

# GLOBAL MARKET UPDATE



## 19 TO 25 JUNE: BODY SWAP

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Switzerland <b>1.28%</b> , Canada <b>0.62%</b> , Japan <b>0.52%</b>
	Bottom 3:	Australia <b>-1.64%</b> , Spain <b>-1.12%</b> , UK <b>-1.06%</b>
EMERGING	Top 3:	Taiwan <b>2.33%</b> , Greece <b>1.86%</b> , South Africa <b>1.63%</b>
	Bottom 3:	Dubai <b>-1.65%</b> , Philippines <b>-1.29%</b> , Malaysia <b>-0.99%</b>
FRONTIER	Top 3:	Kenya <b>2.20%</b> , Peru <b>1.98%</b> , Venezuela <b>1.40%</b>
	Bottom 3:	Nigeria <b>-5.20%</b> , Argentina <b>-1.89%</b> , Pakistan <b>-1.13%</b>

In 2015 and early 2016, the UK was a bright spot for developed world growth. Meanwhile, much of Europe (led by France and Italy) languished in a post-crisis quagmire, hampered by indecision and bureaucracy. This year, the dynamics appear to have reversed:

In the UK, Theresa May's decision to call a snap general election backfired spectacularly. After a limited and inconsistent campaign, the Conservatives lost their small majority in parliament. In the aftermath, the Prime Minister has not done much better; an agreement with the DUP in Northern Ireland is still outstanding and there is a sense of an overall lack of leadership. Similarly, there is discord at the Bank of England – with a division between the dovish Governor, focused on the weak growth picture, and a more hawkish minority (including the Chief Economist), concerned about recent inflation and low levels of unemployment. After a period “defying gravity”, with resilient consumer spending and exports benefitting from better global growth and a weaker GBP, the UK economy is weakening. On current evidence, we worry about the ability of government to manage Brexit negotiations and think policy uncertainty will create a further drag.

Meanwhile, Europe is enjoying its day in the sun. In France, socialist Francois Hollande (whose politics led to the nickname “Flanby”, a jelly-like caramel custard) was decisively beaten by Emmanuel Macron in the Presidential election, with the latter's centrist “En Marche” party (formed only 14 months ago) capturing a convincing majority in parliamentary voting. This has resulted in a surge in business sentiment (May composite PMI and INSEE Business climate indicator both at 6-year highs). In addition, the Italian banking system is finally addressing the insolvency and undercapitalisation of many of its participants. Earlier this year Unicredit raised EUR 13bn in capital, this week 2 mid-sized banks from the Veneto region were put into wind down and shortly (there is some doubt about the feasibility of the announced plan) the world's oldest bank, Monte Paschi, should receive state aid to address its monster book of non-performing loans. Last, the usually dysfunctional ECB mostly appear to be sticking to a single script, keeping policy easy based on low inflation.

Over the longer term, we're not convinced this “body swap” will continue. In our opinion, the

European resurgence is more a case of “every dog has its day”; as Greece has demonstrated, the Euro fundamentally doesn’t work and whilst Italy may enjoy improved confidence in the near-term, underlying growth potential is weak and its fiscal position is far from being addressed.

In commodity markets, oil prices entered a bear market (a decline of over 20%). WTI prices have now fallen over 25% YTD from their high on the 1st January at USD 58.30 and dipped below USD 43 for the first time in 18 months.

## UNITED STATES

S&P 2,438 +0.21%, 10yr Treasury 2.14% -0.91bps, HY Credit Index 336 +4bps, Vix 10.15 -0.36Vol

Despite considerable volatility in energy and technology stocks, the S&P 500 has spent the last 3 weeks tightly oscillating around the 2,440 level. On Monday, the index briefly touched a new all-time high, before retreating to end the week broadly unchanged.

In terms of economic data releases, it was a quiet week. Existing and new home sales for May surprised positively (post weaker April numbers), whilst the manufacturing PMI came in slightly below expectations. Meanwhile, **all 34 big US banks passed the first round of the FED’s annual stress tests** (which imposes scenarios including a jump in unemployment to 10% and commercial real estate losses of 35%). Indeed, Jerome Powell (the Governor responsible for overseeing the test) commented “As we consider the progress that has been achieved in improving the resiliency and resolvability of our banking industry, it is important for us to look for ways to reduce unnecessary burden.” This will **support government initiatives to reduce regulatory oversight for the industry**. Net week, a second-round announcement will approve or reject bank dividend and share buyback programmes.

