japan CPI (JUL) %YOY	Fri/25	0.5
Japan Services PPI (JUL) %YOY	Fri/25	0.8
Singapore industrial production (JUL) %YOY	Fri/25	-
LATIN AMERICA		
Mexico final GDP (Q2) %QOQ	Tue/22	-
Brazil CPI (AUG) %MOM	Wed/23	-
Brazil current account balance (JUL) \$Bn	Wed/23	-
Argentina economic activity (JUN) %	Thu/24	-
Argentina trade balance (JUL) \$Bn	Thu/24	-
Mexico unemployment rate (JUL) %	Fri/25	-
Mexico current account balance (Q2) \$Bn	Fri/25	-
Peru GDP (Q2) %QOQ	-	-
AFRICA		
Morocco CPI (JUL) %YOY	Tue/22	-
South Africa CPI (JUL) %YOY	Wed/23	4.6

PLEASE CONTINUE FOR MARKET DATA

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GLOBAL MARKET DATA

14 to 20 August 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	2,425.55	-0.65%	-1.81%	8.34%	10.91%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,357.79	-1.20%	-4.73%	0.05%	9.78%		2.2
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,216.53	-0.64%	-2.07%	15.48%	18.63%		3.7
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,952.33	0.36%	-1.92%	4.65%	3.49%		1.8
S&P 500 FINANCIALS INDEX	S5FINL Index	US	407.63	-0.46%	-2.05%	5.46%	26.01%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	701.68	-1.82%	-3.44%	8.31%	8.54%		5.0
S&P 500 INFO TECH INDEX	S5INFT Index	US	980.24	0.03%	-0.02%	21.32%	25.38%		5.1
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	900.71	-0.80%	-2.43%	13.03%	4.81%		3.8
S&P 500 ENERGY INDEX	S5ENRS Index	US	457.09	-2.65%	-6.63%	-17.57%	-12.51%		1.8
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,425.55	-0.65%	-1.81%	8.34%	10.91%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	572.31	-1.14%	-1.83%	6.36%	12.14%		4.5
S&P 500 CONS STAPLES IDX	S5CONS Index	US	566.82	0.05%	-0.39%	6.59%	0.62%		5.4
S&P 500 UTILITIES INDEX	S5UTIL Index	US	275.43	1.26%	2.00%	11.59%	7.06%		2.1
S&P 500 MATERIALS INDEX	s5MATR Index	US	336.20	0.42%	-1.70%	7.70%	9.82%		3.7
S&P 500 TELECOM SERV IDX	S5TELS Index	US	155.98	-1.83%	-3.62%	-11.68%	-10.50%		2.6
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,426.19	0.55%	-0.62%	16.66%	19.30%	4.73%	1.6
CAC 40 INDEX	CAC Index	France	5,081.96	0.44%	-0.13%	17.17%	19.52%	5.18%	1.5
DAX INDEX	DAX Index	Germany	12,101.35	0.64%	-0.14%	18.03%	18.98%	5.96%	1.8
Athex Composite Share Pr	ASE Index	Greece	828.59	-0.45%	1.02%	42.76%	49.47%	28.15%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	21,713.61	1.54%	0.99%	26.34%	35.67%	13.42%	1.2
AEX-Index	AEX Index	Netherlands	516.56	-0.10%	-1.62%	19.80%	19.30%	7.55%	1.8
PSI All-Share Index GR	BVLX Index	Portugal	2,864.57	-0.68%	0.60%	27.07%	18.09%	14.07%	1.2
MICEX INDEX	INDEXCF Index	Russia	1,935.00	0.60%	2.16%	-10.36%	5.66%	-13.53%	0.8
IBEX 35 INDEX	IBEX Index	Spain	10,365.70	0.38%	-1.63%	23.71%	25.96%	11.05%	1.5
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,525.53	-0.25%	-1.32%	13.10%	12.52%	0.98%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	8,885.52	-0.51%	-1.91%	13.71%	7.44%	7.96%	2.6
BIST 100 INDEX	XU100 Index	Turkey	107,270.10	0.75%	-0.09%	37.44%	14.46%	37.20%	1.4
FTSE 100 INDEX	UKX Index	UK	7,302.30	-0.97%	-3.11%	6.85%	4.40%	2.54%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	647.59	1.33%	-1.29%	25.91%	17.93%	25.91%	1.7
