GLOBAL MARKET UPDATE

24 TO 30 JULY: LEFT BEHIND OR LED ASTRAY

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	**Top 3:**	Norway **3.26%**, Austria **3.12%**, Belgium **2.23%**
	Bottom 3:	Portugal **-1.70%**, Switzerland **-1.46%**, Finland **-0.71%**
EMERGING	**Top 3:**	Colombia **1.55%**, Poland **1.47%**, India **1.43%**
	Bottom 3:	Greece **-2.44%**, South Korea **-2.43%**, Mexico **-1.72%**
FRONTIER	**Top 3:**	Nigeria **8.60%**, Jamaica **3.57%**, Ukraine **3.55%**
	Bottom 3:	Tanzania **-3.20%**, Mongolia **-2.46%**, Botswana **-1.38%**

After sweeping into power on the promise of stimulus, reform and "Making America Great Again", during his first 190 days in office, one could well judge Donald Trump has tried to do everything but improve the trajectory of the American economy.

First, there has been no progress on tax reform as Trump has repeatedly failed to pass healthcare reforms. Indeed, his leadership has become increasingly fractious – on Friday he accused the 3 Republicans who failed to support his latest amendment (including Senator John McCain) as having "let the American people down". Following up on Saturday with the threat ""if a new HealthCare Bill is not approved quickly, BAILOUTS for Insurance Companies and BAILOUTS for Members of Congress will end very soon!" Trump is in part referring to government subsidies to insurance companies, which make health cover accessible to poorer Americans. The next such payment is due on the 21st August.

Second, he has often batted from left field, pursuing personal rather than popular agendas on topics such as immigration, the environment and, last week, transgender soldiers. In the latter case, he announced by tweet "please be advised that the United States government will not accept or allow transgender individuals to serve in any capacity in the US military" – a measure taken with apparently no prior notice to the Pentagon and concerning an agency that currently employs more transgender people than any other organisation in the world.

We therefore see Trump as having thus far been "left behind", with little concrete change as a result of his tenure. The global economy is delivering resilient growth and therefore the US has continued to expand with modest momentum (albeit lagging global peers). However, in stark contrast to the fanfare with which he was greeted (with the potential to address some of the highest corporate tax rates in the world and the lowest levels of government investment for a generation), his unconventional leadership now seems more likely to present a risk of "leading astray" the US economy.

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

UNITED STATES

S&P 2,472 -0.02%, 10yr Treasury 2.28% +5.14bps, HY Credit Index 321 -2bps, Vix 10.44 +0.93Vol

There was no press conference following last week's FED meeting and therefore attention was restricted to changes in the FOMC's statement. Specifically, the committee made 2 key amendments:

- **The assessment of measures of inflation was downgraded** (dovish)
  - *From*: "declined recently" and "running somewhat below 2%".
  - *To*: "have declined and are running below 2%".
- **The timing for balance sheet normalisation was brought forward** (hawkish)
  - *From*: "the Committee is maintaining its existing policy" and "expects to begin implementing its balance sheet normalisation program this year".
  - *To*: "For the time being the Committee is maintaining its existing policy" and "expects to begin implementing its balance sheet normalization program relatively soon".

As bond yields rose but the USD weakened (trade weighted USD is now more than 8.5% lower YTD), the result could be seen as a wash.

Overall, we judge the committee's central tendency to be unchanged; they want to announce a reduction in reinvestment of principal from September and to raise rates in December. For example, later on in the statement, they did not alter the forward-looking assessment that inflation would likely return to the 2 percent target over the medium term. The market is more sceptical, assigning only a 50% probability of another hike this year. We note that recent US economic data has generally disappointed (versus positive surprises elsewhere in the developed world, outside the UK). Moreover, there is little progress on Trump's promised policy reforms. There is therefore very little likelihood of a growth acceleration, which would require the FED to move more aggressively.

