

GLOBAL MARKET UPDATE



18 TO 24 SEPTEMBER: END OF AN ERA

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

| | | |
|-----------|-----------|--|
| DEVELOPED | Top 3: | Norway 2.72% , Portugal 2.08% , Denmark 1.68% |
| | Bottom 3: | Luxembourg -1.34% , Australia -0.76% , Belgium -0.24% |
| EMERGING | Top 3: | Philippines 2.48% , Egypt 1.64% , China "H" 0.50% |
| | Bottom 3: | Turkey -4.81% , India -2.33% , Taiwan -1.53% |
| FRONTIER | Top 3: | Venezuela 5.65% , Bermuda 3.82% , Jamaica 3.63% |
| | Bottom 3: | Iceland -4.01% , Cyprus -2.48% , Romania -2.03% |

Financial markets were little changed last week, pausing for breath after the post-summer rally.

The FED meeting passed as expected (with the start of balance sheet normalisation) and economic data confirmed broad-based positive growth momentum.

In Europe, Angela Merkel secured a somewhat bittersweet victory to secure a fourth term as German chancellor, though with a lower than expected vote share and after a strong show of support for the right-wing Alternatives for Germany party. S&P downgraded China's sovereign credit rating just a month ahead of the National Congress, though this was essentially a formality and largely ignored by markets. .

UNITED STATES

S&P 2,502 **+0.08%**, 10yr Treasury 2.25% **+4.76bps**, HY Credit Index 330 **+6bps**, Vix 10.17 **-0.58Vol**

The FED's September meeting appeared to pass without incident as the FOMC delivered in-line with their prior guidance. Namely:

- Rates were left unchanged, but a further **hike was signalled for later this year** (likely December); 12 of 16 participants projected one or more rate rises this year.
- It was confirmed that **balance sheet normalisation would start in October**; USD 10bn of the USD 4.5trn portfolio of Treasuries and MBS will be allowed to run-off each quarter, with this cap increasing by USD 10bn per quarter until it hits USD 50bn.
- **Inflation expectations were marked down** from 1.7% to 1.5% and the forecast period for reaching the

2% target was extended to 2019.

Nonetheless, the market continues to doubt the FED's forecasts, whilst we continue to see the monetary policy outlook as uncertain:

- The median Governor projection is for another 3 rate hikes in 2018 and 2 in 2019, but the market prices barely more than 2 over the next 2 years.
- The FED continues to view low inflation as transitory, but wage growth, in particular, is elusive across the developed world despite "full employment".
- The composition of the Board of Governors will see wholesale change over the next 6 months.

On the political front, **the war of words between Trump and Kim continued**, with the leader's calling each other "little rocket man" and a "mentally deranged dotard"

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respectively. On Thursday, the US passed additional sanctions to prohibit North Korea from trade or financing. Moreover, US fighter jets flew further north of the demilitarised zone than at any other point in this century.

Economic data was mixed with existing home sales falling to the lowest since August 2016 (much of the decline attributed to Houston) but strong readings for the Philly FED and leading indicators.

EUROPE

Eurostoxx 3,539 +0.74%, German Bund 0.45% +1.40bps, Xover Credit Index 257 -32bps, EURUSD 1.190 -0.01%

Ahead of the planned independence referendum for Catalonia from Spain on the 1st October, **Spanish police raided Catalan government offices** on Wednesday, arresting at least 12 officials. Further, on Saturday all local and national police were temporarily placed under a single chain of command reporting to the interior ministry in Madrid. There is a possibility of further escalation and protest over coming weeks, but consensus remains that the vote will not go ahead. It is however likely, that Catalonia will agree greater fiscal autonomy in time.

In neighbouring **Portugal, government bonds rallied after S&P upgraded the country's debt to investment-grade.**

The 10-year was some 37bps lower in yield on the week (to 2.43%).

The **Eurozone PMIs for September, came in ahead of expectations** with the composite registering 56.7 (4-month high). HICP inflation came in at 1.5% (core at 1.2%). France delivers its budget on Wednesday.

Angela Merkel looks set to win a fourth term as German chancellor, though with clouds overhead in the form of a lower than expected vote share and the rise of the AfD (Alternatives for Germany) party to become the first right-wing nationalists to enter German parliament since 1961.

Exit polls suggest that Merkel's Union parties (Christian Democratic Union and its sister the Christian Social Union) secured 33% of the vote, versus the 37% suggested by the final polling data, and a significant drop from the 41.5% secured in the 2013 election. AfD did better than expected, taking 12.6% of the votes versus 11% suggested by the final polls. The second largest party, the SPD, took an expected 21% of the votes, and has declared its intention to serve in opposition, rather than remain as part of Merkel's coalition.

Merkel is now expected to form a 'Jamaican' coalition, bringing in the FDP and Green parties, whose official colours added to the CDU/CSU's give a mix of black, yellow and green, which would provide a slim parliamentary majority of 52.5%.