The week may shed some light on the timing of the FED’s balance sheet reduction programme and their next interest rate hike (markets’ have only one additional 25bps rate hike priced by the end of 2018). **Janet Yellen speaks on global economic issues in London on Tuesday**, whilst there are also speeches planned by Governors Kashkari, Bullard, Dudley, Harker and Williams. Last week, Dudley gave a hawkish commentary (based on the tight labour market), whilst Evans admitted being “a little nervous” because of low incoming inflation numbers. As a reminder, the current US expansion is already the third longest in history.

## EUROPE

Eurostoxx 3,568 +0.07%, German Bund 0.25% -2.10bps, Xover Credit Index 231 -5bps, EURUSD 1.121 +0.03%

The June PMIs for the Eurozone contained a modest increase in the Manufacturing measure (+0.3 to 57.3) and a large decline in Services (-1.6 to 54.7), resulting in an overall decline in the Composite number by 1.1 points to 55.7. To put this into context, **the Composite PMI rose around 4 points between September and March and had been broadly flat for the last 3 months. June is therefore the first important decline for 9 months**. Nonetheless, the week of the 21st June saw the 13th straight week of inflows into European equities. According to a Bank of

America Merrill Lynch note, there has been USD 20.4bn of investment into European stock funds year-to-date versus USD 15.9bn into the US.

On Friday, **the ECB confirmed that 2 mid-sized Italian banks, Veneto Banca and Banca Popolare di Vicenza, were “failing or likely to fail”**. As a consequence, both will be put into wind down. However, in a move that has effectively broken the deadlock, this will occur under Italian law rather than new European BRRD banking rules. This means, taxpayers will pay up to EUR 17bn (and a minimum of EUR 5bn) to protect senior creditors. This comes after the EUR 3.5bn already injected into these banks and before the Monte Paschi recapitalisation is finalised. Banca Intesa will take on the “good assets” and some employees of the Veneto Banks. Banca Carige (a Genovese bank) is rumoured to be next in the firing line.

*At best, the current round of “re-organisation” of the Italian financial system is a case of two steps forward, one step back. The government is already heavily indebted and the whole process rather calls into question whether new banking rules will ever actually be used, given the risk of disorderly wind down. Still, after a decade pushing the financial mess under the carpet, at least Italian banks might now be able to play a part in a recovery.*

In the UK, Bank of England Governor Mark Carney commented on Tuesday that “now is not yet the time” to tighten monetary policy given low wage growth and weakening consumer spending and business investment. However, the following day, the bank’s chief economist Andy Haldane contradicted his boss, suggesting it would be prudent to raise rates in H2 to counter recent headline. We tend to side with Carney; despite low inflation, there is little wage growth and the overall business climate is fragile.

**The Norges bank in Norway left rates on hold, but removed its easing bias**; Governor Øystein Olsen stating “the balance of risks suggests that the key policy rate will remain at today’s level in the period ahead.” Norway briefly entered a technical recession earlier this year, with lower oil prices weighing on the economy.

**In Hungary, base rates were also left on hold** at their all-time low (for a 13th consecutive month), but there was some incremental easing in the form of a reduction in the cap on 3-month deposits. This unconventional measure aims to push liquidity into the broader economy.

## ASIA PACIFIC

HSCEI 1,053 +0.45%, Nikkei 2,015.00 +0.52%, 10yr JGB 0.06% +0bps, USDJPY 111.470 +0.36%

### After four years of consultation, MSCI has announced plans to add Chinese A shares to its benchmark indices.

The implementation will occur in two stages, in May and August 2018.

222 Chinese A share companies, with a combined market cap of \$696bn, will be added to MSCI Indices. All of these companies are accessible to foreign investors via either the Hong Kong Stock Connect or QFII programmes. An inclusion factor of 5% was applied, meaning that A shares join the index at 5% of the level justified by their market cap, with a 0.73% weighting in the MSCI Emerging Index.

