GLOBAL MARKET UPDATE

30 JANUARY TO 5 FEBRUARY: DRAGGING FEET

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	**Top 3:**	Sweden **2.19%**, Portugal **1.23%**, Belgium **0.97%**
	Bottom 3:	Finland **-0.86%**, Japan **-0.52%**, Germany **-0.45%**
EMERGING	**Top 3:**	Turkey **10.62%**, Mexico **2.69%**, India **2.66%**
	Bottom 3:	Abu Dhabi **-3.85%**, Dubai **-2.10%**, Egypt **-1.53%**
FRONTIER	**Top 3:**	Jamaica **6.09%**, Kazakhstan **4.77%**, Croatia **4.57%**
	Bottom 3:	Bangladesh **-4.69%**, Qatar **-3.82%**, Mongolia **-2.95%**

This week's market moves, policy announcements and political news flow provided a very good summary of the current outlook. Coincident economic data is unequivocally positive, but investors and central banks are tentative because of a plethora of political risks:

- Trump on immigration, trade, fiscal stimulus (and more)
- Brexit
- French Elections
- Greece (again)
- Italy snap elections

Of course, valuations and liquidity don't help either; the "inflation and growth scare" has already prompted a sharp repricing, with limited asymmetry in return across most assets. The exception is perhaps select emerging markets.

UNITED STATES

S&P 2,297 +0.12%, 10yr Treasury 2.44% -1.95bps, HY Credit Index 322 -18bps, Vix 11.39 +0.39Vol

Although it was only a 0.6% fall, **Monday was the biggest drop in the S&P 500 since the 8th November Presidential election**. It came after considerable backlash against Donald Trump's (2) executive orders on immigration, which ban entry from seven Muslim countries, including by legal residents and visa holders. Indeed, the debate continued this weekend as the President's administration failed in an appeal against a court order to suspend some of the new measures.

In the related area of trade policy, the new government is yet to announce any formal measures (other than withdrawal from the TPP). However, speaking in a series of press appearances, Peter Navarro (Economics Professor at the University of California at Irvine and Head of Trump's National Trade Council) gave an indication of the areas for concern. In particular, Mr Navarro picked on the 4 countries with which the US has the largest trade deficit: China, Germany, Japan and Mexico.

- "You look at what China's doing; you look at what Japan has done over the years. They play the money market, they play the devaluation market and we sit there like a bunch of dummies."
- Germany "Continues to exploit other countries in the EU as well as the US with an 'implicit Deutsche Mark' that is grossly undervalued."

The latter was acknowledged by German finance minister

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Wolfgang Schäuble, "The euro exchange rate is, strictly speaking, too low for the German economy's competitive position,..., when ECB chief Mario Draghi embarked on the expansive monetary policy, I told him he would drive up Germany's export surplus…I promised then not to publicly criticise this course. But then I don't want to be criticised for the consequences of this policy."

On Friday, **Trump issued his 8th executive order to direct a review of the "Dodd-Frank Act"**, which was designed to tighten regulation of the financial industry. President of the Director of the National Economic Council, Gary Cohn (ex-President of Goldman Sachs) called this "a table-setter for a bunch of stuff that is coming". Shares in the sector rallied 2% post the announcement, helping bring markets back to flat for the week.

At the February FED meeting, policy was left unchanged and the statement was mildly more dovish than expected; the only meaningful addition was that "measures of consumer and business sentiment have improved of late". Therefore the committee refrained from an "internalisation" (to use their own words) of Trump's policies or to signal an impending rate hike.

In terms of data, **the labour market report was very much in "goldilocks" territory** with non-farm payrolls ahead of consensus, but unemployment ticking higher due to an increase in the participation rate. Average hourly earnings rose at 2.5% YOY, down slightly from last month's cycle high of 2.9%. Corporate earnings also continued the positive trend (Apple up 6% for the week), with blended EPS currently up 7.1% for Q4 (best quarter since 2014) after approximately half of companies have reported.

As we wrote in our introduction, last week for the US was a microcosm of the broader picture. The economy is doing much better but nobody is quite sure if Trump will be a positive or a net negative. Certainly, we think there is bias for higher inflation.

