

GLOBAL MARKET UPDATE



1 TO 7 MAY: OUT OF SYNC?

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Portugal 5.25% , Italy 5.10% , Belgium 5.04%
	Bottom 3:	Australia -2.37% , Canada -0.40% , New Zealand 0.47%
EMERGING	Top 3:	Greece 6.74% , Philippines 2.73% , Abu Dhabi 2.31%
	Bottom 3:	China "H" -2.95% , Russia -2.95% , China "A" -1.65%
FRONTIER	Top 3:	Cyprus 4.92% , Tanzania 4.78% , Bermuda 3.57%
	Bottom 3:	Namibia -4.16% , Mongolia -3.37% , Kazakhstan -1.58%

Europe, the sick man of global markets, is on a tear with stronger data, reduced political risk and some of the best performing equity indices in the world. Meanwhile, this week commodity markets posted sharp falls as the glow of the first round French Presidential election result gave way to demand-side concerns based on weaker Chinese and US data. This included oil touching a 5-month low and the worst 2-day decline in base metals since 2015.

We think the world may remain "out of sync" for a while. For example:

- Interest rate hikes are set to continue in the US, whilst in early cycle Latin America we should see easier monetary policy.
- Assuming the ECB does not move aggressively in June, Europe's economy should continue its sentiment driven, counter-trend purple patch for a few quarters, whilst growth moderates in the UK as the country deals with the Brexit transition.

UNITED STATES

S&P 2,399 **+0.63%**, 10yr Treasury 2.34% **+6.85bps**, HY Credit Index 326 **+2bps**, Vix 10.48 **-0.25Vol**

The FED left policy unchanged at its May meeting but gave a strong signal that the interest rate hiking cycle will continue stating:

- The committee "views the slowing in growth during the first quarter as likely to be transitory".
- "Household spending rose only modestly but the fundamentals underpinning the continued growth of consumption remained solid."

On Friday, the April employment report served to reinforce the FED's position; the unemployment rate hit a 10-year low at 4.4% and average hourly earnings came in at 2.5%.

This saw **the implied probability of a hike in June rise to around 80%**. Other US data was lacklustre; personal income, ISM manufacturing and factory orders all coming in somewhat softer. Conversely, with results season mostly complete, Q1 corporate numbers have performed well, with an almost 15% rise in earnings YOY.

EUROPE

Eurostoxx 3,653 **+3.63%**, German Bund 0.40% **+10.10bps**, Xover Credit Index 254 **-10bps**, EURUSD 1.097 **-0.94%**

In the second round of the French Presidential election, Emmanuel Macron claimed a decisive victory with 66% of the vote. The result briefly pushed the Euro to a 6-month high against the USD this morning, albeit the result was mostly expected and therefore much was already in the

price after a 3.5% gain over the last 30 days. Macron will be the youngest President in French history and must now appoint a Prime Minister ahead of legislative elections in June.

After Q1 GDP for the Eurozone came in at 0.5% QOQ, the ECB's Chief Economist Peter Praet stated "the cyclical recovery in the Euro area is becoming increasingly solid". This was reinforced by final PMI numbers, which continue to show strong sentiment across the continent. It will be interesting to see the breakdown of growth by sector and country when it is released in June.

Greece struck a deal to unlock a new round of financing from its European partners, in return for a broad ranging package of reforms. Disbursement is due only after 140 actions have been ratified by parliament – ahead of July's EUR 7.4bn of debt repayments. There are conflicting reports as to whether debt relief will then be on the table and whether the IMF will participate in the programme.

The UK's PMIs for April came in much better than expected (best quarter since 2014), potentially reflecting improved competitiveness from a weaker GBP. The Bank of England meets next week.

The Czech central bank left its interest rates on hold at 0.05%.

ASIA PACIFIC

HSCEI 9,985 -2.95%, Nikkei 1,989.00 +0.66%, 10yr JGB 0.03% +0bps, USDJPY 112.680 +1.09%

After a strong run for the last two quarters, Chinese economic data showed a blip in April.

The official Manufacturing PMI fell from 51.8 in March to 51.2 last month, below market expectations. The unofficial Caixin PMI fell by a greater amount to 50.3 in April from 51.2 in March. At the sub-index level, new orders and production were among the key drags.