Moves in equity markets were largely unrelated to the outcome of the FED meeting. Instead, **stocks took their lead from politics, corporate earnings (with 74 firms reporting on Thursday alone) and the oil price**. The result was very little change at the overall index level, but some important sector divergences once again:

- **Healthcare lagged** after Donald Trump again failed to repeal Obamacare (3 republican's voting against a so called "skinny repeal") and AstraZeneca soured sentiment following disappointing test results for its new lung cancer drug and a 14.9% one-day fall in its share price.
- **Energy surged** as oil posted its best week of the year after Saudi Arabia vowed to cut exports in August and a sharp drop was recorded in U.S. crude and fuel stockpiles. Moreover, Venezuelan President Nicolas Maduro announced he would hold a vote on Sunday to potentially rewrite the 1999 constitution, which could lead to sanctions including banning US imports of Venezuelan oil. Venezuela represents 2% of the global petroleum market.
- **Technology was slightly lower** after mixed results from "FAANG" stocks; Amazon disappointing but Facebook beating expectations.

Economic data was a mixed bag. The Conference Board's gauge of consumer confidence surprisingly increased, with durable goods also improving. However, capital goods orders and existing and new home sales all came in below expectations. Real GDP growth for Q2 was more or less in-line at a 2.6% annualised pace (up from 1.2% in Q1).

Elsewhere, **the Senate voted by an overwhelming majority (98 to 2) in favour of new sanctions against Russia.** These measures effectively restrict Russia's ability to do business with American entities and are based on US intelligence agencies concluding that Russia interfered in the 2016 US presidential election, as well as punishing Russia for its annexation of the Crimea in 2014. In retaliation, Moscow has ordered the US to cut diplomatic staff and will seize 2 US diplomatic properties.

This week we have the employment report, which may shed more light on the timing of FED policy changes..

EUROPE

Eurostoxx 3,478 +1.11%, German Bund 0.55% +3.60bps, Xover Credit Index 232 -2bps, EURUSD 1.173 -0.73%

Whilst remaining at high levels, **Eurozone PMIs for July declined** (composite at 55.8 from 56.3) as both the manufacturing and services readings moderated. Confidence in Europe, however, remains high; **the German IFO and the French INSEE surveys recording blockbuster gains** (the INSEE Business Climate index at the highest level in 6 years). Indeed, Q2 GDP growth in Spain and France printed solidly at 0.9% and 0.5% QOQ respectively.

Greece returned to the capital markets for the first time since 2014, selling EUR 3bn of 5-year bonds at a yield of 4.625%. The deal priced inside original guidance, was 2x oversubscribed and involved swapping around EUR 1.5bn of bonds maturing in 2019 (thus lengthening the country's maturity schedule).

Much is being read into Greece's bond issue. In truth, it reflects the EU's ongoing willingness to subsidise and "extend and pretend". It is overwhelmingly likely that a 4th bailout will be required next year and the only real solution remains proper debt forgiveness. In this sense, the deal also demonstrates investor optimism for the European economy and its ability grow, such that Greek debt can be written off quietly...

The EUR hit a 30-month high against the USD on Thursday, indeed, the single currency put in one of its strongest weekly performances against the Swiss Franc in decades. It is unclear, whether the Swiss National Bank directly intervened, but after Chief Thomas Jordan spoke about the currency being significantly overvalued on Monday, **the Swiss Franc weakened for 4 days in succession, losing over 3% versus EUR**. The currency remains expensive on the basis of its perceived safe haven virtues.

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

In the UK, consumer confidence weakened to its lowest level since immediately after the Brexit vote. Q2 GDP growth printed at 1.7% YOY. This week there is a Bank of England meeting at which no policy change is expected, but GDP forecasts are likely to be downgraded. Qualitative guidance will be key – either preparing the market for a "pre-emptive hike" or becoming more "data dependent".

In Poland, President Duda vetoed 2 of 3 new bills that would have allowed the government to terminate and appoint judges at all levels. This came after significant pressure from the European Commission (with the threat of a suspension of voting rights and EU structural funds) and a groundswell of public protest. The EC maintains its negative view of the 3rd bill, concerning lower court judges.

The **Central Bank of Russia left rates on hold** at 9% on Friday, citing increased inflation in June and potential weakness in the RUB post US sanctions. **The CBT in Turkey, also left policy unchanged.**

ASIA PACIFIC

HSCEI 1,083 -0.29%, Nikkei 1,992.00 -0.48%, 10yr JGB 0.08% +0bps, USDJPY 110.670 -0.40%

Japanese PM Shinzo Abe's popularity has declined precipitously over recent months following a number of scandals. Indeed, his approval rating has plunged to a record low 26%, according to a Mainichi Shimbun poll. Last week, defence minister Tomomi Inada was forced to resign over an alleged cover-up of documents from UN peacekeeping operations. More importantly, **there is an increasing probability that Abe will lose the LDP election in September 2019 and that the Governorship of the BOJ (also due for renewal in 2019) could pass from Kuroda to a less "Abenomics friendly" candidate.** Abe is likely to announce a Cabinet reshuffle this week.