In the **UK, retail sales for August were better than anticipated** rising 1% MOM vs. 0.2% consensus. The BOE next meet on the 2nd November and, whilst inflationary pressures are very likely to have peaked, will hike if this data resilience continues. Meanwhile, **PM Theresa May did little to appease her doubters on Friday**, with her speech in Florence lacking any real clarity or new information. Later that afternoon, Moody's downgraded the UK's credit

rating to Aa2 (2 notices below the triple A rating the UK enjoyed for 35 years up to 2013). This week the 4th round of EU-UK negotiations will take place.

The National Bank of Hungary eased policy on Tuesday - reducing the overnight deposit rate to -15bp (from -5bp) and reducing reserves it will accept from banks to HUF 300bn. This last measure continues their "unconventional" measures, with the aim of pushing liquidity into financial markets.

Turkey's stock market fell -4.8% over the week, as President Erdogan spoke in New York and was met with violent protests, while the thinktank US Middle Eastern Forum issued calls for Turkey to be removed from NATO on account of "President Erdogan's infractions grow[ing] more outrageous and egregious".

ASIA PACIFIC

HSCEI 1,090 +0.50%, Nikkei 2,039.00 +0.76%, 10yr JGB 0.03% +0bps, USDJPY 112.280 +1.03%

As expected, the **BOJ left policy unchanged** at last week's meeting. The central bank remains above consensus in its economic projections, and is likely to have to lower its guidance on inflation when the quarterly outlook is released in October. Kataoka dissented on yield curve control levels, preferring a more dovish position.

This week S&P caught up with Moody's and Fitch when it **downgraded China's sovereign credit rating from AA- to A+**.

The timing of the downgrade seems odd at first glance. S&P chose to deliver their revised credit view on the world's largest economy (on a PPP basis) less than a month before the National Congress, China's most important political and economic event. The idea that the US-based rating agency acted in the view that they would somehow influence the conversation that will take place in Beijing in October (if true) is strikingly arrogant and solipsistic. Of course, the timing could more simply have been an untimely coincidence.

Whether S&P intended to do so or not, the downgrade did once more give cause for reflection on the Chinese debt burden, how the country's policymakers will continue to manage the situation in the medium term, and what a potential 'endgame' would look like should the burden surpass a tipping point of unsustainability.

It is no secret that China's total debt to GDP ratio has grown at a startling rate over the last two decades, to 250%. Within that, government debt to GDP stands at 46%, 44% for household and 166% for corporate. This compares to the US which has an estimated 106% government debt to GDP, 78% for households and 120% for corporates. Japan fares far worse with around 500% debt to GDP when combining government and private sector borrowing. Such burdens, therefore, are not a sure sign of an imminent financial crisis in and of themselves, rather, there is a far more nuanced discussion to be had of how a country is able to service and, ultimately, pay down its debt burden.

In our view, should China's debt burden surpass some

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undefined tipping point of sustainability, the outcome would far more closely resemble the fate of the Japanese economy's lost decade, rather than the explosive consequences seen across East Asia during the 1997 crisis.

Given China's essentially closed capital account, pegged currency backed by US\$3trn of foreign reserves (20x the reserves held by the US) and current account surplus, the probability of suffering a classic emerging markets currency crisis appears remote. In addition, China's has an almost unique domestic financial landscape, whereby the banking system is essentially state controlled, banks themselves are funded by sticky long term sources rather than short term wholesale markets, and Chinese households are among the highest proportional savers in the world with unshaking faith in the implicitly state-guaranteed banks (when Chinese banks last faced a crisis of 40% NPLs, there was no rush from depositors to withdraw their money, as one would expect in the West).

The question then becomes whether China is ultimately able to avoid an unsustainable debt situation, and avoid entering a trap of sustained near zero growth and zero inflation as seen in Japan. This boils down to whether China is able to implement meaningful economic reforms while at the same time pursuing challenging annual growth targets. The government is clearly making progress on some key reforms, such as rebalancing away from primary in favour of tertiary industry, increasing financial regulation to reduce the propagation of risky forms of lending and securitisation, and supply-side reform in industries with chronic over-capacity, such as coal and steel. However, China has been unable to kick the habit of driving growth through fixed asset investment and infrastructure spending, which has been the key driver of the economic recovery we have seen since the wobble of late 2015 and early 2016. Whilst progress has been mixed, we see enough evidence here that China under President Xi Jinping is making meaningful strides with economic reform. After October's National Congress, we will have greater clarity on how this will play out over the next five years.

To sum up, on the one hand, the S&P downgrade serves as a reminder to investors that the Chinese economic miracle did not come without its costs, and that China must avoid complacency with regards to enacting key reform measures. On the other hand, this non-event (Chinese sovereign 5 year USD CDS spreads moved just 0.5bps to 58.5bps on the announcement) reminds investors of the tectonic shift unfolding in economic power from West to East, with the 1.4 billion-strong Chinese economy ignoring the wagging fingers emanating from the world's second largest economy (on a PPP basis).

Indonesia cut rates for the second time during this cycle.

The central bank cut the policy rate by 25bps from 4.50% to 4.25%, in response to lower than expected inflation in recent months (CPI dropped to 3.8% YOY in August), in addition to weak loan growth. This was the second cut in two months, with an equal 25bps cut having been delivered in August. Bank Indonesia left the door open for additional cuts, whilst remaining data dependent.