The weakness in April came as a surprise to the market, following Q1's strong Chinese GDP print of +6.9% YOY. This, combined with the soft US growth data the previous week, led investors to recalibrate their expectations for EM activity growth, with Chinese H shares correcting 3.0% last week.

We are not so quick to lose faith in the resurgence of the Chinese economy over the last six months. In all of the most crucial areas (the value of the RMB, capital outflows, economic growth) policy has induced stabilisation and improvement effectively. A single month of weak survey data is insufficient for us to lose conviction in the Chinese growth thesis, all the more so in the run up to the National Congress in the autumn, for which policymakers require a strong economic backdrop.

Ahead of South Korea's Presidential elections on the 9th of May, Democratic Party candidate Moon Jae-in continues to lead the polls with a 40% expected vote share. Moon holds a more liberal stance than his rivals and is in favour of productive cooperation with North Korea, as well as a more balanced diplomacy strategy that gives a more equal

weight to relations with the US and China. Moon has also advocated the suspension of the THAAD programme until a review is passed through the National Assembly.

Indonesia's economic growth inched up in Q1 to 5.0% YOY from 4.9% in Q4 2016, in line with expectations. This followed Indonesia's strong April Manufacturing PMI, which hit an 18-month high on stronger exports and new orders.

Sri Lanka raised USD1.5bn in a 7x oversubscribed bond issue. The 10-year sovereign bond priced with a yield of 6.20%, a 42.5bps compression from the initial price guidance. The issue came a day after **a staff-level agreement was reached with the IMF to bring forward the second review of Sri Lanka's 3-year Extended Fund Facility programme from December 2017 to next month.** Provided that the government is able to get the tax reform bill, the Inland Revenue Act, through parliament prior to the review, this would lead to earlier than scheduled dispersal of IMF funds.

Thailand's inflation surprised to the downside on the back of deceleration in food prices and transport cost. CPI for April came in at 0.4% YOY vs. consensus of 0.7% and down from the March print of 0.8%.

As expected, the RBA in Australia left interest rates on hold at 1.5%.

LATIN AMERICA

MSCI Lat Am 2,619 +0.71%

Peru's inflation slowed down to 3.7% YOY in April, down from 4.0%. Core inflation registered a mild advance and stood at 2.8%, within the target range (2.0% +/- 1pp) for tenth consecutive month.

Following the El Nino phenomenon, the Peruvian economy should temporarily slowdown in 1H17. Peru has room for fiscal and maybe monetary stimulus to face this state of emergency. The Ministry of Finance voted a budget deficit of 3% of GDP in 2017, going down to 1% in 2021.

Brazil's trade surplus reached USD 7bn in April pushing the year-to-date trade surplus to a record-high since the series started in 1992. Exports increased 27.8% YOY, but more encouragingly imports also picked up by 14% YOY.

Supported by a strong US job market, 1Q17 remittances to Mexico reached USD 6.6Bn, a 7% YOY increase in USD, 20% in MXN. This puts remittances well above oil revenue (USD 5.5bn in Q1) as a source of FX inflows. Together with strong job creation (+4.5% in March), and household credit growth (+11.6% in March), this should continue to support consumption in Mexico. However, the pace of growth is decelerating and one can argue that Mexico is closer to the top of its economic cycle.

Chile's frontrunner in the presidential election race, **Sebastian Pinera** (former President 2010-14), **announced his pro-growth programme:**

- Infrastructure investment plan through PPPs (Santiago metro, highways, 5 airports, hospitals...)
- Fiscal reform: simplify the tax code, promoting an integrated system

- A revision of the labour reform
- Pension reform: increase of the contribution rate from 10% to 14% of salary (more savings should lead to more investment)
- Education and job market reform: universal access and free pre-school education with a new subsidy to kindergartens and nursery care, to increase women participation rate in the labour market.

The market would receive Pinera's election very favourably. He is currently leading the polls. This explains partly the 15.6% YTD (in USD) performance of Chilean Equities.

