

GLOBAL MARKET UPDATE

2 to 8 May 2016



Part of the recent recovery in markets can be attributed to stability in the Chinese CNY, which can in large part be explained by weakness in the USD. Indeed, by not cutting rates (and instead resorting to QE and credit easing measures) the ECB also played its part in arresting the USD Bull Run.

Last week, the US jobs report showed the first signs of softness in the US labour market, which at a minimum has reduced the probability of a June hike. Given the limits of policy at the lower bound, we think the “beggar thy neighbour” channel of increased competitiveness via a weaker currency is important. A more accommodative FED could therefore, perversely, stimulate further rate moves in Europe and Japan.

UNITED STATES

S&P 2,057 **-0.40%**, 10yr Treasury 1.77% **-5.44bps**, HY Credit Index 460 **+23bps**, Vix 14.72 **-0.98Vol**

US equities suffered a second consecutive week of losses as the employment report disappointed. In particular, nonfarm payrolls slowed to 160k (vs. 200k consensus estimate). This prompted a rally in Treasuries, such that there is, again, no full hike priced for the rest of the year.

The FED has an overwhelming focus on the labour market – which has been a leading indicator of every recession since 1960. Strength in this segment of the economy has therefore overshadowed recent weakness in manufacturing and the global picture. However, softness in the April numbers is now likely to put paid to a June hike as the committee wait to confirm the slowdown is transitory.

EUROPE

Eurostoxx 2,951 **-3.14%**, German Bund 0.15% **-12.70bps**, Xover Credit Index 333 **-21bps**, EURUSD 1.140 **+0.41%**

Today, another Eurogroup meeting will take place to discuss Greece’s programme review. As we have commented many times, the current “bailout” does not work and debt relief is essential to make any meaningful progress. Meanwhile, in Spain, the King officially signed a decree to dissolve parliament and hold new elections on the 26th June, after inconclusive elections in December.

On Thursday, there is a Bank of England meeting. The data clearly indicates the economy is on a downward trajectory. There may therefore be a downgrade to forecasts – but a change in policy (a circa 40% chance of an interest rate cut is priced in by the end of the year) is likely to come only after the Brexit vote.

THIS WEEK’S GLOBAL EQUITY MARKET MOVERS (2 TO 8 MAY 2016)

DEVELOPED	Top 3:	United States -0.40% , New Zealand -0.70% , Portugal -1.36%
	Bottom 3:	Sweden -4.78% , Singapore -4.76% , Canada -4.60%
EMERGING	Top 3:	Greece 4.57% , Indonesia -0.28% , China "A" -1.28%
	Bottom 3:	Turkey -12.25% , Colombia -7.45% , South Africa -7.12%
FRONTIER	Top 3:	Pakistan 3.79% , Jamaica 2.66% , Bangladesh 2.62%
	Bottom 3:	Namibia -10.90% , Qatar -4.32% , Peru -3.68%

Chris Wehbé

Global Market Strategist

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

The Turkish Lira, equity and bond markets slumped last week as Prime Minister Davutoglu stepped down. This will see new elections, with a likelihood of an increasingly authoritarian leadership under President Erdogan, as the country battles the refugee crisis.

ASIA PACIFIC

HSCEI 8,452 **-5.27%**, Nikkei 1,621.00 **-1.82%**, 10yr JGB **-0.10%** *Obps*, USDJPY 107.430 **+0.58%**

Asian markets were weak following a disappointing China PMI number for April. Official Manufacturing PMI came in at 50.1 (vs consensus 50.3) while the Official Non-Manufacturing PMI dropped from 53.8 in March to 53.5 in April.

The next few months of data will dictate China's policy stance for the rest of the year. In Q1 we saw the 'kitchen sink' approach successfully stimulate a recovery in activity, with government investment and credit growth shooting up. If it turns out that by mid-year these effects have already worn off, then Beijing faces a fork in the road. Either, they can continue with the long term objective of rebalancing the economy, moving away from investment and export-led growth to a more sustainable economic model, or, they can continue the recent backslide and pump money in to the economy through public investment and quasi-state bank lending. Basically, the choice is short-term pain but long-term gain (continue the rebalancing process at the expense of short term growth) or pump up the volume once more, propping up short term growth at the expense of heightening instability in the long run.

Within Asia, as seems to be a pattern in recent weeks, Frontier Markets outperformed during risk-off trading in the rest of the EM space, with Bangladesh (+3.2%), Pakistan (+3.8%) and Vietnam (1.4%) leading the way.

Indonesia's economy felt a blip in Q1, with GDP slowing to 4.9% YoY, from 5.0% in Q4 15.

We view the minor slowdown as temporary, with a sharp cut in government operating expenditure partly to blame for the weak print. With inflation low, there is also plenty of policy space for the central bank to further cut rates.

