

GLOBAL MARKET UPDATE

27 June to 1 July 2016



At the beginning of 2016, US Treasuries for 5, 10 and 30 years traded at 1.76%, 2.27% and 3.01% respectively – broadly the lowest levels on record. Given the FED had just raised rates in December (for the first time since 2006), and was messaging a hiking cycle, the casual observer would then surely have judged it eye watering to be carrying large fixed income holdings.

Fast forward, and this week saw new records with the 5, 10 and 30 year Treasuries yielding 1.00%, 1.46% and 2.24%. This means long-dated US Government bonds are one of the best performing major market segments – the S&P BGCantor 20+ Year Treasury Index is up 17.47% YTD. And the trend is not unique, last week every Swiss government bond in issue, and the German and Japanese 10yr bonds, traded sub-zero.

We think these dynamics are important for a number of reasons:

- **It's not about Brexit:** to state the obvious, pan flat and all-time low yield curves are screaming “long-run growth problem”. Whether you believe it is demographics, over-leverage, inequality, bad policy or falling innovation, bond markets cannot see a path back to “normal” growth and inflation. Thus, even in the UK, Brexit is at most a very small part of an overarching economic issue. Indeed, we repeat that whilst the short-term effects of the referendum result are negative (uncertainty and potential negative spill overs), the long-run implications can very well be positive - depending on forthcoming negotiations.
- **Policy is going to change:** the US may have made some progress in repairing balance sheets, but it is insufficient to return to pre-crisis productivity growth or normalised rates. In Europe and Japan we have arguably only moved backwards. Therefore, we should expect central bank responses to evolve – perhaps nominal GDP targets, higher inflation targets or helicopter money.
- **Asset allocation:** classic portfolio construction rules give that a “safe” allocation focuses on government bonds, whereas higher risk results from equities

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS (27 JUNE TO 1 JULY 2016)

DEVELOPED	Top 3:	Spain 5.90% , Norway 4.88% , Japan 4.60%
	Bottom 3:	Sweden -4.37% , Ireland -2.44% , Finland -0.17%
EMERGING	Top 3:	Brazil 9.53% , Mexico 5.78% , Indonesia 5.47%
	Bottom 3:	Egypt -3.73% , Dubai -1.68% , Abu Dhabi -0.05%
FRONTIER	Top 3:	Argentina 6.58% , Namibia 5.20% , Chile 5.02%
	Bottom 3:	Venezuela -5.94% , Nigeria -4.36% , Israel -3.44%

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and emerging market exposure. Is that really true now? Developed market government bonds offer zero yield, ambiguous correlation with equity markets and price in basically no growth or inflation indefinitely. Instead, many emerging markets are under-owned and offer a genuine growth story with young populations and a structural transformation towards higher value sectors.

UNITED STATES

S&P 2,103 **+3.22%**, 10yr Treasury 1.44% **-11.58bps**, HY Credit Index 423 **-35bps**, Vix 14.77 **-10.99Vol**

US equities posted a strong week (best of 2016) to return to positive territory for the year. Data was somewhat mixed, with consumer spending for Q1 revised downwards but Chicago PMI and ISM manufacturing beating expectations.

This Friday we have the labour-market report, which takes on particular importance given the FED's emphasis and the recent weakness that forced a reversal in tone even prior to the Brexit volatility.

EUROPE

Eurostoxx 2,884 **+3.58%**, German Bund **-0.11%** **-7.90bps**, Xover Credit Index 345 **-41bps**, EURUSD 1.113 **-0.23%**

As widely reported, **the FTSE 100 recovered to top its pre-Brexit levels.** Of course the large-cap index is not necessarily representative of the UK and has a bias towards dollar earners, for which weakness in Sterling is positive for GBP profits. **Perhaps more informative is the FTSE 250, which remains some 5% down on the last 6 trading days.** Five candidates were announced to succeed David Cameron, whilst S&P and Fitch downgraded UK debt to AA (note S&P had the UK on negative watch for over a year prior). Last, it is widely reported Chancellor George Osborne plans to slash corporation tax to less than 15% (from 20% currently and 17% planned).