*The liquidity impact is likely to be immaterial for the A share index, with the market frequently trading over USD 50bn per day, and the expected flows based on the MSCI EM weighting being less than USD 20bn.*

*Whilst the decision itself was not a huge surprise (many saw this as a case of 'if rather than when') the number of stocks included was larger than expected.*

*Before the weighting or number of stocks can be increased further, MSCI has laid out a number of factors where improvement is needed (the same factors that caused many investors to resist the idea of A shares joining the index initially) namely; evidence of stability of the Stock Connect programme, increase or removal of daily trading quotas, a reduction in the prevalence of trading suspensions and a relaxation of the rules around index products.*

### As part of ongoing attempts to maintain a 'Goldilocks' liquidity level, consistent with accommodating growth while curtailing the accumulation of excessive systemic risk, The People's Bank of China has injected a much larger amount of liquidity in to the system via reverse repos during the month to date than it did in April or May.

So far in June the PBOC has injected RMB 430bn, versus just 20bn in May and 210bn in April. This is in response to rising bond yields and sub-optimal liquidity in the onshore fixed income market. In response, 10 year yields on Chinese government debt dropped below 3.5% for the first time in 2 months.

*We expect this pattern to continue. Policymakers have front-loaded a large amount of the heavy lifting for this year in terms of de-risking the banking sector, tightening regulation over wealth management products and making the riskiest forms of lending incrementally more expensive from a risk-weighted capital requirement perspective. During the second half of the year, we expect this heavy-handedness to subside, and attention to revert back to supporting the real economy and ensuring that the annual 6.5% YOY GDP growth target is achieved. This is to coincide with a pivotal National Congress later in the year, where the direction for the next five years of economic policy will be agreed.*

### The Reserve Bank of India released the minutes of its June 7th policy meeting. The MPC voted to leave rates

unchanged with a majority of 5-1, the first dissenting vote since the monetary policy committee structure was created last year. The dissenter, Dr. Dholakia called for "at least" a 50bps rate cut and commented that he expects inflation to come in at least 40bps lower than the RBI's estimate during the first half of FY18 (6 months to September 2017). All other MPC members stuck to the "wait and watch" script. *With sub 3% inflation, we expect the RBI to cut rates in one of the next two meetings, with August the most likely.*

**Bangko Sentral Pilipinas kept interest rates on hold at 3.0%, in line with expectations.** The BSP left its inflation forecast for the year unchanged at 3.4% YOY (having reduced this from 3.5% at the last meeting), within the target range of 3.0% +/- 1% and commented that "inflation expectations also continue to be firmly anchored to the target over the policy horizon", however, that in the short term inflation risks remain "tilted towards the upside". *There is little to suggest that a policy change in The Philippines would be appropriate before the end of the year.*

**The RBNZ in New Zealand left rates on hold**, with the Governor commenting "Monetary policy will remain accommodative for a considerable period."

## LATIN AMERICA

MSCI Lat Am 2,493 -1.61%

**Argentina issued a 100-year bond at a 7.9% yield.** The USD 2.75Bn issue was oversubscribed as investors rushed to lend to a country that has defaulted 6 times in the last 100 years...

**MSCI decided to maintain Argentina as a Frontier Market** against investors' expectations. The Merval index fell 5.9% in USD on Thursday, giving back part of its 28% gains since the beginning of the year as part of this rally was driven by speculation of MSCI EM inclusion.

**Argentina is officially out of recession after its GDP increased in 1Q17** after 3 consecutive quarters of declines. GDP grew by 0.3% YOY, up from a 1.9% decline in 4Q16. Private consumption (+0.9% YOY) and investment (+3% YOY) were the main drivers.

**Peru's finance minister resigned** after losing the vote of confidence in Congress. He appeared, in a leaked audio recording, to ask the comptroller to approve an airport contract in exchange for a bigger budget.

*Since his election, PPK and his team struggle to cut red tape, pass structural reforms and execute big infrastructure projects.*

**Mexico hiked interest rates by 25bps to 7%**, but the central bank signalled that the monetary tightening cycle is likely over. The 325bps tightening cycle should be enough to keep inflation under control.

*The significant short-term rate increase was not followed by the long-end of the curve where the 10y treasuries are still yielding 6.8%. This flattening of the yield curve is negative for the banking sector and is usually a good leading*

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indicator of an economic slowdown.