Taiwan's central bank left rates on hold as expected, at 1.375%, for the fifth consecutive quarter. Policymakers remarked on an uncertain global demand environment

creating export uncertainty, modest momentum in the domestic economy and a stable inflation outlook.

Whilst the Philippines also left rates on hold this week, there was a more interesting development on the economic reform side, with **the government passing the first stage of its much awaited tax reform programme**. The new tax bill is expected to generate additional revenue equal to 0.8% of GDP during its first year of implementation, while at the same time reducing the tax burden of low income workers. The Philippines stock market has now risen to an all-time high on the expectation that the additional government revenue will be used to fund an infrastructure investment package.

LATIN AMERICA

MSCI Lat Am 2,983 **-0.16%**

Argentina's GDP grew 2.7% YOY in 2Q17. The strong momentum is expected to continue through to the second half of the year, with a range of indicators (industrial output, construction activity, tax collection, and consumer confidence) coming in strongly in July and August.

Argentina's primary budget deficit came in at ARS 24.6Bn in August, compared with a deficit of ARS 35.4Bn registered in the same month a year ago. This marks a stabilization of the budget deficit at 4% of GDP.

With the combined impact of robust GDP growth (supporting tax revenue), the lowering of the subsidy bill, and a reduction in administrative expenses, the fiscal consolidation process underway in Argentina appears firmly on track.

Colombia's consumer confidence index came in at -15.9, completing its 20th consecutive month in negative territory. This was a significant deterioration from the -9.6 recorded in July. However, we expect activity to stabilize in 2H17 due to a more stable currency, the fading of impact of the VAT implementation shock, low inflation, and looser monetary policy.

Colombia's current account deficit for 2Q17 came in at USD 2.7Bn, broadly stable from a year ago. This brings the rolling 12-month deficit to USD 12.4 billion (4.1% of GDP). Colombia's current account deficit is slowly rebalancing, driven by improvements in the trade account (imports remains sluggish on low internal demand, while exports are benefiting from the weaker currency).

Fitch maintained Peru's credit rating at BBB+ with a stable outlook. Fitch held its rating unchanged due in part to Peru's track record of policymaking credibility, consistency and flexibility, demonstrated most recently by steering the economy through the recent turmoil inflicted by El Nino, flooding and political uncertainty.

AFRICA

MSCI Africa 879 **+0.14%**

S&P affirmed Nigeria's 'B/B' long and short-term credit ratings, with a stable outlook, on the back of a more stable outlook for the country's crucial oil industry. Economic

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activity has also shown recent signs of improvement, with the Purchasing Managers' Index rising to 58.5 points in August from 56.3 points in July. The Central Bank of Nigeria continued its intervention in the forex market, with the injection of USD545 million, while also issuing a threat to sanction any banks found to be in breach of a directive to open teller points for retail FX transactions.

In Kenya, the central bank held its main lending rate at 10.0%, noting that food supplies were likely to improve and reduce pressure on inflation, which had risen 50pbs to 8.0% in August. Elsewhere, the Kenyan electoral commission postponed the re-run of the presidential election, after the company providing the electronic voter list and results transmission system said it would not be ready in time. The repeat election is now planned for October 26.

Moving on to South Africa, **headline consumer inflation increased 4.8% YOY in August from 4.6% in July while the central bank kept rates on hold at 6.75%**.

The South African central bank has the unenviable task of arresting low GDP growth, rising unemployment and historic lows in consumer and business confidence, while inflation is trending towards the top-end of its 3-6% target band. Further, the window for policy easing is narrowing given the potential inflationary impact of a planned 20% tariff increase, further credit rating downgrades and weakening of the rand. Monetary policy might be finding its limits. In addition, considering reports that the government is seeking USD7.6 billion funding for its insolvent SOEs, there appears to be limited fiscal flexibility.

The World Bank cut its 2017 economic growth forecast for South Africa to 0.6% from an earlier estimate of 1.1% owing to declining productivity and insufficient innovation in the private sector.

On the political front, the Zuma-Gupta state capture case rumbled on, this time sullyng KPMG who now faces being deserted by corporate South Africa, after it acknowledged that work done for the Gupta Family "fell considerably short" of its standards.

Lastly, **Fitch affirmed Ghana's Long-Term Foreign-Currency rating** at 'B' with a stable outlook.