Japan's economy, however, has showed some resilience this year. Last week, unemployment fell to 2.8% (23-year low) with the jobs/applicants ratio for full-time workers exceeding 1.00 for the first time since records began. The tightness in the Japanese labour market reflects a shrinking working age population. In 2016, the working age population fell by 700,000 people and it will shrink by a further 800,00 in 2017. Nonetheless, for now, wage inflation remains elusive.

On 24th July China's **President Xi Jinping presided over a Politburo meeting charged with setting the country's economic policy for the second half of the year.** There was minimal new content emanating from the conference, with the now boilerplate rhetoric of "proactive" fiscal policy, "prudent" monetary policy and SOE-led supply side reform being rolled out once more.

Xi continues to consolidate power within the Chinese Communist Party. As he systematically roots out any member who threaten his ambitions for China (through means of either incompetence, corruption or challenge to his superiority) a culture centred around maintaining the status quo and toeing the party line is no doubt blossoming. From a policy perspective at least, "steady as she goes" could be expected to define the direction of the economy through to the end of 2017.

The latest batch of macro data in China came out broadly supportive of this view. Manufacturing PMI fell but remained expansionary at 51.4 in July (versus 51.7 in June), while industrial profits were strong at +19.1% YOY.

In India, the wheels of the Modi juggernaut continue to turn, as the astonishing ascent of the BJP continues.

The Chief Minister of Bihar, India's 5th largest state, resigned on Wednesday, paving the way for Modi's BJP to form a government in a state where it suffered an embarrassing election defeat in 2015.

The BJP's failure to win Bihar in 2015 was seen as a major setback. Opposition parties had joined together, despite stark ideological differences, with the sole purpose of preventing the BJP from taking yet another state. The fear for Modi was that if this proved successful, it could be replicated across India, halting his progress towards control of both the upper and lower houses.

However, with the Bihar government falling, with the Chief Minister Nitish Kumar's resignation driven by allegations of corruption against his coalition partners, this model of unified opposition has been exposed as unsustainable. Essentially, the Chief Minister's conscience got the best of him, and with the BJP waiting in the wings to form a 'cleaner' partnership, Mr Kumar now finds himself part of a government much more consistent with his own party's values.

The formation of a new government in Bihar is positive for the BJP on many levels. Immediately, the government gains new seats in the upper house of parliament. Longer term, the evolution of state politics in Bihar over the last two years sends a message to the rest of India that political obstructionism and underhand tactics are insufficient to deter the progress of a government with such a strong body of public support.

Compounding the gains in Bihar with the government's strong showing in the Uttar Pradesh state elections earlier this year, it would appear that there is an overwhelming probability that Modi will register another victory at the next general election in 2019.

On Friday, Pakistan's Supreme Court disqualified Prime Minister Nawaz Sharif from holding office.

The five judges of the Supreme Court voted unanimously to prohibit the Prime Minister from holding public office on charges of dishonesty when speaking in parliament and to the courts. This follows a split decision back in April, whereby two judges voted for disqualification and three voted for further investigations. The charges centre around information that came to light as part of the Panama Papers leak, which suggested that the Prime Minister and his immediate family had a significant amount of wealth held offshore which could not be accounted for based on his official income declarations.

With general elections scheduled for next year, Shahid Khaqan Abbasi has been appointed as interim Prime Minister. Given the government's strong majority, Abbasi is expected to easily secure enough votes when the assembly meets next week in order to assume the post for the next twelve months.

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

Whilst the country now faces a period of political uncertainty, and anti-corruption investigations are ongoing against remaining members of the government, several commentators have focused on the positives for Pakistan. The successful removal of a sitting Prime Minister by due process and judicial investigation, rather than mass protests or military intervention, speaks to much stronger institutions than many would have expected.

The local stock market took the news well, finishing slightly up on the day. Whether equities will continue to react so positively to developments in Pakistan however, particularly if what feels like a one-sided bet against the currency begins to come to fruition, is quite another matter.

Taiwan's GDP growth came in slightly lower than expected in Q2 (2.1% YOY vs. consensus expectations at 2.2% and Q1's growth rate of 2.6%). Gross capital formation and manufacturing activity were the drags.