**In Brazil, the Senate Committee on Social Affairs surprisingly voted 10 to 9 against the government's labour reform.** Since the committee only makes a recommendation, the bill remains alive and will be submitted to the Senate floor anyway.

*Political scandals may have weakened the government's ability to reach majority in Congress and the Senate.*

## AFRICA

MSCI Africa 841 +1.06%

**South Africa failed to narrow its current account deficit, which came in at 2.1% of GDP in 1Q17** from 1.7% in 4Q16. Although the current account widened, it was still a significant improvement from the 5.0% deficit recorded in 1Q16 and was still narrower than the 3.3% deficit recorded for the year 2016. Data illustrates the South African economy is rebalancing but is still weak and a deterioration in external factors could reduce the chances for recovery but may also derail the ZAR's recent resilience.

**SA inflation ticked up to 5.4% YOY in May** from 5.3% in April, on the back of higher meat prices despite a hefty fall year to date in maize prices.

**Remittances from expatriate Egyptians rose 11.1% YOY** between the currency float in November and end of April. Remittances from November to end of April reached USD9.3bn.

**Egypt's GDP growth accelerated to 4.3% in 1Q17.**

*2017 will be a transition year, where the whole economy has to absorb the shock of the devaluation and the reforms.*

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## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
Case Shiller index (APR) % MOM	Tue/27	0.6
Consumer confidence (JUN)	Tue/27	115.0
GDP (Q1) % QOQ	Thu/29	1.2
Michian consumer sentiment (JUN)	Fri/30	94.5
<b>EUROPE</b>		
Eurozone M3 (MAY) % YOY	Wed/28	5.0
Eurozone industrial confidence (JUN)	Thu/29	2.8
Eurozone consumer confidence (JUN)	Thu/29	1.4
Eurozone HICP (JUN) % YOY	Fri/30	1.3
UK current account (Q1) GBP Bn	Fri/30	-16.5
GDP (Q1) % YOY	Fri/30	2.0
<b>ASIA PACIFIC</b>		
Japan CPI (MAY) % YOY	Fri/30	0.4
<b>LATIN AMERICA</b>		
Colombia rate decision %	Fri/30	5.75