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THE WEEK AHEAD

| | Date | Consensus |
|---|--------|-----------|
| UNITED STATES | | |
| New home sales (AUG) thous | Tue/26 | 590.0 |
| Consumer confidence (SEP) | Tue/26 | 120.0 |
| Real GDP (Q2) % QOQ | Thu/28 | 3.1 |
| Chicago PMI (SEP) | Fri/29 | 58.5 |
| University of Michigan consumer sentiment (SEP) | Fri/29 | 95.3 |
| EUROPE | | |
| Germany IFO readings | Mon/25 | - |
| France presentation of the 2018 budget | Wed/27 | - |
| France consumer confidence indicator (SEP) | Wed/27 | 103.0 |
| Eurozone money supply (AUG) % YOY | Wed/27 | 4.6 |
| Germany preliminary CPI (SEP) % YOY | Thu/28 | 1.8 |
| Germany GfK consumer confidence (OCT) | Thu/28 | 11.0 |
| Germany retail sales (AUG) % YOY | Fri/29 | 3.3 |
| France preliminary CPI (SEP) % YOY | Fri/29 | 1.0 |
| Eurozone flash inflation (SEP) % YOY | Fri/29 | 1.6 |
| France household consumer goods (AUG) % YOY | Fri/29 | 1.0 |
| UK GDP final release (Q2) % QOQ | Fri/29 | 1.7 |
| ASIA PACIFIC | | |
| Singapore CPI inflation (AUG) % YOY | Mon/25 | 1.3 |
| Japan services PPI (AUG) % YOY | Tue/26 | 0.7 |
| Thailand rate decision % | Wed/27 | 1.5 |
| New Zealand rate decision % | Thu/28 | 1.75 |
| Korea CPI inflation (SEP) % YOY | Thu/28 | 2.2 |
| Japan CPI inflation (AUG) % YOY | Fri/29 | 0.7 |
| LATIN AMERICA | | |
| Mexico rate decision % | Thu/28 | 7.0 |
| Colombia rate decision % | Fri/29 | 5.25 |
| AFRICA | | |
| Nigeria rate decision % | Tue/26 | 14.0 |
| South Africa PPI (AUG) % YOY | Thu/28 | 4.1 |
| Egypt rate decision % | Thu/28 | 18.75 |
| Kenyan CPI inflation(SEP) % YOY | Fri/29 | 7.8 |
| Kenyan GDP (Q2) % YOY | Fri/29 | 5.0 |