S&P/ASX 200 INDEX	AS51 Index	Australia	5,725.85	1.50%	-0.09%	11.54%	7.88%	1.44%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,097.86	-1.28%	-2.14%	12.94%	15.40%	16.47%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	10,751.54	1.09%	-1.40%	12.81%	9.77%	13.82%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,286.91	1.78%	0.73%	9.63%	4.71%	5.32%	1.8
HANG SENG INDEX	HSI Index	HK	27,154.68	0.56%	-1.17%	21.85%	16.43%	22.94%	1.3
Nifty 50	NIFTY Index	India	9,805.95	1.28%	-2.24%	27.47%	18.33%	20.18%	2.9
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,858.14	2.14%	0.58%	12.75%	5.82%	11.27%	2.5
NIKKEI 225	NIKY Index	Japan	19,393.13	-1.45%	-1.43%	8.55%	7.94%	1.86%	1.1
KOSPI 200 INDEX	KOSPI2 Index	Korea	308.14	1.89%	-3.60%	25.37%	16.09%	18.61%	1.7
Laos Composite Index	LSXC Index	Laos	1,027.60	-0.31%	0.46%	-0.18%	-0.36%	1.19%	0.9
FTSE Bursa Malaysia KLCI	FBMVKLCI Index	Malaysia	1,773.12	0.65%	0.73%	13.17%	-2.52%	8.19%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	42,029.54	-4.87%	-6.34%	-10.74%	7.69%	-9.89%	1.6
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	8,016.73	0.34%	-1.82%	12.97%	-9.13%	17.19%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,247.30	-1.09%	-2.85%	19.76%	12.69%	12.89%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,416.39	-1.03%	-2.87%	0.98%	-7.30%	3.34%	1.4
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,326.39	0.01%	-1.21%	19.26%	17.34%	11.54%	1.8
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,568.58	0.23%	-0.44%	9.52%	5.31%	1.53%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	768.79	-0.41%	-1.91%	15.86%	14.17%	15.66%	2.3
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	470.63	-0.15%	-1.46%	11.57%	11.66%	11.57%	2.2
MSCI EM	MXEF Index	MSCI EM	1,059.54	1.61%	-0.63%	22.88%	15.62%	22.88%	1.7
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,770.78	0.90%	0.48%	14.57%	6.74%	14.57%	1.9
DFM GENERAL INDEX	DFMGI Index	Dubai	3,614.77	-1.26%	-0.88%	1.99%	0.81%	1.99%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,797.60	1.55%	1.66%	19.52%	12.06%	19.52%	2.0
ARGENTINA Merval INDEX	MERVAL Index	Argentina	22,967.35	8.84%	8.75%	25.07%	27.32%	35.76%	1.7
MSCI BRAZIL	MXBR Index	Brazil	1,930.68	1.93%	2.44%	15.48%	13.84%	15.48%	1.8
CHILE STOCK MKT SELECT	IPSA Index	Chile	5,116.27	1.80%	1.90%	27.84%	25.61%	23.24%	1.7
IGBC GENERAL INDEX	IGBC Index	Colombia	10,932.09	0.98%	0.06%	8.72%	6.54%	8.17%	-
S&P/BMV IPC	MEXBOL Index	Mexico	51,075.46	1.23%	0.67%	30.21%	7.81%	11.90%	2.9
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	17,245.49	2.32%	2.86%	14.55%	13.26%	10.78%	1.7
MSCI EFM AFRICA	MXFMEAF Index	Africa	884.62	2.83%	0.41%	14.98%	1.87%	14.98%	2.4
EGYPT HERMES INDEX	HERMES Index	Egypt	1,191.10	-2.04%	-1.02%	12.15%	-19.15%	9.92%	1.8
GSE Composite Index	GGSECI Index	Ghana	2,284.92	0.31%	0.73%	30.68%	11.92%	35.28%	2.2
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,992.76	1.08%	5.99%	24.49%	12.51%	25.31%	2.5
MASI Free Float Index	MOSENEW Index	Morocco	12,246.67	-0.65%	0.54%	12.80%	26.23%	5.17%	2.9
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	36,920.56	-2.63%	-10.43%	19.37%	19.32%	37.38%	1.7
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	49,121.25	2.40%	0.66%	16.28%	8.07%	11.45%	2.2
Average				0.24%	-0.83%	14.04%	11.32%	12.80%	
Top 25%				1.23%	0.58%	19.80%	17.93%	18.25%	
Bottom 25%				-0.65%	-1.91%	8.34%	5.82%	5.21%	