South Korea's economy grew in line with expectations in Q2, at 2.7% YOY. Domestic consumption improved, though exports were lacklustre.

LATIN AMERICA

MSCI Lat Am 2,746 +0.27%

Emerging Markets equities recorded their 19th consecutive week of net inflows as investors have poured in USD 47.6Bn YTD. Among those, Latin American equities received net USD 9.6Bn as investors are reduce their underweight position.

Colombia's central bank cut the benchmark rate by 25bps to 5.5%, highlighting that the temporary supply shocks that led inflation above the target range have continued fading as signalled by the slowdown in food inflation.

Brazil's central bank cut the SELIC rate by 100bps to 9.25%, as expected. The monetary policy committee highlighted the decline in inflation expectations for this year and next year.

Brazil received USD 80.7Bn FDIs in the 12 months to May-2017 and was the 7th largest global FDI receiver in 2016, despite its political challenges. This was partly driven by mergers and acquisitions (USD 37Bn were invested by foreigners out of USD 46.6Bn) because:

- Brazilian companies and assets were more attractive following a 50% devaluation of the BRL (vs. USD) from its 2011 peak.
- Valuations were attractive as local shareholders and companies were also keen to offload assets because of financial distress caused by the recession or due to the corruption investigations.

Another part of those FDIs were inter-company transactions to benefit from the high nominal and real interest rates.

Mexico retail sales continue on their decelerating path coming in at 3.3% YOY in May, pulling down the 3-month moving average growth rate to 3.7% year-over-year (from 5.1% in April). This shouldn't come as a surprise and is consistent with less supportive fundamentals like the fall in real wages by 1.4% YOY in June (the sharpest contraction in more than 7 years).

Maduro may have captured what was left of Venezuela's democracy yesterday. Venezuelans had to elect 545 members of a newly created Constituent Assembly. An institution that will have the powers to bypass the opposition-controlled National Assembly and to re-write the Constitution (and so, give free-reins to Maduro). Among the 6,000 candidates, none were from the opposition parties. 7mn people went to the polls on July 16th and voted against the creation of a Constituent assembly in an unofficial referendum held by the opposition. The repression of opposition-led protests killed 110 people over the past 4 months, with at least another 10 killed yesterday.

This might be the last straw for the main buyer of Venezuelan oil, the United States. The capture of democracy and independent institutions could lead the Trump administration to impose more sanctions on Venezuela (having already imposed restrictions on 13 top officials since last Wednesday). With their own shale gas production, the US can afford not to buy Venezuelan oil (8% of US crude oil imports as of April). 95% of the Venezuela's budget relies on the 2.1mn barrels produced daily (800k of which are exported to the US), a number that is quickly falling due to a lack of investment. Assuming no one would replace the US in buying oil from Venezuela, a blockade would probably plunge the country into a deeper economic crisis than the one currently underway: shortages of food, medicines and other staples, 700%+ annual inflation, thousands of migrants fleeing the country.

AFRICA

MSCI Africa 892 +0.87%

South Africa's PPI eased to 4% YOY in June (from 4.8% in May), its lowest levels since September 2015, owing to a slowdown in increases of food and fuel prices in the period. MOM, the headline PPI decreased by 0.3% in June compared to a 0.5% increase in May.

The Central Bank of Nigeria left the benchmark policy rate unchanged at 14%, driven primarily by the need to maintain a stable exchange rate, and also in light of slowing headline inflation and continued volatility in the price of crude oil.

Nigeria agreed with OPEC to cap oil output at 1.8mbpd. This compares with an output of 1.7mpd in June. Getting to 1.8mbpd won't be easy however, with reports of militants vandalising the Trans-Niger pipeline in the Niger Delta region, leading to a 150,000 barrels per day reduction in production.

An FT article puts Nigeria's debt to GDP (adjusted to strip out the informal/untaxable part of the economy) at 54% compared to a headline rate of 19%. Further, given the low tax take (federal government revenue amounts to only 5.3% of GDP), gross government debt equates to 320% of annual federal revenue. This highlights the indebtedness and the high cost of servicing the debt (Nigeria is said to be paying 67 naira in interest for every 100 naira it raises in tax), and

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

the importance of crude oil revenue which represents much of the formal sector.

The Bank of Ghana cut rates by 150 bps to 21%.