AFRICA

MSCI Africa 824 -0.96%

South Africa's president Zuma is facing increasing resistance from the street and from the country's institutions:

- Last week, the Western Cape High Court ruled against government's nuclear plans, which at a minimum places new and substantial delays on Eskom and the Department of Energy's ambitions in this regard;
- The May Day rally in the Free State last Monday was cancelled due to COSATU members loudly booing President Zuma and calling for his removal as head of state. At the same time, Ramaphosa (Deputy President of the ANC and candidate for ANC Chairmanship in December, the market's favourite) was warmly received when delivering his speech.
- Zuma was ordered by the high court to explain his cabinet reshuffle.

Despite all his state capture initiatives, institutions are standing still against Zuma. Public opinion is moving against the current president, which bodes well for December's ANC elections.

South Africa's PMI in April remained above 50 for eight consecutive months, albeit moderating to 50.3 from 50.7 in March. Economic policy and political uncertainty remain a significant weigh on confidence.

PLEASE CONTINUE FOR MARKET DATA

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Headline CPI (APR) % YOY	Fri/12	2.3
Core CPI (APR) % YOY	Fri/12	2.0
Retail sales (APR) % MOM	Fri/12	0.6
Michigan consumer sentiment (MAY)	Fri/12	97.0
EUROPE		
BoE rate decision %	Thu/11	0.25
Eurozone industrial production (MAR) % YOY	Fri/12	2.4
Germany GDP (Q1) % QOQ	Fri/12	0.6
ASIA PACIFIC		
China FX reserves (APR) USD Bn	Sun/07	3019
Korea presidential elections	Tue/09	-
China CPI (APR) % YOY	Wed/10	1.1
China M2 (APR) % YOY	Wed/10	10.8
India trade balance (APR) USD Bn	Wed/10	-10.0
Japan current account balance (MAR) nsa JPY Bn	Thu/11	1797
Philippines rate decision %	Thu/11	3.0
India CPI (APR) % YOY	Fri/12	3.5
Japan M3 (APR) % YOY	Fri/12	3.6
LATIN AMERICA		
Brazil retail sales (MAR) % YOY	Thu/11	-0.4
Peru rate decision %	Thu/11	4.25