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GLOBAL MARKET DATA (CONTD.)

14 to 20 August 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	93.50	0.39%	0.61%	-8.59%	-0.77%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.85	0.52%	0.69%	-10.55%	-3.46%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	59.11	-1.48%	-1.38%	-4.20%	-7.34%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.52	-0.51%	-0.02%	-0.14%	20.20%
USD-GBP X-RATE	USDGBP Curncy	UK	0.78	1.07%	2.66%	-4.11%	2.29%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	107.18	-0.03%	0.03%	4.11%	-0.70%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.26	-0.44%	0.94%	-9.19%	-3.07%
USD-CNY X-RATE	USDCNY Curncy	China	6.67	0.10%	-0.84%	-3.95%	0.59%
USD-INR X-RATE	USDINR Curncy	India	64.06	0.01%	-0.06%	-5.56%	-3.99%
USD-JPY X-RATE	USDJPY Curncy	Japan	109.02	-0.01%	-0.98%	-6.65%	9.30%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,138.95	-0.21%	1.97%	-5.35%	3.08%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.34	0.00%	0.44%	-6.13%	-3.36%
USD-ARS X-RATE	USDARS Curncy	Argentina	17.26	-2.54%	-2.16%	8.70%	15.67%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.15	-1.46%	0.70%	-3.32%	-2.84%
USD-CLP X-RATE	USDCLP Curncy	Chile	646.45	-0.05%	-0.75%	-3.57%	-1.50%
USD-MXN X-RATE	USDMXN Curncy	Mexico	17.74	-0.68%	-0.50%	-14.55%	-2.63%
USD-EGP X-RATE	USDEGP Curncy	Egypt	17.72	-0.03%	-0.58%	-2.06%	100.12%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	361.95	-0.86%	16.60%	14.82%	4.26%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.22	-2.30%	-0.21%	-4.24%	-1.62%
Commodities				Return (USD)			
WTI CRUDE FUTURE Sep17	CLA Comdty	US	48.49	-0.63%	-3.31%	-14.88%	-8.39%
BRENT CRUDE FUTR Oct17	COA Comdty	UK	52.59	1.19%	0.00%	-10.36%	-3.11%
BALTIC DRY INDEX	BDIY Comdty		1,260.00	10.72%	33.19%	31.11%	84.75%
Natural Gas Futures	NG1 Comdty		2.90	-3.02%	3.54%	-22.31%	8.19%
Gold Spot \$/Oz	XAU Curncy		1,288.07	-0.40%	1.16%	11.91%	-5.05%
Silver Spot \$/Oz	XAG Curncy		17.04	-0.86%	0.85%	6.54%	-14.09%
LME COPPER 3MO (\$)	LMCADS03 Comdty		####	1.17%	1.84%	17.17%	34.87%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.31	0.01	-0.04	0.12	0.60
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.75	0.02	-0.08	-0.17	0.65
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.18	0.01	-0.10	-0.25	0.66
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.87	0.02	-0.19	0.15	0.83
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	6.84	-0.01	-0.04	-0.60	1.04
UK Govt Bonds 10 Year Note Ger	GUKG10 Index	UK 10yr	1.07	0.03	-0.14	-0.15	0.54
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.12	0.05	-0.16	0.08	0.39
German Government Bonds 2 Yr	GDBR2 Index	German 2yr	-0.71	0.01	-0.02	0.06	-0.08
German Government Bonds 5 Yr	GDBR5 Index	German 5yr	-0.28	0.03	-0.09	0.27	0.26