PLEASE CONTINUE FOR MARKET DATA

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
ISM manufacturing PMI (JUL)	Tue/01	56.2
ISM non-manufacturing PMI (JUL)	Thu/03	56.8
nonfarm payroll (JUL) th. Change	Fri/04	183
Trade balance (JUL) Bn USD	Fri/04	-45.5
EUROPE		
Eurozone HICP (JUL) % YOY	Thu/31	1.3
Eurozone manufacturing PMI (JUL)	Tue/01	56.8
Eurozone GDP (Q2) % QOQ	Tue/01	0.6
Eurozone PMI (JUL)	Thu/03	55.4
Eurozone retal sales (JUL) % YOY	Thu/03	2.5
BoE rate decision %	Thu/03	0.25
UK PMI (JUL)	Thu/03	53.6
ASIA PACIFIC		
China PMI (JUL)	Tue/01	50.4
Australia rate decision %	Tue/01	1.5
India rate decsion %	Wed/02	6.0
Indonesia GDP (Q2) % YOY	Fri/04	5.0
LATIN AMERICA		
Mexico GDP (2Q) % YOY	Thu/31	2.7

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

GLOBAL MARKET DATA

24 to 30 July 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	2,472.10	-0.02%	2.01%	10.42%	13.92%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,429.26	-0.46%	0.98%	5.31%	17.41%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,374.68	-0.20%	3.81%	18.42%	23.66%		4.0
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,128.65	0.50%	4.05%	6.99%	10.15%		1.8
S&P 500 FINANCIALS INDEX	S5FINL Index	US	413.61	0.46%	0.98%	7.01%	29.46%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	727.11	0.30%	1.83%	12.24%	12.34%		5.2
S&P 500 INFO TECH INDEX	S5INFT Index	US	985.67	-0.64%	4.83%	22.00%	28.39%		5.2
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	924.28	-1.26%	0.80%	15.98%	6.55%		4.0
S&P 500 ENERGY INDEX	S5ENRS Index	US	488.44	1.88%	2.20%	-11.91%	-2.04%		1.6
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,472.10	-0.02%	2.01%	10.42%	13.92%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	583.81	-0.63%	0.15%	8.50%	15.54%		4.6
S&P 500 CONS STAPLES IDX	S5CONS Index	US	569.53	0.37%	0.48%	7.10%	2.15%		5.4
S&P 500 UTILITIES INDEX	S5UTIL Index	US	269.03	-0.49%	1.99%	8.99%	2.33%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	344.73	-0.44%	2.17%	10.43%	12.39%		3.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	161.19	6.99%	4.65%	-8.73%	-10.58%		2.7
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,478.09	1.11%	3.65%	17.32%	23.93%	5.39%	1.6
CAC 40 INDEX	CAC Index	France	5,145.04	0.91%	3.09%	17.48%	23.05%	5.53%	1.5
DAX INDEX	DAX Index	Germany	12,190.52	0.01%	1.52%	17.93%	25.48%	5.94%	1.8
Athex Composite Share Pr	ASE Index	Greece	820.02	-2.44%	2.41%	41.83%	54.44%	27.40%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	21,527.86	1.73%	7.10%	24.03%	37.49%	11.42%	1.2
AEX-Index	AEX Index	Netherlands	526.66	1.28%	6.60%	21.08%	24.40%	8.77%	1.8
PSI All-Share Index GR	BVLX Index	Portugal	2,845.17	-1.61%	3.04%	25.03%	21.48%	12.32%	1.2
MICEX INDEX	INDEXCF Index	Russia	1,916.73	-0.77%	1.38%	-11.64%	10.05%	-14.15%	0.8
IBEX 35 INDEX	IBEX Index	Spain	10,589.20	1.70%	3.78%	25.41%	31.72%	12.66%	1.6
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,559.33	-0.12%	0.99%	14.76%	19.79%	2.66%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	9,061.02	-1.46%	0.25%	15.22%	12.80%	9.73%	2.6
BIST 100 INDEX	XU100 Index	Turkey	107,962.00	1.10%	6.76%	37.57%	22.25%	37.83%	1.5
FTSE 100 INDEX	UKX Index	UK	7,420.33	-0.05%	1.64%	9.65%	9.46%	3.16%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	652.59	0.33%	4.35%	26.88%	22.77%	26.88%	1.7
S&P/ASX 200 INDEX	AS51 Index	Australia	5,720.59	0.56%	3.61%	11.31%	9.11%	0.65%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,133.24	0.49%	2.11%	14.74%	16.79%	17.57%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	10,830.32	-0.29%	3.73%	13.67%	17.61%	14.49%	1.1