EUROPE

Eurostoxx 3,268 +0.02%, German Bund 0.40% -5.00bps, Xover Credit Index 293 -0bps, EURUSD 1.075 -0.79%

Eurozone GDP for Q4 2016 confirmed encouraging economic momentum at 2% annualised growth, whilst "final " PMIs were in line or better than the "flash" estimates.

In France, **the conservative candidate for the upcoming Presidential elections, Francois Fillon, has seen his lead in the polls disappear** on the back of allegations that he paid his wife more than EUR 800,000 for a fictitious job as a parliamentary aide. This has left independent candidate Emmanuel Macron as a marginal favourite to face off against far-right Marine Le Pen in the second round (who has promised to remove France from the Euro). Whether it is Fillon, Macron or socialist Hamon who make round two is unclear, but it is still seen as very likely one of these conservative candidates wins over the National Front's Le Pen. **Sovereign risk was, however, in broader focus last week with peripheral bond spreads all widening.**

The Bank of England left policy unchanged, managing to strike a balanced tone, which contributed to Gilts rallying.

On the hawkish side, they upgraded growth forecasts and acknowledged that members had moved "a little closer" to the limits of their tolerance for inflation. More dovishly, they brought down their assessment of full employment to 4.5% from 5%, which allowed inflation forecasts to be little changed.

The UK government cleared the first hurdle towards invoking Article 50 by passing the second reading of the "European Union (Notification of Withdrawal) Bill" through Commons on Wednesday, with a vote of 498 versus 114. The approval process should be concluded late this week.

In a week of general dollar weakness, **the Turkish Lira staged a rally** last week, erasing half of its losses for the year as the IMF called on the country's central bank to raise interest rates. Russia left rates unchanged at 10%, noting ongoing inflation concerns.

ASIA PACIFIC

HSCEI 9,840 -1.23%, Nikkei 1,897.00 -0.52%, 10yr JGB 0.11% +0bps, USDJPY 112.640 -2.10%

At the BOJ meeting, monetary policy and CPI inflation forecasts were left unchanged, whilst the real GDP growth projection was upgraded. **Price action in the JPY and JGBs, was volatile as the central bank was forced to intervene on Friday after bond market buying disappointed, forcing the 10 year yield up to 0.15%**. In particular, the BOJ said it would buy "unlimited" quantities of 10 year bonds at 0.10% yield as part of the "yield curve control" policy. **This week Prime Minister Shinzo Abe will meet Donald Trump for an extended summit.**

This week's Japanese experience highlights the weak execution of monetary policy in Japan. Yield Curve control is more about dealing with the difficulties of policy implementation (a scarcity of bonds) then a step forward in stimulus.

The People's Bank of China continues to adjust monetary conditions, indicating a clear focus on macro-prudential factors rather than inflation. On Friday the central bank raised the interest rate on open market operations by 10bps, as well as increasing the standing lending facility (SLF) rates by 10bps-35bps depending on the maturity.

The PBOC has used reverse-repo open market operations as a central policy tool for managing banking sector liquidity, and has not increased the interest rate on reverse-repos since 2014. The SLF is a form of collateralised lending from the central bank to the banking system, though is fairly immaterial in size compared to the PBOC's use of reverse-repos. The most noteworthy aspect of the SLF tightening is that the overnight rate was tightened by 35bps versus only a 10bps increase for the 7 day and 1 month rates.

This is a clear statement of intent from the central bank that it wants to shift the banking sector further up the maturity curve of funding sources, in an attempt to reduce the dependence on short term liquidity. In addition, unconfirmed reports have suggested that those banks failing the PBOC's macro-prudential assessment (MPA) will now be charged a 100bps premium to the SLF rate (the

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MPA was introduced in 2016 and allows the central bank to set higher reserve requirement ratios for banks that are in worse positions in terms of a range of factors including capital adequacy, asset quality or liquidity).

The measures follow the increase in the medium-term lending facility rate in January and confirm the intentions of the central bank to begin tackling leverage in the banking system and reduce the susceptibility to a liquidity shock. The focus of the central bank has been quietly shifting towards prudential risk management for over a year now, with policies announced in 2016 to regulate off-balance sheet wealth management products and punish lenders with weaker risk-management practices by increasing the cost of deposit insurance for them and reducing the rate paid on their reserves held at the central bank.