As European Bank shares failed to join last week's rally, the ECB's chief economist Peter Praet, commented that "the profitability of the sector will be a key consideration" in assessing how the central bank can help to stimulate the euro area economy. Elsewhere Italian PM Matteo Renzi was reported as saying he would be willing to act unilaterally and pump public funds into failing banks without EU approval if necessary. The Italian Banking system has failed more

than any other at recapitalising post 2008 and, as we have commented in past months, the recent bailout plan fails to spur confidence. Indeed, we continue to be concerned about the country's long term economic sustainability given a huge government debt, appalling productivity growth and structural failings. The October constitutional referendum is key.

ASIA PACIFIC

HSCEI 8,810 **+2.13%**, Nikkei 1,577.00 **+4.60%**, 10yr JGB **-0.25%** **0bps**, USDJPY 102.700 **+0.33%**

Industrial Production fell more than expected in Japan as policymakers held a special meeting on Monday to discuss the yen's strength. We continue to see Japan as a significant tail risk as policy has totally failed and there is thus a reasonable chance of either (not necessarily sensible) policy innovation or capitulation. For now, it is more likely the BOJ add further conventional easing alongside Government fiscal stimulus – i.e. more of what isn't working.

Asian markets posted positive returns for the month of June, with MSCI Asia Pac Ex Japan up 1.89%. The Brexit panic in Asian markets proved to be brief, with the majority of major Asian markets now back above the levels seen prior to the vote on 23rd June.

This seems logical to us. As mentioned last week, no country in Asia has more than 3% of its exports going to the UK, so the initial impact on the fundamentals of Asian economies of a possible recession in the UK is likely to be minimal – it depends only on second order effects. Further, the UK's decision to leave the EU, and the uncertainty this creates in developed markets, likely reduces the number of interest rate hikes that the Federal Reserve will look to implement this year. This has the effect of making risk assets look more appealing to investors from a sentiment perspective, reducing downwards pressure on EM currencies, as well as giving greater policy space for emerging market central bankers (India and Indonesia to name two) to cut

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interest rates further.

The Chinese RMB fixed at its lowest level against the dollar since December 2010. Policymakers commented that this was due to the volatility created by Brexit and that the currency remained stable against the basket introduced last year.

We still see little to suggest that the Chinese government will drastically devalue the RMB in the medium term. The relatively stable performance of the economy in recent months, coupled with the dovishness we are likely to see from The Fed this year, adds to this conviction.

India's government approved the 7th Pay Commission, which increases the salaries and pensions of over 10 million current and former public sector employees. Once implemented this will inject an additional \$40bn of additional income in to the pockets of Indian households. Combined with a 'normal' monsoon rain (non-drought conditions) and the implications this has for the rural economy, which employs half of the country's labour force, this could provide a kick start for growth.

The Philippines rose 2.48% on the week as new President Rodrigo Duterte was officially sworn in to office. Following an unorthodox campaign and concerns over his connection to extra-judicial killings in his last mayoral role, the market has become more optimistic on his presidency due to the strength of his governing mandate and his announcement of an economic agenda with a degree of credibility.

LATIN AMERICA

MSCI Lat Am 2,284 +6.95%

The Mexican Central bank hiked 50bp to 4.25% to defend the currency. As one of the most liquid EM currencies, the peso has depreciated 16% over the past year and 5% in the 2 days following Brexit, in a "flight to quality."

The Brazilian Real strengthened 3.7% last week and 11% in June. The BRL rally is the main explanation behind Brazilian equities being the best performer of all asset classes in 1H16 (+45% in USD).

Chile's set of economic data for May was

disappointing. The negative surprise was mainly on the retail sales front (+0.6% yoy vs +3.5% consensus) and unemployment (6.8% vs 6.4% in April). Industrial production also declined (-2% yoy for the second consecutive month.