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.40	0.03	-0.13	0.21	0.50
French Generic Govt 10Y Yield	GFRF10Y Govt	French 10yr	0.69	0.03	-0.09	0.03	0.57
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	5.57	0.07	0.23	-1.45	-2.40
Italy Generic Govt 10Y Yield	GBTGPR10 Index	Italy 10yr	2.01	0.00	-0.06	0.22	0.96
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.53	0.10	0.06	0.18	0.65
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	2.74	-0.08	-0.11	-0.99	-0.13
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.64	0.03	-0.06	-0.15	0.75
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.51	0.01	0.04	0.00	-0.63
KOMP South Korea Treasury Bond	GVS10YR Index	Korea 10yr	2.32	0.02	0.09	0.23	0.90
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.03	-0.03	-0.05	-0.01	0.12
South Africa Govt Bonds 10 Year	GSAB10YR Index	SA 10yr	8.52	-0.12	-0.10	-0.40	0.12
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/22	ITRXEXE CBIL Curncy	EUR XOVER	252.06	0.05	15.18	-39.27	-58.34
MARKIT ITRX EUROPE 06/22	ITRXEBE CBIL Curncy	EUR MAIN	58.82	0.93	5.76	-13.81	-8.11
MARKIT ITRX EUR SNR FIN 06/22	ITRXESE CBIL Curncy	EUR SNR FIN	56.20	0.63	5.37	-37.90	-33.44
MARKIT ITRX EUR SUB FIN 06/22	ITRXEUE CBIL Curncy	EUR SUB FIN	128.37	0.44	10.34	-94.56	-72.16
MARKIT CDX.NA.IG.28 06/22	BOXUMAE CBIL Curnc	US IG	62.33	0.26	4.35	-5.84	-8.21
MARKIT CDX.NA.HY.28 06/22	BOXHYSE CBIL Curnc	US HY	345.23	0.40	21.64	-13.44	-39.05
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	14.96	-0.63	1.78	-2.88	-4.75
FTSE 100 500 3month ATM	UKX Index	UK	11.12	-0.52	1.18	-1.86	-1.66
Hang Seng 3month ATM	HSI Index	HK	14.90	-1.23	2.59	-1.28	-2.17
Nikkei 3month ATM	NKY Index	Japan	13.37	0.71	2.16	-5.86	-35.46
S&P 500 3month ATM	SPX Index	US	12.35	-0.17	2.90	-1.12	0.27
Volatility (VIX)	VIX Index	US	14.66	-1.25	4.00	0.22	2.83
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap	FWISUS55 Index	USD	2.23	0.42	-1.71	-16.82	30.49
UK 5Y5YF Inflation Swap	FWISBP55 Index	GBP	3.36	-1.45	1.70	-17.70	25.30
JPY 5Y5YF Inflation Swap	FWISJY55 Index	JPY	0.31	0.00	-5.00	-16.00	16.00
EUR 5Y5YF Inflation Swap	FWISEU55 Index	EUR	1.59	-0.90	-2.90	-15.25	28.85
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	7.00				
Citi Economic Surprise Index -	CESICNY Index	China	22.00				
Citi Economic Surprise Index -	CESIEM Index	EM	18.30				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	9.90				
Citi Economic Surprise Index -	CESIG10 Index	G10	-5.10				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	1.00				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	41.60				
Citi Economic Surprise - Unite	CESIUSD Index	US	-29.40				

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

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