In summary, we do not view these measures in the traditional sense of a central bank tightening interest rates to reduce inflationary pressures in an overheating economy. Rather, these are targeted measures designed to de-risk and de-leverage the banking system, without excessively curtailing credit growth or creating downward pressure on economic activity. There is also the need to prevent lax domestic liquidity conditions spilling over to create currency depreciation pressure. In our view, the short term outlook for Chinese monetary policy is for a continuation of these short term, macro-prudentially focused adjustments, rather than any attempt to decelerate the economy.

China's Official Purchasing Manager's Index came in above 50 for January at 51.0, staying in expansionary territory, though decelerating from 51.9 in December. *We note that seasonality effects from the timing of the Lunar New Year suggests there are minimal new insights to be drawn from this data.*

India's Finance Minister announced the budget for the upcoming financial year, containing very few surprises and with an overall 'business-as-usual' feel. The fiscal deficit target was the only significant departure from market expectations, set at 3.2% versus expectations for a 3.0% deficit, which would have been in-keeping with early promises for the government on fiscal consolidation that have now been pushed out by a year.

Importantly, the key aspects of the budget continue to move in the right direction – the fiscal deficit continues to shrink (though less than expected) and the quality of government spending continues to improve, with a greater focus on infrastructure investment rather than subsidies.

Our view before the budget announcement was that the government should adopt a "don't be a hero" mind-set on this particular occasion. With so much adjustment currently going on in the economy following the demonetisation programme announced in November and the upcoming transformational Goods and Services Tax roll-out coming in July, all the government had to do here was to keep on the straight and narrow and avoid swinging for the fences and trying to execute to much too soon. We believe this was largely achieved, with a few sweeteners thrown in such as a 5% tax reduction for small businesses and tax breaks for low income earners.

We also note that the government demonstrated resolve and a focus on the long term when announcing a status quo budget, rather than a large stimulus package, as India heads towards important state elections next month and a general election in 2018 where Modi's party will be fighting for re-election in the lower house of parliament.

This week there is an RBA meeting in Australia at which no change to policy is expected.

LATIN AMERICA

MSCI Lat Am 2,565 +0.67%

Brazil's unemployment rate climbed to 12.0% in December from 11.9% in November, coming in above consensus. **Brazil's industrial output increased 2.3% MOM in January** and flat YOY, driven by vehicle production.

Those two indicators are consistent with a consumer cycle lagging the industrial cycle and consensus pricing in too much of a straight V-shape recovery. Unemployment has yet to peak, consumers are still highly levered and with 14% benchmark rate, disposable income after debt service is shrinking, while profits of industrial companies are driven by inventory rebuilding, lower wage bill and strong operating leverage due to a low cost base.

Brazil's consolidated nominal budget deficit declined to 8.93% of GDP in 2016 from 10.22% of GDP in 2015. *This trend of rising budget deficit above inflation was unsustainable, which is why the fiscal ceiling reform was so important. As a chunk of Brazil's public spending comes from social security spending, its reform is also much-needed to contain the debt trajectory under control.*

Argentina's treasury minister Dujovne expects FDI to double in 2017 from last year's USD 4Bn as international investors should be attracted by the upcoming auctions for renewable and non- renewable energy projects.

AFRICA

MSCI Africa 803 +1.24%

Kenya's central bank kept the benchmark interest rate unchanged at 10% on the back of inflation hitting an 11-month high in January at 6.99% YOY, close to the upper target range of 7.5%. Food inflation rose for the 8th consecutive month to 12.54% due to continued droughts.

6 months after coming to power, Youssef Chahed Tunisian prime minister announced a set of reforms aiming to get the economy back on track. Since 2011 and the Arab Spring revolution that led to a transition to democracy, Tunisia has struggled to enact economic reforms meant to curb public spending and help create jobs, while two major militant attacks in 2015 hit the tourism industry, a major source of income. The 40-year old prime minister announced a reform of inefficient and lose-making SOEs and a plan to cut 50,000 public sector jobs (currently 650,000) annually until 2020. These savings will reduce the budget deficit and can be redirected towards development projects. Tunisia received the support of several international institutions like the IFC (the World Bank's development bank) who committed USD 300Mn per annum to Tunisian's private sector.