AFRICA

MSCI Africa 770 +3.65%

Nigeria signed infrastructure deals worth 80Bn USD in investment with China. Although infrastructure is much needed and should be positive for the Nigerian economy in the long-run, the low disclosure on conditions makes this deal difficult to interpret.

Egypt could secure a 10Bn USD loan from the IMF by agreeing to a structural reform programme, but has yet to request it. The IMF might be the last solution to restore macroeconomic stability. The Minister of Finance also announced the issuance of a 3Bn USD Euro-bond by September when the long delayed (for fear of inflation) VAT hike should start.

The South African Rand rallied on the back of an 18.7Bn ZAR trade surplus in May. Imports fell 6.6% mom and exports grew 14% mom. The South African economy appears to be showing early signs of a cyclical (not structural) recovery, benefiting from a weaker currency. However it might not be enough to avoid a recession in 2016, or a downgrade to junk status, as GDP forecasts are revised down (weak consumption, political uncertainty weight on private sector investment).

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Trade Balance (MAY) Bn \$	Wed/06	-40.0
ISM nonmanufacturing index (JUN)	Wed/06	53.4
Nonfarm payroll (JUN) th change	Fri/08	173.0
EUROPE		
Eurozone PMI (JUN)	Tue/05	52.8
Eurozone retail sales (JUN) % YOY	Tue/05	1.7
UK PMI (JUN)	Tue/05	52.7
Sweden interest rate decision %	Wed/06	-0.5
Poland interest rate decision %	Wed/06	1.5
Germany industrial production (MAY) % YOY	Thu/07	1.4
Switzerland CPI (JUN) % YOY	Thu/07	-0.5
UK industrial production (MAY) % YOY	Thu/07	0.5
France industrial production (MAY) % YOY	Fri/08	0.7
ASIA PACIFIC		
Japan current account (MAY) sa Bn JPY	Fri/08	1517
China foreign reserves (JUN) Bn \$	Thu/07	3165
LATIN AMERICA		
Colombia inflation (JUN) % MOM	Tue/05	0.23
Mexico inflation (JUN) % MOM	Thu/07	-
Brazil inflation (JUN) % MOM	Fri/08	-
AFRICA		
South Africa, Nigeria and Kenya PMIs	Fri/08	-