GLOBAL MARKET DATA

1 to 7 May 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	2,399.29	0.63%	0.63%	7.17%	17.00%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,397.00	-0.25%	-0.25%	2.94%	26.09%		2.1
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,100.76	0.88%	0.88%	13.33%	29.33%		4.0
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,582.04	-0.40%	-0.40%	0.04%	7.12%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	395.46	1.20%	1.20%	2.31%	27.51%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	717.50	0.11%	0.11%	10.76%	14.80%		5.1
S&P 500 INFO TECH INDEX	S5INFT Index	US	940.98	1.36%	1.36%	16.47%	35.85%		4.9
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	877.59	0.61%	0.61%	10.12%	9.10%		3.8
S&P 500 ENERGY INDEX	S5ENRS Index	US	495.45	-0.70%	-0.70%	-10.65%	1.42%		1.9
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,399.29	0.63%	0.63%	7.17%	17.00%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	574.28	0.90%	0.90%	6.73%	19.87%		4.6
S&P 500 CONS STAPLES IDX	S5CONS Index	US	567.04	0.09%	0.09%	6.63%	4.54%		5.4
S&P 500 UTILITIES INDEX	S5UTIL Index	US	262.36	0.08%	0.08%	6.29%	5.18%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	335.48	0.69%	0.69%	7.47%	16.79%		3.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	158.45	-1.17%	-1.17%	-10.28%	-4.55%		2.7
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,652.53	3.63%	3.63%	15.86%	19.83%	11.19%	1.6
CAC 40 INDEX	CAC Index	France	5,411.18	3.98%	3.98%	16.42%	21.12%	11.72%	1.6
DAX INDEX	DAX Index	Germany	12,722.25	3.08%	3.08%	15.42%	24.31%	10.76%	1.8
Athex Composite Share Pr	ASE Index	Greece	753.99	6.74%	6.74%	22.07%	20.72%	17.14%	0.6
FTSE MIB INDEX	FTSEMIB Index	Italy	21,442.42	5.10%	5.10%	16.39%	15.43%	11.69%	1.1
AEX-Index	AEX Index	Netherlands	532.94	3.17%	3.17%	15.00%	19.09%	10.37%	1.8
PSI All-Share Index GR	BVLX Index	Portugal	2,821.76	4.34%	4.34%	16.83%	8.70%	12.12%	1.3
MICEX INDEX	INDEXCF Index	Russia	2,002.41	-2.95%	-2.95%	-5.65%	18.58%	-10.32%	0.8
IBEX 35 INDEX	IBEX Index	Spain	11,111.40	4.76%	4.76%	24.07%	23.41%	19.07%	1.6
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,635.60	1.53%	1.53%	11.74%	14.10%	8.23%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	8,998.00	2.98%	2.98%	13.02%	12.64%	9.69%	2.6
BIST 100 INDEX	XU100 Index	Turkey	94,257.72	-0.50%	-0.50%	19.48%	-1.81%	20.21%	1.3
FTSE 100 INDEX	UKX Index	UK	7,291.10	1.36%	1.36%	7.24%	6.69%	2.16%	1.8
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	595.05	0.14%	0.14%	15.69%	21.45%	15.69%	1.6
S&P/ASX 200 INDEX	AS51 Index	Australia	5,870.89	-2.37%	-2.37%	5.80%	9.69%	3.01%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,038.04	2.64%	3.59%	9.80%	18.95%	12.30%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,985.05	-2.95%	-2.95%	5.24%	14.74%	5.66%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,078.61	-1.65%	-1.65%	0.64%	-2.35%	-0.02%	1.6
HANG SENG INDEX	HSI Index	HK	24,550.46	-0.64%	-0.64%	10.82%	19.35%	11.25%	1.3
Nifty 50	NIFTY Index	India	9,312.65	-0.29%	-0.29%	19.85%	24.23%	13.43%	2.9