LATIN AMERICA

MSCI Lat Am 2,158 **-5.87%**

LatAm keeps attracting inflows, despite outflows from EM adding up to USD 2.5Bn year-to-date. Brazil, the strongest equity market performer (18.58% in BRL, 33.36% in USD), has attracted USD 1.1Bn, with 16 consecutive weeks of foreign inflows. The FX markets also posted a USD 6.5Bn net inflow in April, while trade surplus came in positive at USD 4.9Bn (USD 13.2Bn ytd). Last week, **vehicle production in Brazil fell 22.9% yoy in April** for a year-to-date pullback of 25.8% and **Industrial production expanded 1.4% mom in March** but remains at low levels.

Brazilian GDP contracted 3.8% in 2015 and is not expected to do better this year (the longest recession in a century). Given a levered corporate sector, there is significant stress in debt markets. However, we are now starting to see restructuring (Gol asked for a haircut of as much as 80% on a USD 800Mn note, last week) and there are more to come. Brazil might therefore have found a bottom. We expect early cyclical sectors (Industrials) to outperform the consumption sector, still in the process of adjustment.

Colombia increased rates by 50bp to 7%. This decision by BanRep surprised the market, which had expected the 25bps hike cycle to keep on going. In its statement, the central bank also decreased its GDP projection for 2016 to 2.5% from 2.7% and decreased the current account deficit forecast to 5.9% of GDP due to higher than projected oil price (exports fell 26.7% in February yoy, -36% in January).

AFRICA

MSCI Africa 728 **-8.12%**

South Africa's PMI and car sales data showed that domestic activity is still weak even though exports responded to the weak currency. Markit PMI came out higher in April at 47.9 (47 in March) but still in contractionary territory. Domestic car sales fell 9.2% yoy in April, but car exports grew by 39.1%. There is still no real sign of recovery.

The IMF expects 3% growth for sub-Saharan countries in 2015, the lowest level in 15 years. In its report, the IMF also called for fiscal constraint. Commodities

Chris Wehbé

Global Market Strategist

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

importers should outperform the rest of the continent, supported by infrastructure investment and domestic consumption. Several countries have been downgraded by rating agencies (last week Angola downgraded to B1 by Moody's negative outlook, Mozambique downgraded by Fitch) and there might be more to follow. The IMF is busy all across the continent providing support and advising countries to restructure their debt or in need for economic adjustments.

Kenyan headline inflation drops to 5.27% yoy in April (from 6.45% in March) on lower energy and food prices.

PLEASE CONTINUE FOR MARKET DATA

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Import prices (APR) % MOM	Thu/12	0.6
Retail sales (APR) % MOM	Fri/13	0.9
PPI Inflation (APR) % MOM	Fri/13	0.3
Michigan Consumer Sentiment (MAY)	Sat/14	89.9
EUROPE		
Germany Industrial Production (MAR) % MOM	Tue/10	-0.2
France Industrial Production (MAR) % MOM	Tue/10	0.5
Italy Industrial Production (MAR) % MOM	Tue/10	0.3
UK Industrial Production (MAR) % MOM	Wed/11	0.5
Euro area Industrial Production (MAR) % MOM	Thu/12	0.0
Germany GDP (Q1) % QOQ	Fri/13	0.6
Italy GDP (Q1) % QOQ	Fri/13	0.3
Euro area GDP (Q1) % QOQ	Fri/13	0.6
ASIA PACIFIC		
China FX reserves (APR) USD Bn	Sat/07	3204
China trade balance (APR) USD Bn	Sun/08	40
Taiwan exports (APR) % YOY	Mon/09	-7.7
Philippines Presidential elections		-
China CPI Inflation (APR) % YOY	Tue/10	2.3
India trade balance (APR) USD Bn	Tue/10	-
Korea unemployment rate	Wed/11	-
Thailand Rate decision %	Wed/11	1.5
Japan Balance of Payments nsa/sa (JPY Bn) sa/nsa	Thu/12	2955/1890
Philippines Rate decision %	Thu/12	-
India Industrial Production (MAR) % YOY	Thu/12	-
Japan Money stockM2/M3 (APR) % YOY	Fri/13	3,2/2,6
Japan Tertiary index (MAR) % MOM	Fri/13	-0.2
Malaysia GDP (Q1) %YOY	Fri/13	-
Korea rate decision	Fri/13	-
LATIN AMERICA		
Mexico CPI ((APR) % MOM	Mon/09	
Mexico industrial production (MAR) % YOY	Thu/12	14.25
AFRICA		
South Africa unemployment rate (Q1)	Tue/10	-
Ghana CPI (APR) % YOY	Wed/11	-
South Africa manufacturing output (MAR) % MOM	Thu/12	-
Nigeria CPI (APR) % YOY	Fri/13	-