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Nigeria's capital imports fell to a 9-year low to USD 5.12Bn in 2016, down 47% YoY. USD scarcity is pushing the unofficial NGN rate lower (NGN 500 per USD last week, vs. 309 at the official rate), making imports more expensive and hurting Africa's biggest economy's industrial sector.

The Nigerian government is trying to ease the pressure on the national accounts by raising a 15-year USD 1Bn Eurobond, USD 300Mn diaspora bond and negotiating a USD 1Bn loan from the World Bank. The yield and conditions required by international investors to lend to Nigeria remain unknown but are likely to include a floatation of the NGN. The 60% gap between the black market and the central bank rate is crippling the Nigerian economy, creating hyperinflation, dislocating allocation of capital. If nothing is done, Nigeria is heading for a 2nd year of recession.

Ghana's new government uncovered that it has inherited an additional USD 1.6Bn in debt (mainly in SOE balance sheets). With this hidden debt, the budget deficit inches "closer to double digits" as a percentage of GDP. We don't know yet if this debt was also hidden from the IMF team in Ghana in charge of supervising the country following a USD 750Mn loan. The Ghana 2030 bond in USD tumbled 2% on the news.

Most indicators in South Africa are pointing towards a moderate cyclical rebound for 2017-18. After 34 consecutive months of contraction since October 2013, the SARB's business cycle leading indicator started posting positive growth rates in August 2016 and has maintained an upward trend for four consecutive months. The Standard Bank economy wide PMI has remained above the 50 neutral mark for four successive months since September and the Barclays manufacturing PMI for January increased by 4.2 points to 50.9.

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Trade Balance (DEC) Bn USD	Tue/07	-45.0
Michigan consumer sentiment (FEB)	Fri/10	97.8
EUROPE		
Poland rate decision %	Wed/08	1.5
Germany industrial production (DEC) % YoY	Tue/07	2.4
Germany trade balance (DEC) Bn EUR	Thu/09	19.7
UK industrial production (DEC) % YoY	Fri/10	3.0
ASIA PACIFIC		
Indonesia GDP (Q4) % YoY	Mon/06	5.0
Australia rate decision %	Tue/07	1.5
China foreign reserves (JAN) Bn USD	Tue/07	3008
Japan BoP (DEC) sa Bn JPY	Wed/08	1709
Thailand rate decision %	Wed/08	1.5
India rate decision %	Wed/08	5.5
Japan M3 (JAN) % YoY	Thu/09	3.4
Philippines rate decision %	Thu/09	3.0
China trade balance (JAN) Bn USD	Fri/10	49.1
China M2 (JAN) % YoY	Fri/10	11.3
LATIN AMERICA		
Mexico rate decision %	Thu/09	6.25
Peru rate decision %	Thu/09	4.25