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,273.03	0.73%	2.46%	8.11%	7.47%	4.82%	1.8
HANG SENG INDEX	HSI Index	HK	27,302.55	1.02%	4.67%	21.75%	20.84%	22.63%	1.4
Nifty 50	NIFTY Index	India	10,053.35	1.43%	6.01%	29.71%	20.73%	22.34%	3.0
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,821.11	1.11%	-0.11%	11.74%	7.73%	10.09%	2.5
NIKKEI 225	NKY Index	Japan	19,925.18	-0.48%	0.99%	9.89%	14.60%	4.42%	1.7
KOSPI 200 INDEX	KOSPI2 Index	Korea	314.60	-2.80%	2.57%	29.77%	24.96%	20.81%	1.1
Laos Composite Index	LSXC Index	Laos	1,019.72	0.60%	1.21%	0.15%	-0.89%	1.32%	0.9
FTSE Bursa Malaysia KLCI	FBMKLCI index	Malaysia	1,766.17	0.52%	0.59%	12.80%	1.06%	7.64%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	46,815.72	1.33%	-1.88%	-4.86%	15.77%	-3.96%	1.8
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	8,018.05	1.24%	2.65%	15.62%	-6.26%	17.99%	2.5
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,324.59	0.89%	4.71%	23.25%	13.81%	15.62%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,640.50	-0.10%	-1.32%	4.29%	-1.03%	7.03%	1.4
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,427.33	0.35%	0.62%	20.54%	21.23%	12.64%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,571.65	0.81%	2.16%	10.19%	8.42%	2.47%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	781.87	2.06%	0.09%	17.16%	16.12%	16.88%	2.3
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	477.25	0.10%	2.61%	13.14%	15.52%	13.14%	2.2
MSCI EM	MXEF Index	MSCI EM	1,062.97	0.26%	5.16%	23.28%	21.41%	23.28%	1.7
MSCI Fronter Market Index	MXFEM Index	MSCI FM	2,785.12	1.74%	3.13%	15.17%	8.36%	15.17%	1.9
DFM GENERAL INDEX	DFMGI Index	Dubai	3,621.94	0.92%	6.32%	2.14%	2.47%	2.13%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,746.04	0.27%	7.94%	17.32%	16.67%	17.32%	1.9
ARGENTINA MERVAL INDEX	MERVAL Index	Argentina	21,689.22	-1.18%	-7.60%	14.84%	18.67%	28.20%	1.7
MSCI BRAZIL	MXBR Index	Brazil	1,863.06	0.62%	9.58%	11.44%	16.27%	11.44%	1.7
CHILE STOCK MKT SELECT	IPSA Index	Chile	5,076.07	1.02%	8.67%	25.46%	24.84%	22.27%	1.7
IGBC GENERAL INDEX	IGBC Index	Colombia	11,014.33	1.61%	2.91%	9.14%	17.15%	8.99%	-
S&P/BMV IPC	MEXBOL Index	Mexico	51,213.60	-1.72%	4.58%	30.43%	16.50%	12.20%	2.8
Bolsa de Panama General	BVPSBVPS Index	Panama	422.50	-0.18%	-0.07%	2.18%	6.25%	2.23%	2.1
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	16,855.81	1.51%	4.41%	11.91%	14.56%	8.28%	1.7
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	135,796.30	2.94%	10.03%	322.32%	980.63%	328.31%	11.6
MSCI EFM AFRICA	MXFMEAF Index	Africa	891.96	0.87%	7.91%	15.93%	9.15%	15.93%	2.5
EGYPT HERMES INDEX	HERMES Index	Egypt	1,219.27	-0.38%	2.31%	14.54%	-15.77%	12.96%	1.9
GSE Composite Index	GGSECI Index	Ghana	2,257.45	2.95%	15.43%	30.29%	14.36%	33.65%	2.1
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,798.63	2.51%	5.10%	17.52%	6.87%	19.22%	2.4
MASI Free Float Index	MOSENEW Index	Morocco	12,323.97	2.08%	4.49%	12.91%	28.74%	5.84%	2.7
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	36,864.71	8.60%	11.39%	37.36%	31.84%	37.17%	1.7
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	48,909.32	0.96%	7.24%	16.72%	14.23%	10.59%	2.2

	1 Week	MTD	YTD	1Y	YTD (Local)	Price/Book
Average	0.64%	3.37%	19.40%	29.42%	18.83%	
Top 25%	1.18%	4.69%	21.42%	21.86%	18.30%	
Bottom 25%	-0.19%	1.30%	9.77%	8.77%	5.76%	

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

GLOBAL MARKET DATA (CONTD.)