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Equities				Return (USD)				YTD (Local)	Volume 1wk/3mo	14d RSI	30d Vol
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y				
North America											
S&P 500 INDEX	SPX Index	US	2,102.95	3.22%	0.19%	2.89%	1.26%		119%	54.10	17.09%
RUSSELL 2000 INDEX	RTY Index	US	1,156.77	2.59%	0.42%	1.84%	-7.33%		114%	53.60	22.69%
NASDAQ COMPOSITE INDEX	CCMP Index	US	4,862.57	3.28%	0.41%	-2.89%	-2.93%		111%	51.63	20.61%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,064.54	1.12%	0.00%	15.18%	-7.03%		108%	54.54	12.00%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	306.76	2.97%	-0.53%	-4.65%	-7.58%		138%	49.10	25.39%
S&P 500 CONS DISCRET IDX	S5COND Index	US	625.95	3.34%	0.89%	0.79%	2.16%		113%	52.09	16.98%
S&P 500 INFO TECH INDEX	S5INFT Index	US	713.96	2.52%	0.13%	-1.04%	2.38%		114%	50.03	20.36%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	834.22	3.99%	0.58%	0.12%	-3.65%		100%	55.55	16.54%
S&P 500 ENERGY INDEX	S5ENRS Index	US	514.79	3.43%	0.47%	14.80%	-5.76%		109%	57.04	22.04%
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,102.95	3.22%	0.19%	2.89%	1.26%		119%	54.10	17.09%
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	489.30	3.52%	0.37%	5.56%	4.57%		122%	53.72	19.10%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	563.26	3.43%	-0.31%	8.65%	13.82%		121%	59.82	11.43%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	266.56	4.08%	-0.05%	21.16%	24.17%		137%	67.65	11.22%
S&P 500 MATERIALS INDEX	S5MATR Index	US	290.79	0.57%	0.06%	6.27%	-4.48%		106%	50.21	21.75%
S&P 500 TELECOM SERV IDX	S5TELS Index	US	183.85	4.11%	0.66%	22.64%	18.80%		136%	70.15	10.10%
Europe											
Euro Stoxx 50 Pr	SX5E Index	Europe	2,884.27	3.58%	1.22%	-9.57%	-16.45%	-11.77%	167%	47.26	36.64%
CAC 40 INDEX	CAC Index	France	4,278.63	3.80%	1.44%	-5.53%	-11.29%	-7.83%	144%	48.19	35.08%
DAX INDEX	DAX Index	Germany	9,779.95	2.03%	1.58%	-7.12%	-11.60%	-9.00%	146%	48.41	31.33%
Athex Composite Share Pr	ASE Index	Greece	544.76	1.60%	1.07%	-11.56%	-31.81%	-13.72%	137%	42.97	56.57%
FTSE MIB INDEX	FTSEMIB Index	Italy	16,226.61	3.37%	1.19%	-22.34%	-27.68%	-23.92%	162%	44.19	51.46%
AEX-Index	AEX Index	Netherlands	439.91	3.18%	1.26%	1.81%	-7.65%	-0.67%	136%	50.99	29.27%
PSI All-Share Index GR	BVLX Index	Portugal	2,395.52	3.01%	1.26%	-3.13%	-6.96%	-5.49%	90%	47.66	29.72%
MICEX INDEX	INDEXCF Index	Russia	1,899.76	2.33%	0.32%	23.70%	0.22%	7.68%	73%	50.67	17.54%
IBEX 35 INDEX	IBEX Index	Spain	8,259.50	5.90%	1.88%	-11.20%	-23.48%	-13.36%	147%	45.79	48.22%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,336.17	-4.37%	1.82%	-7.47%	-14.03%	-7.37%	140%	49.90	35.38%
SWISS MARKET INDEX	SMI Index	Switzerland	8,090.29	4.02%	1.17%	-6.79%	-12.47%	-8.31%	155%	52.54	22.08%
BIST 100 INDEX	XU100 Index	Turkey	78,109.21	4.54%	0.72%	9.48%	-11.70%	8.68%	94%	49.51	21.58%
FTSE 100 INDEX	XUK Index	UK	6,599.39	3.45%	1.24%	-5.01%	-15.58%	5.37%	187%	59.48	25.16%
Asia Pacific											
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	506.48	3.90%	0.56%	1.31%	-13.87%	1.31%	101%	55.67	17.45%
S&P/ASX 200 INDEX	AS51 Index	Australia	5,281.78	2.84%	0.75%	1.71%	-8.15%	-0.93%	113%	50.72	16.93%
DSE 30 Index	DS30 Index	Bangladesh	1,770.82	3.33%	0.00%	1.32%	-0.82%	1.16%		61.70	9.50%
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	8,810.80	2.13%	0.00%	-9.92%	-31.92%	-9.81%	134%	50.92	20.70%
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	2,988.60	2.29%	0.06%	-19.25%	-30.16%	-17.14%	103%	51.68	17.87%
HANG SENG INDEX	HSI Index	HK	21,065.48	2.63%	0.00%	-5.22%	-20.96%	-5.11%	137%	52.46	19.94%