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GLOBAL MARKET DATA
30 January to 5 February 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	2,297.42	0.12%	0.81%	2.62%	19.94%		3.0
RUSSELL 2000 INDEX	RTY Index	US	1,377.84	0.52%	1.18%	1.53%	35.78%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,666.77	0.11%	0.93%	5.27%	25.66%		3.8
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,476.39	0.38%	0.87%	4.72%	27.90%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	393.13	0.18%	1.58%	1.71%	37.43%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	672.50	-0.72%	-0.36%	3.81%	16.93%		4.8
S&P 500 INFO TECH INDEX	S5INFT Index	US	855.35	0.02%	1.46%	5.87%	27.31%		4.6
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	825.74	2.44%	1.43%	3.62%	8.81%		3.5
S&P 500 ENERGY INDEX	S5ENRS Index	US	538.04	-1.17%	0.69%	-2.97%	25.47%		2.1
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,297.42	0.12%	0.81%	2.62%	19.94%		3.0
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	547.42	-1.33%	0.36%	1.74%	24.29%		4.5
S&P 500 CONS STAPLES IDX	S5CONS Index	US	543.55	1.16%	0.75%	2.21%	6.65%		5.2
S&P 500 UTILITIES INDEX	S5UTIL Index	US	248.14	0.97%	-0.67%	0.53%	5.20%		1.9
S&P 500 MATERIALS INDEX	s5MATR Index	US	327.20	-1.46%	0.22%	4.82%	26.36%		3.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	167.75	-1.90%	-1.57%	-5.02%	4.74%		2.8
			Europe						
Euro Stoxx 50 Pr	SX5E Index	Europe	3,267.60	0.02%	1.31%	1.71%	8.50%	-0.53%	1.6
CAC 40 INDEX	CAC Index	France	4,820.01	0.64%	1.61%	1.47%	9.91%	-0.76%	1.5
DAX INDEX	DAX Index	Germany	11,592.99	-0.45%	1.01%	3.76%	19.46%	1.48%	1.8
Athex Composite Share Pr	ASE Index	Greece	628.92	-0.26%	2.81%	-0.09%	18.90%	-2.29%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	19,053.23	-0.17%	2.83%	1.62%	4.45%	-0.62%	1.0
AEX-Index	AEX Index	Netherlands	485.60	0.96%	1.93%	2.83%	11.98%	0.57%	1.6
PSI All-Share Index GR	BVLX Index	Portugal	2,484.77	0.28%	1.28%	0.99%	1.20%	-1.23%	1.5
MICEX INDEX	INDEXCF Index	Russia	2,214.44	-0.10%	2.40%	3.58%	61.30%	-0.27%	0.8
IBEX 35 INDEX	IBEX Index	Spain	9,460.20	0.51%	1.58%	3.46%	7.62%	1.18%	1.4
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,552.46	2.19%	1.24%	6.36%	11.97%	2.64%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	8,341.87	0.48%	0.60%	4.21%	4.72%	1.59%	2.4
BIST 100 INDEX	XU100 Index	Turkey	88,709.06	10.62%	5.04%	8.01%	-6.38%	13.12%	1.3
FTSE 100 INDEX	UKX Index	UK	7,189.97	-0.15%	0.79%	2.00%	4.53%	0.64%	1.9
			Asia Pacific						
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	548.83	0.07%	0.49%	6.71%	20.42%	6.71%	1.5
S&P/ASX 200 INDEX	AS51 Index	Australia	5,615.58	0.22%	1.56%	5.68%	20.16%	-0.78%	2.0
DSE 30 Index	DS30 Index	Bangladesh	1,960.87	-4.18%	-1.94%	7.33%	11.52%	8.06%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,840.26	-1.23%	-1.23%	3.01%	21.90%	3.07%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,156.98	0.09%	0.09%	2.78%	8.51%	1.18%	1.8