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,714.89	-0.03%	-0.03%	9.02%	16.84%	7.30%	2.5
NIKKEI 225	NKY Index	Japan	19,895.70	0.66%	0.66%	5.83%	14.32%	1.73%	1.8
KOSPI 200 INDEX	KOSPI2 Index	Korea	299.86	1.98%	1.98%	19.59%	23.46%	12.48%	1.1
Laos Composite Index	LSXC Index	Laos	1,007.44	-0.94%	-0.94%	0.75%	-11.23%	0.91%	0.9
FTSE Bursa Malaysia KLCI	FBMVKLI index	Malaysia	1,765.82	-0.22%	-0.22%	11.07%	-1.01%	7.37%	1.8
KARACHI 100 INDEX	KSE100 Index	Pakistan	50,769.47	1.07%	1.07%	3.86%	38.64%	4.28%	2.1
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,962.33	2.73%	2.73%	13.93%	6.37%	14.64%	2.5
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,229.32	1.10%	1.10%	15.42%	12.78%	12.11%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,660.03	0.46%	0.46%	4.73%	-3.32%	6.62%	1.3
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,937.25	0.36%	0.36%	14.79%	30.09%	6.99%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,568.82	-0.10%	-0.10%	5.09%	14.25%	1.69%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	718.67	0.25%	0.25%	8.46%	17.34%	8.29%	2.2
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	459.17	0.88%	0.88%	8.85%	16.12%	8.85%	2.3
MSCI EM	MXEF Index	MSCI EM	978.27	0.03%	0.03%	13.45%	20.85%	13.45%	1.7
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,641.68	1.28%	1.28%	9.24%	7.16%	9.24%	1.9
DFM GENERAL INDEX	DFMGI Index	Dubai	3,383.86	0.09%	0.14%	-3.15%	3.39%	-3.15%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,619.11	0.71%	0.71%	11.90%	21.17%	11.90%	1.9
ARGENTINA Merval INDEX	MERVAL Index	Argentina	21,169.68	1.16%	1.16%	29.86%	47.36%	25.13%	0.7
MSCI BRAZIL	MXBR Index	Brazil	1,848.24	1.18%	1.18%	10.55%	36.17%	10.55%	1.7
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,843.77	0.28%	0.28%	16.37%	19.54%	16.68%	1.6
IGBC GENERAL INDEX	IGBC Index	Colombia	10,308.32	0.67%	0.67%	3.56%	7.42%	2.00%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	49,485.67	-0.25%	-0.25%	17.72%	2.45%	8.42%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	420.34	0.01%	0.01%	1.65%	6.78%	1.71%	2.0
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	15,722.31	0.24%	0.24%	3.56%	20.38%	1.00%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	59,109.34	3.16%	3.16%	84.24%	280.11%	86.43%	4.6
MSCI EFM AFRICA	MXFMEAF Index	Africa	823.50	-0.96%	-0.96%	7.03%	12.45%	7.03%	2.4
EGYPT HERMES INDEX	HERMES Index	Egypt	1,155.49	0.66%	1.58%	6.11%	-17.72%	6.18%	1.8
GSE Composite Index	GGSECI Index	Ghana	1,884.87	-0.83%	-0.83%	13.18%	-5.27%	11.59%	1.8
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,147.04	-0.29%	-0.29%	-1.88%	-22.88%	-1.23%	1.9
MA5I Free Float Index	MOSENEW Index	Morocco	11,743.86	1.42%	1.42%	3.34%	12.69%	0.86%	2.5
NIGERIA STCK EXC ALL SHR	NGSEINX Index	Nigeria	26,235.63	-1.16%	-1.16%	-2.31%	-35.10%	-2.38%	1.2
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	46,986.98	-0.96%	-0.96%	9.04%	13.83%	7.08%	2.1
Average				0.77%	0.80%	10.25%	17.03%	9.64%	
Top 25%				1.32%	1.36%	15.21%	20.79%	12.12%	
Bottom 25%				-0.25%	-0.25%	4.91%	6.74%	2.80%	