Nifty 50	NIFTY Index	India	8,387.15	3.92%	0.95%	3.27%	-7.04%	4.81%	95%	60.04	14.09%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	4,971.58	5.47%	-0.33%	14.53%	1.94%	8.24%	110%	58.16	11.75%
NIKKEI 225	NIKY Index	Japan	15,775.80	4.60%	1.35%	-3.06%	-8.21%	-17.61%	105%	45.00	34.17%
KOSPI 200 INDEX	KOSPI2 Index	Korea	247.62	4.83%	1.21%	5.11%	-5.85%	2.55%	81%	54.02	15.11%
Laos Composite Index	LSXC Index	Laos	1,113.48	-0.02%	0.04%	-4.16%	-19.46%	-4.73%	128%	45.44	11.73%
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,655.10	3.20%	-0.52%	4.82%	-10.66%	-2.73%	85%	48.86	7.53%
KARACHI 100 INDEX	KSE100 Index	Pakistan	37,977.13	1.05%	0.00%	15.27%	4.35%	15.14%	83%	61.04	16.06%
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,846.54	2.48%	0.71%	12.46%	-0.79%	12.63%	113%	60.49	16.02%
STRAITS TIMES INDEX STI	FSTSI Index	Singapore	2,869.82	4.20%	0.41%	3.94%	-14.27%	-1.26%	117%	54.31	13.41%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,271.21	-0.36%	-0.18%	-9.90%	-17.58%	-8.81%	76%	37.61	4.65%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	8,760.58	3.53%	0.74%	7.01%	-10.85%	4.80%	111%	56.84	13.90%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,453.06	2.76%	0.00%	15.15%	-6.84%	12.19%	113%	57.08	11.25%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	646.18	3.24%	1.27%	11.50%	3.35%	10.58%	89%	62.65	12.21%
Rest of the World											
MSCI ACWI	MXWD Index	MSCI World	401.07	3.30%	0.45%	0.43%	-5.85%	0.43%	88%	52.07	21.93%
MSCI EM	MXEF Index	MSCI EM	839.25	4.14%	0.62%	5.68%	-13.61%	5.68%	76%	55.82	20.23%
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,530.64	1.27%	0.20%	7.03%	-9.55%	7.03%	98%	52.31	13.71%
DFM GENERAL INDEX	DFMGI Index	Dubai	3,362.36	-1.68%	0.00%	5.07%	-19.02%	5.08%	61%	50.96	17.21%
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,284.43	6.95%	0.66%	24.85%	-9.31%	24.85%	85%	58.49	31.13%
ARGENTINA Merval INDEX	MERVAL Index	Argentina	15,111.69	6.58%	1.85%	11.29%	-22.89%	29.43%	156%	65.08	29.20%
MSCI BRAZIL	MXBR Index	Brazil	1,498.68	8.34%	0.22%	44.63%	-8.82%	44.63%	102%	60.50	37.16%
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,029.51	5.02%	1.14%	18.03%	0.82%	9.49%	100%	57.42	9.31%
IGBC GENERAL INDEX	IGBC Index	Colombia	9,768.57	0.71%	-0.76%	23.49%	-14.13%	14.29%		50.51	10.63%
MEXICO IPC INDEX	MEXBOL Index	Mexico	46,213.27	5.78%	0.99%	0.76%	-12.74%	7.53%	107%	54.66	15.52%
Bolsa de Panama General	BVPSBPVPS Index	Panama	393.27	-0.37%	-1.18%	-2.46%	-7.97%	-2.51%	20%	50.12	6.65%
S&P/BVLPeruGeneralTRPEN	SPBPLPGPT Index	Peru	13,968.39	4.54%	0.89%	47.34%	3.32%	41.83%	67%	60.66	16.78%
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	12,507.11	-5.94%	-2.68%	-45.99%	-40.75%	-14.27%	10%	26.34	21.22%
MSCI EFM AFRICA	MXFMEAF Index	Africa	770.33	3.65%	0.65%	12.03%	-17.69%	12.03%	102%	53.82	41.47%
EGYPT HERMES INDEX	HERMES Index	Egypt	644.69	-3.73%	0.00%	-10.63%	-24.76%	1.49%	74%	43.73	22.94%
GSE Composite Index	GGSECI Index	Ghana	1,787.50	0.42%	0.00%	-13.68%	-17.24%	-10.40%	75%	41.70	4.90%
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,652.79	-1.25%	0.33%	-8.53%	-25.68%	-9.60%	127%	32.21	8.29%
MASI Free Float Index	MOSENEW Index	Morocco	9,512.71	-0.98%	0.59%	8.28%	-0.51%	6.58%	387%	44.29	6.84%
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	29,305.40	-4.36%	-0.70%	-27.61%	-37.05%	2.32%	92%	58.74	31.95%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	46,411.11	4.15%	0.71%	6.58%	-17.09%	0.48%	113%	48.71	23.06%
Average				2.60%	0.46%	2.86%	-9.84%	1.96%	114%	52.44	20.58%
Top 25%				4.01%	0.97%	10.39%	-1.87%	7.82%	134%	57.06	24.11%
Bottom 25%				1.81%	0.00%	-5.12%	-16.77%	-7.95%	92%	48.98	12.81%