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GLOBAL MARKET DATA

18 to 24 September 2017

| Equities | | | | Return (USD) | | | | YTD (Local) | Price/Book |
|----------------------------|----------------|---------------|------------|--------------|--------|----------|----------|-------------|------------|
| Name | BBG Code | Country | Price | 1 Week | MTD | YTD | 1Y | | |
| North America | | | | | | | | | |
| S&P 500 INDEX | SPX Index | US | 2,502.22 | 0.08% | 1.24% | 11.76% | 14.93% | | 3.2 |
| RUSSELL 2000 INDEX | RTY Index | US | 1,450.78 | 1.33% | 3.24% | 6.90% | 14.83% | | 2.3 |
| NASDAQ COMPOSITE INDEX | CCMP Index | US | 6,426.92 | -0.33% | -0.03% | 19.39% | 20.37% | | 4.0 |
| S&P/TSX COMPOSITE INDEX | SPTSX Index | Canada | 15,454.23 | 0.74% | 3.15% | 10.21% | 10.52% | | 1.8 |
| S&P 500 FINANCIALS INDEX | S5FINL Index | US | 422.70 | 2.64% | 3.49% | 9.36% | 30.43% | | 1.4 |
| S&P 500 CONS DISCRET IDX | S5COND Index | US | 713.19 | -0.14% | 0.15% | 10.09% | 12.40% | | 5.1 |
| S&P 500 INFO TECH INDEX | S5INFT Index | US | 1,008.16 | -0.67% | -0.39% | 24.78% | 25.54% | | 5.2 |
| S&P 500 HEALTH CARE IDX | S5HLTH Index | US | 944.95 | -1.15% | 0.71% | 18.58% | 11.31% | | 4.0 |
| S&P 500 ENERGY INDEX | S5ENRS Index | US | 497.41 | 1.98% | 7.76% | -10.30% | -1.23% | | 1.9 |
| S&P 500 ECO SECTORS IDX | SPXL1 Index | US | 2,502.22 | 0.08% | 1.24% | 11.76% | 14.93% | | 3.2 |
| S&P 500 INDUSTRIALS IDX | S5INDU Index | US | 603.11 | 1.95% | 3.63% | 12.09% | 19.90% | | 4.7 |
| S&P 500 CONS STAPLES IDX | S5CONS Index | US | 555.71 | -2.31% | -1.09% | 4.50% | 0.91% | | 5.3 |
| S&P 500 UTILITIES INDEX | S5UTIL Index | US | 270.25 | -2.75% | -2.54% | 9.49% | 4.31% | | 2.0 |
| S&P 500 MATERIALS INDEX | s5MATR Index | US | 354.87 | 0.98% | 2.96% | 13.68% | 18.75% | | 3.9 |
| S&P 500 TELECOM SERV IDX | S5TELS Index | US | 161.59 | 3.80% | 3.02% | -8.50% | -6.25% | | 2.7 |
| Europe | | | | | | | | | |
| Euro Stoxx 50 Pr | SX5E Index | Europe | 3,538.81 | 0.74% | 4.06% | 21.89% | 23.46% | 7.62% | 1.7 |
| CAC 40 INDEX | CAC Index | France | 5,277.79 | 1.29% | 4.41% | 23.01% | 24.58% | 8.62% | 1.6 |
| DAX INDEX | DAX Index | Germany | 12,585.05 | 0.59% | 5.01% | 24.22% | 25.50% | 9.68% | 1.8 |
| Athex Composite Share Pr | ASE Index | Greece | 769.83 | -0.29% | -5.74% | 36.18% | 43.91% | 20.24% | 0.6 |
| FTSE MIB INDEX | FTSEMIB Index | Italy | 22,468.04 | 1.36% | 4.53% | 32.66% | 44.07% | 17.14% | 1.2 |
| AEX-Index | AEX Index | Netherlands | 528.79 | 0.24% | 2.87% | 23.77% | 23.32% | 9.28% | 1.8 |
| PSI All-Share Index GR | BVLX Index | Portugal | 2,959.05 | 1.43% | 3.48% | 32.95% | 26.71% | 17.39% | 1.3 |
| MICEX INDEX | INDEXCF Index | Russia | 2,055.19 | -0.18% | 2.22% | -2.36% | 11.92% | -8.11% | 0.7 |
| IBEX 35 INDEX | IBEX Index | Spain | 10,248.20 | -0.12% | 0.59% | 24.79% | 22.70% | 10.19% | 1.5 |
| OMX STOCKHOLM 30 INDEX | OMX Index | Sweden | 1,602.94 | 1.30% | 3.36% | 20.18% | 18.41% | 5.51% | 2.3 |
| SWISS MARKET INDEX | SMI Index | Switzerland | 9,135.34 | 0.17% | 1.52% | 16.59% | 9.73% | 11.15% | 2.6 |
| BIST 100 INDEX | XU100 Index | Turkey | 102,871.10 | -4.81% | -6.27% | 34.44% | 9.88% | 33.25% | 1.4 |
| FTSE 100 INDEX | UKX Index | UK | 7,279.61 | 1.01% | 3.24% | 12.17% | 9.38% | 2.35% | 1.9 |
| Asia Pacific | | | | | | | | | |
| MSCI AC ASIA x JAPAN | MXASJ Index | MSCI Asia Ex | 671.88 | 0.11% | 1.37% | 30.63% | 20.01% | 30.63% | 1.7 |
| S&P/ASX 200 INDEX | AS51 Index | Australia | 5,683.73 | -0.76% | -0.14% | 10.64% | 10.11% | 0.29% | 2.0 |
| DSE 30 Index | D330 Index | Bangladesh | 2,183.94 | -1.37% | 1.28% | 16.49% | 18.56% | 21.35% | - |
| HANG SENG CHINA ENT INDX | HSCFI Index | China "H" | 10,907.11 | 0.50% | -1.44% | 17.41% | 11.52% | 18.25% | 1.0 |
| SHANGHAI SE COMPOSITE | SHCOMP Index | China "A" | 3,341.55 | -0.62% | -0.01% | 13.92% | 11.54% | 8.02% | 1.8 |