# GLOBAL MARKET DATA

19 to 25 June 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	2,438.30	0.21%	1.10%	8.91%	15.38%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,414.78	0.57%	3.25%	4.25%	20.69%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,265.25	1.84%	1.08%	16.39%	27.60%		4.1
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,319.56	0.62%	1.71%	1.65%	4.52%		1.8
S&P 500 FINANCIALS INDEX	S5FINL Index	US	396.69	-1.71%	2.97%	2.63%	25.95%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	713.32	-0.62%	-1.44%	10.11%	13.50%		5.1
S&P 500 INFO TECH INDEX	S5INFT Index	US	968.18	2.27%	0.14%	19.83%	33.12%		5.2
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	931.36	3.65%	6.13%	16.87%	12.84%		4.0
S&P 500 ENERGY INDEX	S5ENRS Index	US	474.83	-2.89%	-0.91%	-14.37%	-7.95%		1.8
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,438.30	0.21%	1.10%	8.91%	15.38%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	583.04	-1.07%	1.23%	8.36%	18.37%		4.7
S&P 500 CONS STAPLES IDX	S5CONS Index	US	572.93	-0.88%	-1.48%	7.74%	3.18%		5.5
S&P 500 UTILITIES INDEX	S5UTIL Index	US	270.14	-1.75%	-0.57%	9.44%	5.57%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	338.12	-0.33%	1.77%	8.32%	11.81%		3.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	155.71	-2.72%	-1.92%	-11.83%	-12.64%		2.6
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,568.39	0.07%	-0.66%	14.33%	15.05%	7.69%	1.6
CAC 40 INDEX	CAC Index	France	5,307.14	0.12%	-0.69%	14.98%	16.30%	8.30%	1.6
DAX INDEX	DAX Index	Germany	12,797.55	-0.08%	0.58%	17.74%	22.44%	10.91%	1.8
Athex Composite Share Pr	ASE Index	Greece	820.52	1.86%	5.46%	35.34%	31.01%	27.48%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	21,051.57	-0.44%	0.14%	14.99%	14.37%	8.31%	1.2
AEX-Index	AEX Index	Netherlands	523.52	-0.15%	-1.22%	14.15%	13.89%	7.52%	1.8
PSI All-Share Index GR	BVLX Index	Portugal	2,866.57	-1.66%	-2.52%	20.38%	14.53%	13.39%	1.3
MICEX INDEX	INDEXCF Index	Russia	1,869.78	-0.54%	-6.30%	-13.93%	4.70%	-16.36%	0.7
IBEX 35 INDEX	IBEX Index	Spain	10,685.20	-1.12%	-2.64%	20.68%	18.00%	13.67%	1.5
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,649.37	0.09%	-0.30%	12.64%	13.17%	8.45%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	9,107.30	1.28%	0.05%	15.31%	11.38%	9.89%	2.5
BIST 100 INDEX	XU100 Index	Turkey	99,638.65	1.38%	2.82%	28.18%	4.14%	27.52%	1.4
FTSE 100 INDEX	UKX Index	UK	7,458.84	-1.06%	-2.60%	7.07%	0.58%	3.94%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	627.26	1.17%	1.42%	21.95%	24.73%	21.95%	1.6
S&P/ASX 200 INDEX	AS51 Index	Australia	5,720.16	-1.64%	1.73%	5.90%	8.00%	0.88%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,071.41	2.00%	3.29%	11.70%	17.48%	14.39%	-
HANG SENG CHINA ENT INDX	HSCLE Index	China "H"	10,538.57	0.45%	-1.72%	10.37%	18.09%	11.02%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,185.44	0.83%	1.29%	3.55%	5.18%	1.75%	1.7
HANG SENG INDEX	HSI Index	HK	25,856.47	0.18%	-0.05%	15.99%	22.35%	16.68%	1.3
Nifty 50	NIFTY Index	India	9,574.95	-0.17%	-0.42%	23.32%	20.86%	16.97%	2.9