Chris Wehbe

CEO

christopher.wehbe@alquity.com

Twitter: @cswehbe

Aaron Armstrong

Investment Analyst (Asia)

aaron.armstrong@alquity.com

Florian Gueritte

Investment Analyst (Africa & LatAm)

florian.gueritte@alquity.com

GLOBAL MARKET DATA (CONTD.)

1 to 7 May 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	98.76	-0.41%	-0.41%	-3.48%	5.19%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.91	-0.94%	-0.94%	-4.36%	3.70%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	58.16	1.77%	1.77%	-5.85%	-12.10%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.54	-0.22%	-0.22%	0.58%	21.22%
USD-GBP X-RATE	USDGBP Curncy	UK	0.77	-0.25%	-0.25%	-4.91%	11.57%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	105.37	-0.03%	-0.03%	2.38%	-1.87%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.35	0.91%	0.91%	-2.97%	0.58%
USD-CNY X-RATE	USDCNY Curncy	China	6.90	0.14%	0.14%	-0.60%	6.04%
USD-INR X-RATE	USDINR Curncy	India	64.23	0.20%	0.20%	-5.22%	-3.28%
USD-JPY X-RATE	USDJPY Curncy	Japan	112.68	1.09%	1.09%	-3.63%	5.08%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,131.45	0.21%	0.21%	-5.45%	-2.09%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.14	-0.10%	-0.10%	-6.64%	-6.78%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.37	-0.18%	-0.18%	-3.23%	7.91%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.18	0.02%	0.02%	-2.39%	-10.10%
USD-CLP X-RATE	USDCLP Curncy	Chile	672.11	0.71%	0.71%	0.26%	0.86%
USD-MXN X-RATE	USDMXN Curncy	Mexico	18.94	0.89%	0.89%	-8.39%	6.12%
USD-EGP X-RATE	USDEGP Curncy	Egypt	18.10	0.43%	0.43%	-0.06%	104.17%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	316.99	2.24%	2.24%	0.53%	59.25%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.47	0.36%	0.36%	-2.34%	-10.37%
Commodities				Return (USD)			
WTI CRUDE FUTURE Jun17	CLA Comdty	US	46.27	-6.30%	-6.30%	-18.18%	-2.72%
BRENT CRUDE FUTR Jul17	COA Comdty	UK	49.20	-5.67%	-5.67%	-16.35%	0.64%
BALTIC DRY INDEX	BDIY Comdty		994.00	-10.37%	-10.37%	3.43%	54.83%
Natural Gas Futures	NGI Comdty		3.24	-0.31%	-0.31%	-12.30%	57.32%
Gold Spot \$/Oz	XAU Curncy		1,230.57	-3.18%	-3.18%	7.02%	-3.89%
Silver Spot \$/Oz	XAG Curncy		16.33	-5.07%	-5.07%	2.61%	-5.77%
LME COPPER 3MO (\$)	LMCDSO3 Comdty		5,585.00	-2.62%	-2.62%	0.89%	16.72%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.32	0.05	0.05	0.12	0.59
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.88	0.07	0.07	-0.05	0.68
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.35	0.07	0.07	-0.10	0.60
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.54	-0.01	-0.01	-0.18	0.19
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.25	0.02	0.02	-0.18	1.33
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.12	0.03	0.03	-0.12	-0.35
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.06	0.06	0.06	0.14	0.22
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.68	0.06	0.06	0.09	-0.17
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.32	0.09	0.09	0.23	0.06
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.40	0.10	0.10	0.21	0.26
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.84	0.01	0.01	0.16	0.31
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	5.77	-0.48	-0.48	-1.25	-2.68
Italy Generic Govt 10Y Yield	GBTGPR10 Index	Italy 10yr	2.20	-0.12	-0.12	0.35	0.67
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.59	-0.09	-0.09	0.17	-0.03
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	3.43	-0.16	-0.16	-0.37	0.12
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.67	0.07	0.07	-0.12	0.26
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.92	-0.02	-0.02	0.43	-0.49
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.21	0.02	0.02	0.12	0.44
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.03	0.00	0.00	-0.03	0.15
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.71	0.04	0.04	-0.19	-0.45
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/22	ITRXEXE CBIL Curncy	EUR XOVER	254.25	-10.19	-10.19	-32.89	-73.40
MARKIT ITRX EUROPE 06/22	ITRXEBE CBIL Curncy	EUR MAIN	62.96	-3.05	-3.05	-8.56	-14.93
MARKIT ITRX EUR SNR FIN 06/22	ITRXESE CBIL Curncy	EUR SNR FIN	66.78	-5.66	-5.66	-24.86	-29.88
MARKIT ITRX EUR SUB FIN 06/22	ITRXEUE CBIL Curncy	EUR SUB FIN	146.83	-16.18	-16.18	-70.82	-66.83
MARKIT CDX.NA.IG.28 06/22	IBOXUMAE CBIL Curncy	US IG	61.99	-1.20	-1.20	-4.66	-21.67
MARKIT CDX.NA.HY.28 06/22	IBOXHYSE CBIL Curncy	US HY	326.30	1.97	1.97	-25.23	-127.79
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	14.13	-0.17	-0.17	-3.71	-10.05
FTSE 100 500 3month ATM	UKX Index	UK	9.92	-0.45	-0.45	-3.06	-9.49
Hang Seng 3month ATM	HSI Index	HK	12.88	0.87	0.87	-3.31	-7.58
Nikkei 3month ATM	NKY Index	Japan	14.63	-0.06	-0.06	-4.60	-11.89
S&P 500 3month ATM	SPX Index	US	9.99	-0.07	-0.07	-3.47	-5.59
Volatility (VIX)	VIX Index	US	10.48	-0.25	-0.25	-3.47	-5.34
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.33	-0.01	-0.01	-0.08	0.28
UK 5Y5YF Inflation Swap		GBP	3.45	0.00	0.00	-0.17	0.36
JPY 5Y5YF Inflation Swap		JPY	0.40	-0.01	-0.01	-0.16	0.23
EUR 5Y5YF Inflation Swap		EUR	1.62	0.00	0.00	-0.12	0.13
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	46.70				
Citi Economic Surprise Index -	CESICNY Index	China	50.70				
Citi Economic Surprise Index -	CESIEM Index	EM	33.90				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	68.20				
Citi Economic Surprise Index -	CESIG10 Index	G10	20.50				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	14.70				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	12.60				
Citi Economic Surprise - Unite	CESIUSD Index	US	-18.20				

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
christopher.wehbe@alquity.com
Twitter: [@cswehbe](https://twitter.com/cswehbe)

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

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