| HANG SENG INDEX | HSI Index | HK | 27,509.18 | 0.39% | -0.11% | 25.83% | 16.54% | 26.73% | 1.3 |
| Nifty 50 | NIFTY Index | India | 9,845.70 | -2.33% | -0.90% | 27.57% | 15.39% | 21.73% | 2.9 |
| JAKARTA COMPOSITE INDEX | JCI Index | Indonesia | 5,886.97 | 0.34% | 1.06% | 13.66% | 7.76% | 11.61% | 2.5 |
| NIKKEI 225 | NIKY Index | Japan | 20,397.58 | 0.76% | 1.50% | 10.47% | 8.49% | 6.18% | 1.8 |
| KOSPI 200 INDEX | KOSPI2 Index | Korea | 316.40 | 0.91% | 1.97% | 29.71% | 19.32% | 21.81% | 1.1 |
| Laos Composite Index | LSXC Index | Laos | 1,027.66 | -0.59% | -0.10% | 0.07% | 4.13% | 1.39% | 0.9 |
| FTSE Bursa Malaysia KLCI | FBMVKLI Index | Malaysia | 1,771.19 | -1.06% | 1.61% | 15.30% | 3.64% | 7.88% | 1.7 |
| KARACHI 100 INDEX | KSE100 Index | Pakistan | 42,714.31 | -0.10% | 3.56% | -11.43% | 5.92% | -10.58% | 1.6 |
| PSEI - PHILIPPINE SE IDX | PCOMP Index | Philippines | 8,244.73 | 2.48% | 5.04% | 18.42% | 0.87% | 21.06% | 2.5 |
| STRAITS TIMES INDEX STI | FSSTI Index | Singapore | 3,217.11 | 0.34% | -0.86% | 20.22% | 14.06% | 11.78% | 1.2 |
| SRI LANKA COLOMBO ALL SH | CSEALL Index | Sri Lanka | 6,420.16 | 0.49% | 0.59% | 1.20% | -4.98% | 3.20% | 1.4 |
| TAIWAN TAIEH INDEX | TWSE Index | Taiwan | 10,335.89 | -1.53% | -1.35% | 21.27% | 17.47% | 12.93% | 1.8 |
| STOCK EXCH OF THAI INDEX | SET Index | Thailand | 1,664.33 | -0.05% | 3.00% | 16.56% | 15.29% | 7.53% | 2.0 |
| HO CHI MINH STOCK INDEX | VNINDEX Index | Vietnam | 805.40 | 0.11% | 3.08% | 21.58% | 17.94% | 21.40% | 2.3 |
| Rest of the World | | | | | | | | | |
| MSCI ACWI | MXWD Index | MSCI World | 486.66 | 0.31% | 1.72% | 15.37% | 15.18% | 15.37% | 2.3 |
| MSCI EM | MXEF Index | MSCI EM | 1,102.25 | 0.01% | 1.34% | 27.83% | 19.69% | 27.83% | 1.8 |
| MSCI Frontier Market Index | MXFEM Index | MSCI FM | 2,878.85 | 0.55% | 2.58% | 19.04% | 12.65% | 19.04% | 2.0 |
| DFM GENERAL INDEX | DFMGI Index | Dubai | 3,567.50 | -0.68% | -0.14% | 2.88% | 3.39% | 2.88% | 1.3 |
| MSCI EM LATIN AMERICA | MXLA Index | Latin America | 2,983.24 | -0.16% | 3.83% | 27.45% | 22.83% | 27.45% | 2.1 |
| ARGENTINA Merval INDEX | MERVAL Index | Argentina | 24,994.48 | 3.41% | 6.35% | 36.01% | 31.71% | 47.74% | 1.7 |
| MSCI BRAZIL | MXBR Index | Brazil | 2,136.68 | -0.55% | 6.95% | 27.81% | 25.83% | 27.81% | 2.0 |
| CHILE STOCK MKT SELECT | IPSA Index | Chile | 5,289.92 | 1.76% | 2.92% | 36.67% | 35.92% | 27.43% | 1.8 |
| IGBC GENERAL INDEX | IGBC Index | Colombia | 11,109.41 | -0.53% | 2.20% | 13.84% | 10.23% | 9.93% | - |
| S&P/BMV IPC | MEXBOL Index | Mexico | 50,313.51 | 0.48% | -1.58% | 28.24% | 15.45% | 10.23% | 2.7 |
| Bolsa de Panama General | BVPSBVPS Index | Panama | 431.77 | -0.07% | 0.01% | 4.42% | 6.54% | 4.47% | 1.9 |
| S&P/BVLPeruGeneralTRPEN | SPBLPGPT Index | Peru | 18,020.99 | -0.67% | 2.05% | 19.48% | 20.33% | 15.76% | 1.7 |
| VENEZUELA STOCK MKT INDX | IBVC Index | Venezuela | 422,906.20 | 5.65% | 80.69% | 1222.44% | 3252.88% | 1233.87% | 10.4 |
| MSCI EFM AFRICA | MXFMEAF Index | Africa | 879.06 | 0.14% | -3.45% | 14.25% | 6.89% | 14.25% | 2.3 |
| EGYPT HERMES INDEX | HERMES Index | Egypt | 1,251.59 | 1.64% | 3.81% | 18.54% | -10.66% | 15.34% | 1.7 |
| GSE Composite Index | GGSECI Index | Ghana | 2,291.60 | -0.44% | -3.48% | 31.21% | 16.04% | 35.67% | 2.1 |
| Nairobi SE 20 Share | KNSMIDX Index | Kenya | 3,764.44 | -0.71% | -6.88% | 17.20% | 16.35% | 18.15% | 2.4 |
| MASI Free Float Index | MOSENEW Index | Morocco | 12,442.31 | -2.22% | 0.40% | 15.15% | 29.10% | 6.85% | 2.9 |
| NIGERIA STCK EXC ALL SHR | NGSEINDX Index | Nigeria | 35,488.81 | 1.17% | -0.72% | 15.38% | 10.01% | 32.05% | 1.6 |
| FTSE/JSE AFRICA TOP40 IX | TOP40 Index | South Africa | 49,564.68 | 0.17% | -2.49% | 17.19% | 12.31% | 12.90% | 2.2 |
| Average | | | | 0.24% | 2.46% | 35.14% | 63.45% | 38.32% | |
| Top 25% | | | | 0.94% | 3.24% | 24.79% | 20.35% | 21.48% | |
| Bottom 25% | | | | -0.54% | -0.12% | 11.76% | 9.80% | 7.81% | |