HANG SENG INDEX	HSI Index	HK	23,348.24	-0.99%	-0.99%	5.07%	21.04%	5.13%	1.2
Nifty 50	NIFTY Index	India	8,784.90	2.66%	2.70%	8.14%	18.73%	6.78%	2.8
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,387.40	1.48%	1.59%	2.96%	17.79%	1.21%	2.4
NIKKEI 225	NKY Index	Japan	18,976.71	-0.52%	-0.25%	2.57%	15.20%	-1.03%	1.8
KOSPI 200 INDEX	KOSPI2 Index	Korea	269.49	2.31%	1.83%	9.87%	20.71%	3.40%	1.0
Laos Composite Index	LSXC Index	Laos	1,059.30	3.48%	0.14%	4.22%	-9.54%	4.25%	0.9
FTSE Bursa Malaysia KLCI	FBMKLCI index	Malaysia	1,689.59	0.02%	0.84%	4.00%	-5.83%	2.64%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	49,685.98	-0.76%	1.64%	3.24%	52.23%	3.66%	2.1
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,294.40	-1.36%	-0.04%	5.28%	4.02%	5.64%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,056.34	0.85%	0.07%	8.56%	17.89%	5.60%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,072.88	-0.39%	-0.17%	-2.16%	-8.46%	-1.74%	1.2
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,538.01	1.69%	1.69%	7.42%	26.72%	2.18%	1.6
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,589.31	0.28%	0.66%	5.02%	23.91%	2.59%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	700.04	0.52%	0.52%	6.23%	27.55%	5.34%	2.1
			Rest of the World						
MSCI ACWI	MXWD Index	MSCI World	436.45	0.14%	0.77%	3.46%	17.33%	3.46%	2.1
MSCI EM	MXEF Index	MSCI EM	918.87	0.32%	1.06%	6.56%	24.25%	6.56%	1.5
MSCI Fronter Market Index	MXFEM Index	MSCI FM	2,583.23	0.01%	0.74%	6.82%	14.32%	6.82%	1.8
DFM GENERAL INDEX	DFMGI Index	Dubai	3,676.41	-2.10%	-0.53%	2.63%	18.49%	2.63%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,565.09	0.67%	1.94%	9.59%	43.77%	9.59%	1.9
ARGENTINA MERVAL INDEX	MERVAL Index	Argentina	19,200.50	1.70%	2.50%	15.70%	52.30%	13.49%	0.7
MSCI BRAZIL	MXBR Index	Brazil	1,877.65	-0.42%	1.54%	12.31%	87.66%	12.31%	1.7
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,261.98	1.40%	2.92%	7.59%	26.51%	2.66%	1.4
IGBC GENERAL INDEX	IGBC Index	Colombia	10,201.45	2.07%	2.89%	6.25%	36.94%	0.94%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	47,225.10	2.69%	3.14%	5.11%	-3.05%	3.47%	2.6
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	16,149.37	1.87%	1.74%	6.87%	78.23%	3.74%	1.6
MSCI EFM AFRICA	MXFMEAF Index	Africa	802.66	1.24%	1.79%	4.32%	21.58%	4.32%	2.4
EGYPT HERMES INDEX	HERMES Index	Egypt	1,157.28	-1.53%	1.11%	1.15%	-15.32%	4.93%	2.1
GSE Composite Index	GGSECI Index	Ghana	1,825.59	2.09%	2.18%	5.01%	-16.24%	8.08%	1.6
Nairobi SE 20 Share	KNSMIDX Index	Kenya	2,862.39	1.99%	2.44%	-11.31%	-25.60%	-10.16%	1.8
MASI Free Float Index	MOSENEW Index	Morocco	12,228.99	-1.64%	0.01%	6.48%	32.46%	5.02%	2.9
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	25,802.54	0.38%	-0.65%	-0.77%	-28.53%	-3.99%	1.2
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	45,587.94	0.36%	0.92%	7.35%	22.98%	3.45%	2.0