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GLOBAL MARKET DATA (CONTD.)

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FX (vs USD)			Return +ive=USD Stronger			
Name	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	USD Index	95.69	0.21%	-0.51%	-3.02%	-0.48%
USD-EUR X-RATE	Europe	0.90	-0.23%	-0.29%	-2.51%	-0.48%
Russian Ruble SPOT (TOM)	Russia	63.60	-1.25%	-0.22%	-11.23%	15.03%
USD-TRY X-RATE	Turkey	2.90	-0.89%	0.85%	-0.54%	8.09%
USD-GBP X-RATE	UK	0.75	3.11%	0.31%	11.04%	17.61%
Bloomberg JPMorgan Asia Dollar	Asia USD Index	106.86	0.42%	-0.01%	0.30%	-4.31%
USD-AUD X-RATE	Australia	1.33	-0.45%	-0.64%	-2.81%	1.79%
USD-CNY X-RATE	China	6.66	0.52%	0.22%	2.51%	7.30%
USD-INR X-RATE	India	67.22	-1.02%	-0.47%	1.47%	6.14%
USD-JPY X-RATE	Japan	102.70	0.33%	-0.64%	-14.59%	-16.67%
USD-KRW X-RATE	Korea	1,145.83	-1.81%	-0.18%	-2.18%	2.42%
USD-TWD X-RATE	Taiwan	32.20	-0.68%	0.07%	-1.83%	4.35%
USD-ARS X-RATE	Argentina	15.06	1.09%	0.19%	16.54%	65.51%
USD-BRL X-RATE	Brazil	3.23	-4.18%	0.72%	-18.32%	4.45%
USD-CLP X-RATE	Chile	660.76	-2.60%	0.02%	-6.66%	4.18%
USD-MXN X-RATE	Mexico	18.36	-2.93%	0.45%	6.76%	17.25%
USD-EGP X-RATE	Egypt	8.88	0.06%	-0.09%	13.41%	14.92%
USD-NGN X-RATE	Nigeria	282.25	0.13%	-0.13%	41.56%	41.77%
USD-ZAR X-RATE	South Africa	14.52	-3.31%	-1.22%	-5.92%	18.87%
Commodities			Return (USD)			
WTI CRUDE FUTURE Aug16	US	49.28	2.83%	1.37%	16.98%	-18.98%
BRENT CRUDE FUTR Sep16	UK	50.70	2.67%	1.29%	18.44%	-24.75%
BALTIC DRY INDEX		677.00	11.17%	2.58%	41.63%	-14.74%
Natural Gas Futures		2.90	12.21%	2.15%	27.81%	5.85%
Gold Spot \$/Oz		1,349.72	2.01%	1.49%	26.42%	15.06%
Silver Spot \$/Oz		20.36	11.34%	5.57%	42.57%	25.84%
LME COPPER 3MO (\$)		4,911.00	4.53%	1.36%	4.38%	-15.25%
Government Bond Yields %			Change (Bps)			
US Generic Govt 2 Year Yield	US 2yr	0.59	-0.04	0.01	-0.46	-0.04
US Generic Govt 5 Year Yield	US 5yr	0.99	-0.08	-0.01	-0.77	-0.64
US Generic Govt 10 Year Yield	US 10yr	1.44	-0.12	-0.03	-0.83	-0.94
Canadian Govt Bonds 10 Year No	Canada 10yr	1.06	-0.10	0.00	-0.33	-0.68
Mexico Generic 10 Year	Mexico 10yr	5.92	-0.13	0.02	-0.36	-0.18
UK Govt Bonds 10 Year Note Gen	UK 10yr	0.87	-0.22	0.00	-1.10	-1.22
Switzerland Govt Bonds 10 Year	Swiss 10yr	-0.57	-0.09	-0.01	-0.52	-0.73
German Government Bonds 2 Yr B	German 2yr	-0.65	-0.01	0.01	-0.30	-0.40
German Government Bonds 5 Yr O	German 5yr	-0.56	-0.03	0.01	-0.52	-0.72