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GLOBAL MARKET DATA (CONTD.)

18 to 24 September 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 | 92.35 | 0.33% | -0.54% | -9.82% | -3.43% |
| USD-EUR X-RATE | USDEUR Curncy | Europe | 0.84 | -0.01% | -0.32% | -11.95% | -6.19% |
| Russian Ruble SPOT (TOM) | USDRUB Curncy | Russia | 57.65 | 0.00% | -0.62% | -6.36% | -9.41% |
| USD-TRY X-RATE | USDTRY Curncy | Turkey | 3.52 | 1.71% | 1.26% | -0.77% | 18.83% |
| USD-GBP X-RATE | USDGBP Curncy | UK | 0.74 | 0.72% | -4.21% | -8.54% | -3.10% |
| Bloomberg JPMorgan Asia Dollar | ADXY Index | Asia USD Index | 107.76 | -0.32% | 0.06% | 4.95% | 0.59% |
| USD-AUD X-RATE | USDAUD Curncy | Australia | 1.26 | 0.54% | -0.21% | -9.52% | -4.00% |
| USD-CNY X-RATE | USDCNY Curncy | China | 6.62 | 0.65% | -0.17% | -5.26% | -1.19% |
| USD-INR X-RATE | USDINR Curncy | India | 64.97 | 1.18% | 1.48% | -4.49% | -2.59% |
| USD-JPY X-RATE | USDJPY Curncy | Japan | 112.28 | 1.04% | 1.83% | -4.28% | 11.15% |
| USD-KRW X-RATE | USDKRW Curncy | Korea | 1,132.10 | 0.00% | 0.71% | -6.18% | 2.59% |
| USD-TWD X-RATE | USD TWD Curncy | Taiwan | 30.17 | 0.36% | -0.05% | -6.79% | -3.73% |
| USD-ARS X-RATE | USDARS Curncy | Argentina | 17.30 | 1.89% | -0.21% | 8.98% | 14.09% |
| USD-BRL X-RATE | USDBRL Curncy | Brazil | 3.12 | 0.47% | -0.75% | -3.99% | -2.98% |
| USD-CLP X-RATE | USDCLP Curncy | Chile | 625.43 | 0.28% | -0.11% | -6.75% | -5.19% |
| USD-MXN X-RATE | USDMXN Curncy | Mexico | 17.81 | 0.47% | -0.80% | -14.40% | -9.52% |
| USD-EGP X-RATE | USDEGP Curncy | Egypt | 17.68 | 0.12% | 0.14% | -2.56% | 98.95% |
| USD-NGN X-RATE | USDNGN Curncy | Nigeria | 360.00 | 0.00% | 0.56% | 14.45% | 14.54% |
| USD-ZAR X-RATE | USDZAR Curncy | South Africa | 13.30 | 0.82% | 1.97% | -3.37% | -2.84% |
| Commodities | | | | Return (USD) | | | |
| WTI CRUDE FUTURE Nov17 | CLA Comdty | US | 50.44 | 0.44% | 5.63% | -11.20% | -0.43% |
| BRENT CRUDE FUTR Nov17 | COA Comdty | UK | 56.77 | 2.23% | 7.57% | -3.25% | 8.82% |
| BALTIC DRY INDEX | BDIY Comdty | | 1,502.00 | 8.45% | 26.86% | 56.30% | 60.30% |
| Natural Gas Futures | NGI Comdty | | 2.96 | -2.15% | -2.66% | -20.54% | -1.04% |
| Gold Spot \$/Oz | XAU Curncy | | 1,291.49 | -1.72% | -1.82% | 12.60% | -2.97% |
| Silver Spot \$/Oz | XAG Curncy | | 16.91 | -3.34% | -3.40% | 6.77% | -14.49% |
| LME COPPER 3MO (\$) | LMCADSO3 Comdty | | 6,457.00 | -0.77% | -4.88% | 16.65% | 33.05% |
| Government Bond Yields % | | | | Change (percentage points) | | | |
| US Generic Govt 2 Year Yield | USGG2YR Index | US 2yr | 1.44 | 0.05 | 0.11 | 0.24 | 0.66 |
| US Generic Govt 5 Year Yield | USGG5YR Index | US 5yr | 1.87 | 0.06 | 0.16 | -0.07 | 0.70 |
| US Generic Govt 10 Year Yield | USGG10YR Index | US 10yr | 2.26 | 0.05 | 0.13 | -0.19 | 0.63 |
| Canadian Govt Bonds 10 Year No | GCAN10YR Index | Canada 10yr | 2.11 | 0.02 | 0.26 | 0.39 | 1.01 |
| Mexico Generic 10 Year | GMXN10YR Index | Mexico 10yr | 6.78 | -0.03 | -0.07 | -0.65 | 0.73 |
| UK Govt Bonds 10 Year Note Gen | GUKG10 Index | UK 10yr | 1.36 | 0.05 | 0.32 | 0.12 | 0.65 |
| Switzerland Govt Bonds 10 Year | GSWISS10 Index | Swiss 10yr | -0.04 | 0.01 | 0.10 | 0.15 | 0.42 |
| German Government Bonds 2 Yr B | GDBR2 Index | German 2yr | -0.69 | 0.02 | 0.04 | 0.08 | -0.01 |
| German Government Bonds 5 Yr O | GDBR5 Index | German 5yr | -0.26 | 0.02 | 0.08 | 0.27 | 0.30 |
| Germany Generic Govt 10Y Yield | GDBR10 Index | German 10yr | 0.45 | 0.01 | 0.09 | 0.24 | 0.54 |