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,829.71	1.55%	1.47%	11.86%	17.64%	10.06%	2.5
NIKKEI 225	NKY Index	Japan	20,153.35	0.52%	1.87%	10.38%	17.79%	5.33%	1.8
KOSPI 200 INDEX	KOSPI2 Index	Korea	311.89	1.13%	0.57%	26.98%	26.98%	19.33%	1.1
Laos Composite Index	LSXC Index	Laos	1,012.67	0.94%	-1.84%	-0.31%	-9.88%	0.62%	0.8
FTSE Bursa Malaysia KLCI	FBMVKLCI Index	Malaysia	1,779.45	-0.99%	0.80%	13.38%	0.39%	8.59%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	46,332.31	-1.13%	-8.43%	-3.52%	21.12%	-3.08%	1.8
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,814.17	-1.29%	-1.00%	12.83%	-6.43%	14.23%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,209.47	-0.94%	-0.29%	16.25%	10.94%	11.41%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,715.33	-0.27%	0.30%	5.37%	0.73%	7.82%	1.6
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,513.96	2.33%	2.76%	19.92%	26.12%	12.15%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,587.91	0.48%	1.65%	8.34%	14.08%	2.55%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	771.22	0.83%	4.22%	15.96%	19.44%	15.66%	2.3
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	466.98	0.18%	0.69%	10.70%	14.54%	10.70%	2.3
MSCI EM	MXEF Index	MSCI EM	1,011.67	0.85%	0.63%	17.33%	21.10%	17.33%	1.6
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,691.74	-0.96%	-0.65%	11.31%	5.34%	11.31%	1.9
DFM GENERAL INDEX	DFMGI Index	Dubai	3,402.31	-1.65%	1.89%	-3.64%	1.03%	-3.64%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,493.23	-1.61%	-1.54%	6.52%	12.45%	6.52%	1.7
ARGENTINA Merval INDEX	MERVAL Index	Argentina	21,066.14	-1.89%	-5.85%	22.70%	30.58%	24.52%	0.7
MSCI BRAZIL	MXBR Index	Brazil	1,644.39	-2.18%	-5.04%	-1.64%	15.41%	-1.64%	1.4
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,766.20	-0.91%	-0.15%	16.46%	19.99%	14.81%	1.5
IGBC GENERAL INDEX	IGBC Index	Colombia	10,628.45	-3.79%	-3.47%	4.97%	3.91%	5.17%	-
S&P/BMV IPC	MEXBOL Index	Mexico	48,980.78	-0.67%	4.30%	23.37%	8.34%	7.31%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	421.91	-0.31%	-1.07%	2.04%	6.67%	2.09%	2.1
S&P/BVLPeruStockMarketTRPEN	SPBLPGPT Index	Peru	16,076.77	1.98%	1.00%	6.35%	17.63%	3.27%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	120,566.00	1.40%	62.04%	280.36%	806.95%	280.27%	10.1
MSCI EFM AFRICA	MXFMEAF Index	Africa	840.87	1.06%	-1.39%	9.29%	7.32%	9.29%	2.4
EGYPT HERMES INDEX	HERMES Index	Egypt	1,215.35	0.11%	1.38%	11.52%	-10.46%	11.60%	1.9
GSE Composite Index	GGSECI Index	Ghana	1,949.48	0.51%	-0.92%	11.56%	-2.09%	15.42%	1.8
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,623.83	2.20%	4.88%	12.35%	-5.54%	13.73%	2.2
MAFI Free Float Index	MOSENEW Index	Morocco	11,956.76	1.78%	3.02%	6.32%	23.72%	2.68%	2.6
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	32,122.14	-5.20%	8.72%	19.42%	-6.87%	19.53%	1.5
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	45,322.23	1.63%	-2.05%	9.85%	7.06%	3.32%	2.0
<b>Average</b>				-0.06%	1.20%	15.02%	23.87%	14.85%	
<b>Top 25%</b>				1.00%	1.72%	16.42%	19.71%	14.49%	
<b>Bottom 25%</b>				-1.02%	-1.15%	6.43%	4.94%	4.86%	