24 to 30 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	93.45	-0.64%	-2.48%	-8.76%	-3.60%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.85	-0.73%	-2.77%	-10.48%	-5.74%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	60.15	0.51%	2.61%	-3.34%	-10.66%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.53	-0.21%	0.19%	0.13%	17.12%
USD-GBP X-RATE	USDGBP Curncy	UK	0.76	-1.07%	-0.85%	-6.04%	0.21%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	107.12	0.13%	0.71%	3.94%	-0.12%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.25	-0.86%	-3.71%	-9.79%	-6.03%
USD-CNY X-RATE	USDCNY Curncy	China	6.73	-0.18%	-0.52%	-3.12%	1.16%
USD-INR X-RATE	USDINR Curncy	India	64.14	-0.54%	-0.73%	-5.63%	-4.28%
USD-JPY X-RATE	USDJPY Curncy	Japan	110.67	-0.42%	-1.51%	-5.41%	5.13%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,119.89	0.47%	-1.81%	-6.85%	-0.01%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.21	-0.37%	-0.37%	-6.45%	-5.17%
USD-ARS X-RATE	USDARS Curncy	Argentina	17.80	2.27%	7.08%	12.16%	18.40%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.13	-0.36%	-5.31%	-3.79%	-4.86%
USD-CLP X-RATE	USDCLP Curncy	Chile	653.03	0.35%	-1.55%	-2.55%	-1.44%
USD-MXN X-RATE	USDMXN Curncy	Mexico	17.75	0.69%	-1.91%	-14.25%	-5.94%
USD-EGP X-RATE	USDEGP Curncy	Egypt	17.86	0.10%	-1.29%	-1.34%	101.36%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	314.55	-0.22%	-0.06%	-0.14%	-0.22%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.04	0.82%	-0.31%	-5.10%	-7.94%
Commodities				**Return (USD)**			
WTI CRUDE FUTURE Sep17	CLA Comdty	US	49.88	8.61%	7.39%	-12.77%	6.20%
BRENT CRUDE FUTR Sep17	COA Comdty	UK	52.78	9.28%	7.69%	-10.74%	9.99%
BALTIC DRY INDEX	BDIY Comdty		933.00	-4.50%	3.55%	-2.91%	40.30%
Natural Gas Futures	NG1 Comdty		2.88	-0.98%	-3.10%	-21.03%	2.37%
Gold Spot $/Oz	XAU Curncy		1,266.53	1.16%	2.26%	10.19%	-4.95%
Silver Spot $/Oz	XAG Curncy		16.71	1.44%	0.79%	5.28%	-17.11%
LME COPPER 3MO ($)	LMCADS03 Comdty		6,325.00	5.35%	6.54%	14.26%	29.17%
Government Bond Yields %				**Change (percentage points)**			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.35	0.01	-0.03	0.16	0.64
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.83	0.03	-0.05	-0.09	0.75
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.29	0.05	-0.01	-0.16	0.78
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	2.03	0.14	0.27	0.31	0.96
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	6.88	0.03	0.08	-0.56	0.94
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.22	0.04	-0.04	-0.02	0.51
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	0.06	0.07	0.08	0.24	0.62
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.68	-0.04	-0.11	0.09	-0.06
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.17	-0.01	0.04	0.35	0.33
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.55	0.04	0.08	0.33	0.63
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.81	0.05	-0.01	0.12	0.68
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	5.33	0.11	-0.04	-1.70	-2.66
Italy Generic Govt 10Y Yield	GBTPGR10 Index	Italy 10yr	2.10	0.05	-0.04	0.31	0.92
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.51	0.07	-0.01	0.14	0.44
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	2.88	0.02	-0.10	-0.84	-0.04
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.68	-0.01	0.09	-0.08	0.82
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.45	0.03	-0.05	-0.05	-0.73
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.23	0.00	0.01	0.13	0.87
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.08	0.01	-0.01	0.03	0.35
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.60	0.07	-0.19	-0.33	-0.15
Corporate Credit Indices				**Change (Bps) +ive = Widening**			
MARKIT ITRX EUR XOVER 06/22	ITRXEXE CBIL Curncy	EUR XOVER	232.04	-2.16	-12.00	-53.94	-87.77
MARKIT ITRX EUROPE 06/22	ITRXEBE CBIL Curncy	EUR MAIN	51.82	0.14	-3.79	-19.82	-18.00
MARKIT ITRX EUR SNR FIN 06/22	ITRXESE CBIL Curncy	EUR SNR FIN	49.70	0.69	-2.34	-43.07	-44.79
MARKIT ITRX EUR SUB FIN 06/22	ITRXEUE CBIL Curncy	EUR SUB FIN	116.19	-3.91	-15.48	-104.10	-93.10
MARKIT CDX.NA.IG.28 06/22	IBOXUMAE CBIL Curncy	US IG	57.75	0.61	-3.55	-9.93	-16.96
MARKIT CDX.NA.HY.28 06/22	IBOXHYSE CBIL Curncy	US HY	320.83	-1.56	-19.79	-34.54	-83.25
Implied Volatility (Equity Index)				**Change (Volatility Points) +ive = Volatility Rising**			
Eurostoxx 3month ATM	SX5E Index	Europe	13.07	-0.89	-2.25	-4.78	-7.30
FTSE 100 500 3month ATM	UKX Index	UK	9.90	-0.09	-1.80	-3.07	-3.46
Hang Seng 3month ATM	HSI Index	HK	12.49	0.21	-0.71	-3.70	-5.32
Nikkei 3month ATM	NKY Index	Japan	11.41	0.26	-2.33	-7.82	-12.88
S&P 500 3month ATM	SPX Index	US	9.40	0.24	-1.11	-4.06	-3.15
Volatility (VIX)	VIX Index	US	10.44	0.93	-0.89	-3.75	-2.43
Inflation (Long term inflation expectation proxy) %				**Change (percentage points)**			
US 5Y5YF Inflation Swap		USD	2.27	0.06	0.06	-0.16	0.30
UK 5Y5YF Inflation Swap		GBP	3.34	0.03	-0.07	-0.23	0.38
JPY 5Y5YF Inflation Swap		JPY	0.31	0.01	0.00	-0.24	0.13
EUR 5Y5YF Inflation Swap		EUR	1.61	0.03	0.02	-0.14	0.25
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	1.40				
Citi Economic Surprise Index -	CESICNY Index	China	30.90				
Citi Economic Surprise Index -	CESIEM Index	EM	15.70				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	16.10				
Citi Economic Surprise Index -	CESIG10 Index	G10	-12.80				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	-18.80				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	48.60				
Citi Economic Surprise - Unite	CESIUSD Index	US	-44.50				