Germany Generic Govt 10Y Yield	German 10yr	-0.11	-0.08	0.00	-0.76	-0.97
French Generic Govt 10Y Yield	French 10yr	0.18	-0.23	-0.03	-0.83	-1.15
Greece Generic Govt 10Y Yield	Greece 10yr	7.83	-0.70	-0.40	-0.29	-6.64
Italy Generic Govt 10Y Yield	Italy 10yr	1.03	-0.32	-0.03	-0.32	-1.09
Spain Generic Govt 10Y Yield	Spanish 10yr	1.18	-0.48	-0.01	-0.62	-1.16
Portugal Generic Govt 10Y Yield	Portugal 10yr	3.04	-0.34	0.01	0.50	0.01
Australia Govt Bonds Generic Y	Aus 10yr	2.01	-0.05	-0.03	-0.93	-1.16
India Govt Bond Generic Bid Yi	India 10yr	7.42	-0.06	-0.03	-0.34	-0.39
KCMP South Korea Treasury Bond	Korea 10yr	1.40	-0.10	-0.07	-0.69	-1.13
Japan Generic Govt 10Y Yield	Japan 10yr	-0.25	-0.08	-0.04	-0.52	-0.78
South Africa Govt Bonds 10 Yea	SA 10yr	8.68	-0.37	-0.12	-1.08	0.45
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/21	EUR XOVER	345.35	-40.50	-16.16	34.56	25.23
MARKIT ITRX EUROPE 06/21	EUR MAIN	79.15	-12.74	-3.92	2.49	6.72
MARKIT ITRX EUR SNR FIN 06/21	EUR SNR FIN	104.84	-19.94	-6.37	28.69	16.07
MARKIT ITRX EUR SUB FIN 06/21	EUR SUB FIN	218.65	-24.02	-8.18	69.35	51.37
MARKIT CDX.NA.IG.26 06/21	US IG	76.65	-9.74	-2.24	-11.64	8.37
MARKIT CDX.NA.HY.26 06/21	US HY	422.85	-34.74	-4.84	-48.24	74.70
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	Europe	23.32	-5.19	-0.59	-0.17	-1.48
FTSE 100 500 3month ATM	UK	17.72	-2.23	-0.23	1.52	3.19
Hang Seng 3month ATM	HK	19.79	-0.70	0.00	1.78	0.83
Nikkei 3month ATM	Japan	24.38	6.67	-1.15	6.22	8.13
S&P 500 3month ATM	US	14.01	-4.61	-0.23	-2.18	-0.70
Volatility (VIX)	US	14.77	-10.99	-0.86	-3.44	-2.02
Inflation (Long term inflation expectation proxy) %			Change (Bps)			
US 5Y5YF Inflation Swap	USD	1.88	-0.05	0.00	-0.32	-0.56
UK 5Y5YF Inflation Swap	GBP	3.10	0.02	0.01	-0.24	-0.36
JPY 5Y5YF Inflation Swap	JPY	0.05	-0.30	-0.03	-0.65	-1.28
EUR 5Y5YF Inflation Swap	EUR	1.32	0.00	-0.01	-0.37	-0.55
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	Asia Pacific	-19.10				
Citi Economic Surprise Index -	China	-45.30				
Citi Economic Surprise Index -	EM	-13.20				
Citi Economic Surprise Index -	Eurozone	9.20				
Citi Economic Surprise Index -	G10	5.70				
Citi Economic Surprise - Japan	Japan	38.40				
Citi Economic Surprise Index -	Latin America	10.90				
Citi Economic Surprise - Unite	US	-14.30				

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

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