# GLOBAL MARKET DATA (CONTD.)

19 to 25 June 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	97.21	0.10%	0.35%	-4.84%	3.99%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.89	0.03%	0.45%	-6.02%	1.70%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	58.92	3.32%	4.76%	-3.50%	-6.53%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.50	0.19%	-0.54%	-0.41%	22.93%
USD-GBP X-RATE	USDGBP Curncy	UK	0.78	0.50%	1.35%	-2.95%	16.96%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	105.89	-0.23%	-0.22%	3.00%	-1.53%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.32	0.66%	-1.79%	-4.78%	0.65%
USD-CNY X-RATE	USDCNY Curncy	China	6.84	0.30%	-0.02%	-1.89%	3.62%
USD-INR X-RATE	USDINR Curncy	India	64.50	0.05%	0.06%	-5.09%	-4.14%
USD-JPY X-RATE	USDJPY Curncy	Japan	111.47	0.37%	0.46%	-4.88%	4.83%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,135.72	0.18%	1.37%	-5.99%	-0.59%
USD-TWD X-RATE	USD TWD Curncy	Taiwan	30.33	0.05%	0.93%	-6.18%	-4.84%
USD-ARS X-RATE	USDARS Curncy	Argentina	16.18	0.96%	0.52%	1.95%	12.51%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.34	1.48%	3.58%	2.69%	0.16%
USD-CLP X-RATE	USDCLP Curncy	Chile	660.82	-0.69%	-1.82%	-1.47%	-1.28%
USD-MXN X-RATE	USDMXN Curncy	Mexico	17.93	0.46%	-3.31%	-13.15%	-1.23%
USD-EGP X-RATE	USDEGP Curncy	Egypt	18.14	0.01%	0.29%	0.10%	104.42%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	315.25	-2.85%	-2.04%	0.09%	11.00%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	12.87	0.84%	-1.26%	-5.84%	-10.28%
Commodities				Return (USD)			
WTI CRUDE FUTURE Aug17	CLA Comdty	US	43.52	-4.36%	-11.43%	-24.41%	-19.50%
BRENT CRUDE FUTR Aug17	COA Comdty	UK	46.09	-3.86%	-10.28%	-22.58%	-16.41%
BALTIC DRY INDEX	BDIY Comdty		870.00	2.23%	-0.91%	-9.47%	45.97%
Natural Gas Futures	NGI Comdty		2.99	-3.56%	-4.62%	-21.35%	8.56%
Gold Spot \$/Oz	XAU Curncy		1,254.12	0.25%	-0.96%	9.07%	-0.01%
Silver Spot \$/Oz	XAG Curncy		16.70	0.13%	-3.57%	5.00%	-3.33%
LME COPPER 3MO (\$)	LMCADS03 Comdty		5,800.50	2.43%	2.09%	4.79%	21.35%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.34	0.03	0.06	0.15	0.56
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.76	0.01	0.00	-0.17	0.50
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.15	-0.01	-0.06	-0.30	0.40
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.48	-0.05	0.06	-0.25	0.18
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	6.73	-0.14	-0.62	-0.71	0.66
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.04	0.01	-0.02	-0.21	-0.34
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.16	-0.01	0.01	0.03	0.22
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.63	0.04	0.09	0.14	-0.06
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.38	0.02	0.05	0.15	0.05
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.25	-0.02	-0.05	0.05	0.16
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.60	-0.03	-0.13	-0.08	0.15
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	5.36	-0.24	-0.65	-1.65	-2.29
Italy Generic Govt 10Y Yield	GBTPGRI0 Index	Italy 10yr	1.91	-0.07	-0.29	0.10	0.52
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.38	-0.08	-0.17	0.00	-0.09
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	2.91	0.00	-0.14	-0.84	-0.17
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.37	-0.04	-0.02	-0.39	0.12
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.46	-0.03	-0.20	-0.05	-1.02
KCMP South Korea Treasury Bond	GVSKI0YR Index	Korea 10yr	2.13	-0.03	-0.11	0.04	0.51
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.06	0.00	0.01	0.01	0.20
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.50	0.04	-0.07	-0.40	-0.36
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/22	ITRXEXE CBIL Curncy	EUR XOVER	231.32	-4.52	-19.04	-54.99	-88.61
MARKIT ITRX EUROPE 06/22	ITRXEBE CBIL Curncy	EUR MAIN	52.87	-3.81	-8.77	-18.47	-21.62
MARKIT ITRX EUR SNR FIN 06/22	ITRSESE CBIL Curncy	EUR SNR FIN	51.23	-8.26	-16.46	-40.32	-42.34
MARKIT ITRX EUR SUB FIN 06/22	ITRXEUE CBIL Curncy	EUR SUB FIN	119.18	-25.71	-33.62	-97.71	-81.27
MARKIT CDX.NA.IG.28 06/22	IBOXUMAE CBIL Curncy	US IG	60.38	-0.72	-1.61	-6.87	-16.16
MARKIT CDX.NA.HY.28 06/22	IBOXHYSE CBIL Curncy	US HY	335.86	3.80	6.82	-19.45	-86.78
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	13.55	0.07	-0.27	-4.29	-10.04
FTSE 100 500 3month ATM	UKX Index	UK	10.57	0.36	-0.46	-2.41	-6.85
Hang Seng 3month ATM	HSI Index	HK	12.54	0.16	0.19	-3.65	-7.82
Nikkei 3month ATM	NKY Index	Japan	13.17	-0.18	0.21	-6.06	-12.49
S&P 500 3month ATM	SPX Index	US	9.74	-0.06	-0.17	-3.73	-4.46
Volatility (VIX)	VIX Index	US	10.15	-0.36	-0.39	-4.02	-7.23
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.16	0.05	-0.07	-0.26	0.20
UK 5Y5YF Inflation Swap		GBP	3.32	0.04	-0.07	-0.24	0.21
JPY 5Y5YF Inflation Swap		JPY	0.31	-0.03	-0.07	-0.22	0.01
EUR 5Y5YF Inflation Swap		EUR	1.53	0.00	-0.03	-0.21	0.11
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	-1.90				
Citi Economic Surprise Index -	CESICNY Index	China	11.70				
Citi Economic Surprise Index -	CESIEM Index	EM	10.90				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	4.70				
Citi Economic Surprise Index -	CESIG10 Index	G10	-26.30				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	14.40				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	30.00				
Citi Economic Surprise - Unite	CESIUSD Index	US	-74.60				

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