| French Generic Govt 10Y Yield | GTRFR10Y Govt | French 10yr | 0.73 | 0.02 | 0.07 | 0.05 | 0.53 |
| Greece Generic Govt 10Y Yield | GTGRD10Y Govt | Greece 10yr | 5.49 | 0.10 | 0.02 | -1.52 | -2.84 |
| Italy Generic Govt 10Y Yield | GBTPGRI0 Index | Italy 10yr | 2.12 | 0.03 | 0.06 | 0.29 | 0.92 |
| Spain Generic Govt 10Y Yield | GSPGI0YR Index | Spanish 10yr | 1.64 | 0.02 | 0.06 | 0.24 | 0.71 |
| Portugal Generic Govt 10Y Yield | GSPT10YR Index | Portugal 10yr | 2.45 | -0.37 | -0.40 | -1.33 | -0.93 |
| Australia Govt Bonds Generic Y | GACGB10 Index | Aus 10yr | 2.80 | 0.05 | 0.08 | 0.03 | 0.76 |
| India Govt Bond Generic Bid Yi | GIND10YR Index | India 10yr | 6.64 | 0.07 | 0.14 | 0.15 | -0.15 |
| KCMP South Korea Treasury Bond | GVSK10YR Index | Korea 10yr | 2.26 | 0.01 | 0.00 | 0.17 | 0.75 |
| Japan Generic Govt 10Y Yield | GJGB10 Index | Japan 10yr | 0.03 | 0.01 | 0.03 | -0.01 | 0.06 |
| South Africa Govt Bonds 10 Yea | GSAB10YR Index | SA 10yr | 8.46 | 0.05 | -0.11 | -0.47 | -0.07 |
| Corporate Credit Indices | | | | Change (Bps) +ive = Widening | | | |
| MARKIT ITRX EUR XOVER 12/22 | ITRXEXE CBIL Curncy | EUR XOVER | 257.13 | 32.44 | 20.51 | -31.00 | -67.71 |
| MARKIT ITRX EUROPE 12/22 | ITRXEBE CBIL Curncy | EUR MAIN | 58.45 | 8.14 | 3.49 | -13.32 | -11.36 |
| MARKIT ITRX EUR SNR FIN 12/22 | ITRXESE CBIL Curncy | EUR SNR FIN | 59.70 | 10.87 | 5.65 | -34.36 | -38.04 |
| MARKIT ITRX EUR SUB FIN 12/22 | ITRXEUE CBIL Curncy | EUR SUB FIN | 134.43 | 22.75 | 9.59 | -88.27 | -80.59 |
| MARKIT CDX.NA.IG.29 12/22 | IBOXUMAE CBIL Curncy | US IG | 59.96 | 3.90 | 1.61 | -7.34 | -16.62 |
| MARKIT CDX.NA.HY.28 06/22 | IBOXHYSE CBIL Curncy | US HY | 329.98 | 6.33 | 4.37 | -24.17 | -51.46 |
| Implied Volatility (Equity Index) | | | | Change (Volatility Points) +ive = Volatility Rising | | | |
| Eurostoxx 3month ATM | SX5E Index | Europe | 12.38 | -0.58 | -1.90 | -5.46 | -6.71 |
| FTSE 100 500 3month ATM | UKX Index | UK | 9.99 | -1.24 | -0.40 | -2.98 | -3.49 |
| Hang Seng 3month ATM | HSI Index | HK | 14.35 | -0.25 | -1.05 | -1.84 | -3.08 |
| Nikkei 3month ATM | NKY Index | Japan | 12.36 | -0.31 | -0.21 | -6.87 | -7.60 |
| S&P 500 3month ATM | SPX Index | US | 9.72 | -0.14 | -0.89 | -3.75 | -3.05 |
| Volatility (VIX) | VIX Index | US | 10.17 | -0.58 | -1.00 | -4.45 | -2.43 |
| Inflation (Long term inflation expectation proxy) % | | | | Change (percentage points) | | | |
| US 5Y5YF Inflation Swap | | USD | 2.27 | -0.01 | 0.04 | -0.17 | 0.27 |
| UK 5Y5YF Inflation Swap | | GBP | 3.43 | 0.06 | 0.05 | -0.16 | 0.23 |
| JPY 5Y5YF Inflation Swap | | JPY | 0.32 | 0.08 | 0.06 | -0.24 | 0.28 |
| EUR 5Y5YF Inflation Swap | | EUR | 1.61 | -0.01 | 0.01 | -0.13 | 0.24 |
| Economic Data Surprise (+ive = above expectations) | | | | | | | |
| Citi Economic Surprise Index | CESIAPAC Index | Asia Pacific | 11.80 | | | | |
| Citi Economic Surprise Index - | CESICNY Index | China | 3.70 | | | | |
| Citi Economic Surprise Index - | CESIEM Index | EM | 16.50 | | | | |
| Citi Economic Surprise Index - | CESIEUR Index | Eurozone | 49.40 | | | | |
| Citi Economic Surprise Index - | CESIG10 Index | G10 | 19.60 | | | | |
| Citi Economic Surprise - Japan | CESIJPY Index | Japan | 38.80 | | | | |
| Citi Economic Surprise Index - | CESILTAM Index | Latin America | 36.90 | | | | |
| Citi Economic Surprise - Unite | CESIUSD Index | US | -8.80 | | | | |

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

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