	1 Week	MTD	YTD	1Y	YTD (Local)	Price/Book
Average	0.45%	1.06%	4.06%	17.89%	3.14%	
Top 25%	1.16%	1.69%	6.36%	25.66%	5.28%	
Bottom 25%	-0.39%	0.36%	2.21%	6.65%	0.71%	

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GLOBAL MARKET DATA (CONTD.)

30 January to 5 February 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	99.89	-0.66%	0.36%	-2.29%	3.52%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.93	-0.79%	0.12%	-2.46%	3.92%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	58.81	-1.40%	-1.95%	-4.21%	-23.11%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.68	-4.51%	-2.05%	4.91%	26.94%
USD-GBP X-RATE	USDGBP Curncy	UK	0.80	0.55%	0.81%	-1.11%	16.90%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	104.92	1.21%	0.40%	2.09%	-0.99%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.31	-1.80%	-1.34%	-6.30%	-6.34%
USD-CNY X-RATE	USDCNY Curncy	China	6.86	-0.85%	-0.41%	-1.62%	4.11%
USD-INR X-RATE	USDINR Curncy	India	67.19	-1.31%	-0.59%	-1.09%	-0.48%
USD-JPY X-RATE	USDJPY Curncy	Japan	112.64	-2.12%	-0.15%	-3.74%	-3.55%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,137.76	-3.47%	-1.16%	-5.72%	-4.59%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.87	-2.31%	-1.04%	-4.79%	-6.87%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.62	-1.71%	-1.79%	-1.60%	10.27%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.12	-0.75%	-1.06%	-4.23%	-19.82%
USD-CLP X-RATE	USDCLP Curncy	Chile	640.52	-1.63%	-1.24%	-4.50%	-8.04%
USD-MXN X-RATE	USDMXN Curncy	Mexico	20.41	-2.49%	-2.17%	-1.70%	11.49%
USD-EGP X-RATE	USDEGP Curncy	Egypt	18.35	0.11%	0.10%	3.39%	139.36%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	314.50	-2.80%	-2.32%	-3.25%	52.96%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.30	-1.48%	-1.51%	-3.28%	-16.33%
Commodities				Return (USD)			
WTI CRUDE FUTURE Mar17	CLA Comdty	US	53.88	1.24%	1.93%	-1.52%	28.97%
BRENT CRUDE FUTR Apr17	COA Comdty	UK	56.77	1.99%	2.21%	-1.18%	35.42%
BALTIC DRY INDEX	BDIY Comdty		752.00	-9.07%	-6.00%	-21.75%	152.35%
Natural Gas Futures	NG1 Comdty		3.06	-9.67%	-1.73%	-17.75%	55.32%
Gold Spot $/Oz	XAU Curncy		1,223.54	2.43%	0.79%	5.90%	5.59%
Silver Spot $/Oz	XAG Curncy		17.58	2.13%	-0.28%	9.99%	17.84%
LME COPPER 3MO ($)	LMCADS03 Comdty		5,772.00	-2.15%	-3.66%	4.27%	23.15%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.19	-0.02	-0.01	0.01	0.50
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.89	-0.04	0.00	-0.02	0.68
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.45	-0.02	0.01	0.02	0.63
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.77	-0.02	0.01	0.04	0.62
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.43	-0.10	0.00	-0.01	1.41
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.34	-0.12	-0.07	0.11	-0.21
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.08	0.00	0.00	0.13	0.21
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.75	-0.08	-0.04	0.02	-0.25
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.36	0.02	0.05	0.18	-0.11
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.40	-0.05	-0.02	0.20	0.11
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	1.10	0.05	0.04	0.40	0.44
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	7.44	0.33	-0.30	0.42	-1.93
Italy Generic Govt 10Y Yield	GBTPGR10 Index	Italy 10yr	2.29	0.04	0.00	0.45	0.73
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.69	0.10	0.08	0.30	0.04
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	4.21	0.03	-0.02	0.41	1.14
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.76	0.02	0.08	0.03	0.22
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.41	0.01	0.00	-0.11	-1.43
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.18	-0.01	0.03	0.09	0.32
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.11	0.02	0.01	0.05	0.04
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.83	-0.03	0.00	-0.10	-0.31
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	ITRXEXE CBIL Curncy	EUR XOVER	292.71	0.17	-8.40	3.25	-112.32
MARKIT ITRX EUROPE 12/21	ITRXEBE CBIL Curncy	EUR MAIN	72.29	1.31	-1.79	-0.53	-32.75
MARKIT ITRX EUR SNR FIN 12/21	ITRXESE CBIL Curncy	EUR SNR FIN	87.75	0.43	-2.98	-6.33	-19.40
MARKIT ITRX EUR SUB FIN 12/21	ITRXEUE CBIL Curncy	EUR SUB FIN	204.07	-0.14	-8.97	-18.26	-37.87
MARKIT CDX.NA.IG.27 12/21	IBOXUMAE CBIL Curncy	US IG	64.09	0.19	-2.09	-3.06	-44.09
MARKIT CDX.NA.HY.27 12/21*	IBOXHYSE CBIL Curncy	US HY	321.86	-18.33	-28.59	-31.84	-204.05
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	15.13	-0.57	-1.29	-2.72	-10.78
FTSE 100 500 3month ATM	UKX Index	UK	11.17	-0.10	-0.86	-1.81	-9.92
Hang Seng 3month ATM	HSI Index	HK	14.14	0.36	0.36	-2.04	-10.85
Nikkei 3month ATM	NKY Index	Japan	19.30	2.26	0.11	0.07	-8.82
S&P 500 3month ATM	SPX Index	US	11.03	0.21	-0.40	-2.43	-9.09
Volatility (VIX)	VIX Index	US	11.39	0.39	-1.02	-3.07	-10.87
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap	FWISUS55 Index	USD	2.42	-5.76	-10.06	-0.37	48.94
UK 5Y5YF Inflation Swap	FWISBP55 Index	GBP	3.59	-4.50	-10.70	7.30	38.80
JPY 5Y5YF Inflation Swap	FWISJY55 Index	JPY	0.68	0.00	0.00	20.00	20.50
EUR 5Y5YF Inflation Swap	FWISEU55 Index	EUR	1.77	-2.37	-2.62	3.03	25.38
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	46.90				
Citi Economic Surprise Index -	CESICNY Index	China	19.90				
Citi Economic Surprise Index -	CESIEM Index	EM	38.00				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	55.90				
Citi Economic Surprise Index -	CESIG10 Index	G10	42.00				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	21.10				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	29.10				
Citi Economic Surprise - Unite	CESIUSD Index	US	45.30				

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