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com

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

This document has been issued and approved by Alquity Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. This document is a marketing communication and is intended solely for distribution to investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. If you are an individual who would like more information about Alquity's Funds, please go to www.alquity.com.

The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American Fund are all sub-funds of the Alquity SICAV ("the Fund") which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.

This document has been provided for information purposes only and does not constitute an offer or solicitation to purchase or sell interests in the Fund. The information contained in this document shall not under any circumstances be construed as an offering of securities in any jurisdiction where such an offer or invitation is unlawful. The Fund is currently registered for sale in a limited number of countries and the Prospectus should be referred to before promoting a share class of a sub-fund as promotion of the Fund where it is not registered may constitute a criminal offence. The current prospectus and simplified prospectus are available free of charge from Alquity Investment Management Limited, 3 Waterhouse Square, 138-142 Holborn, London, EC1N 2SW or by going to www.alquity.com.

SWISS INVESTORS:
The prospectus, the Articles of Association, the Key Investor Information Document "KIIDs" as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge from the Representative. In respect of the units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.

Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

Chris Wehbé
CEO & Chair of Investment Committee
chris.wehbe@alquity.com
Twitter: @cswehbe

Aaron Armstrong
Senior Investment Analyst (Asia)
aaron.armstrong@alquity.com

Florian Gueritte
Investment Analyst (LatAm)
florian.gueritte@alquity.com

Temi Iyiola
Investment Analyst (Africa)
temi.iyiola@alquity.com