Chris Wehbé

Global Market Strategist

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

GLOBAL MARKET DATA

2 to 8 May 2016

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	2,057.14	-0.40%	-0.40%	0.65%	-1.48%		91%	52.82	9.93%
RUSSELL 2000 INDEX	RTY Index	US	1,114.72	-1.43%	-1.43%	-1.86%	-9.04%		110%	52.12	14.71%
NASDAQ COMPOSITE INDEX	COMP Index	US	4,736.16	-0.82%	-0.82%	-5.42%	-4.23%		99%	47.09	12.38%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	13,701.47	-4.60%	-4.60%	12.66%	-14.63%		93%	55.51	9.38%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	311.33	-0.74%	-0.74%	-3.23%	-5.21%		84%	53.70	15.52%
S&P 500 CONS DISCRET IDX	S5COND Index	US	629.13	0.06%	0.06%	1.31%	4.70%		94%	54.56	11.43%
S&P 500 INFO TECH INDEX	S5INFT Index	US	697.55	0.11%	0.11%	-3.32%	-1.31%		94%	45.54	12.83%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	799.45	-0.85%	-0.85%	-4.05%	-4.26%		101%	50.26	14.08%
S&P 500 ENERGY INDEX	S5ENRS Index	US	487.59	-2.95%	-2.95%	8.73%	-17.13%		88%	55.37	20.62%
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,057.14	-0.40%	-0.40%	0.65%	-1.48%		91%	52.82	9.93%
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	482.44	-1.07%	-1.07%	4.08%	0.25%		93%	54.06	10.52%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	544.94	1.74%	1.74%	5.12%	8.98%		89%	56.19	11.38%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	247.70	0.79%	0.79%	12.59%	11.61%		94%	55.71	14.78%
S&P 500 MATERIALS INDEX	S5MATL Index	US	289.67	-2.01%	-2.01%	5.86%	-9.00%		95%	55.12	14.91%
S&P 500 TELECOM SERV IDX	S5TELS Index	US	167.13	0.00%	0.00%	11.49%	7.20%		93%	52.46	14.35%
Europe											
Euro Stoxx 50 Pr	SX5E Index	Europe	2,951.05	-3.14%	-3.14%	-5.50%	-16.26%	-10.12%	104%	45.08	21.11%
CAC 40 INDEX	CAC Index	France	4,318.28	-3.01%	-3.01%	-2.47%	-12.19%	-7.24%	79%	45.37	19.84%
DAX INDEX	DAX Index	Germany	9,923.90	-1.81%	-1.81%	-3.80%	-12.27%	-8.13%	92%	48.79	20.52%
Athex Composite Share Pr	ASE Index	Greece	605.61	4.57%	4.57%	0.86%	-27.03%	-4.08%	106%	58.29	24.25%
FTSE MIB INDEX	FTSEMIB Index	Italy	17,878.35	-4.20%	-4.20%	-12.77%	-20.79%	-16.69%	82%	46.44	27.31%
AEX-Index	AEX Index	Netherlands	433.16	-2.03%	-2.03%	2.65%	-8.65%	-2.38%	81%	47.27	16.92%
PSI All-Share Index GR	BVLX Index	Portugal	2,496.60	-0.05%	-0.05%	3.59%	-5.90%	-1.48%	85%	54.17	16.11%
MICEX INDEX	INDEXCF Index	Russia	1,901.56	-4.33%	-4.33%	20.37%	-14.08%	7.96%	131%	52.90	15.83%
IBEX 35 INDEX	IBEX Index	Spain	8,748.30	-3.71%	-3.71%	-4.13%	-21.07%	-8.82%	107%	47.34	22.35%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,315.20	-4.78%	-4.78%	-6.15%	-16.03%	-9.51%	91%	42.07	18.84%
SWISS MARKET INDEX	SMI Index	Switzerland	7,773.10	-3.79%	-3.79%	-10.38%	-17.06%	-12.28%	86%	43.34	14.22%
BIST 100 INDEX	XU100 Index	Turkey	79,185.92	-12.25%	-12.25%	8.89%	-13.01%	9.26%	114%	44.39	20.72%
FTSE 100 INDEX	UKX Index	UK	6,144.06	-2.96%	-2.96%	-3.68%	-15.44%	-1.87%	79%	48.25	13.14%
Asia Pacific											
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	486.25	-3.22%	-3.22%	-2.74%	-20.92%	-2.74%	78%	46.08	13.13%
S&P/ASX 200 INDEX	ASS1 Index	Australia	5,320.70	-2.37%	-2.37%	0.98%	-12.65%	-0.07%	99%	57.45	15.62%
DSE 30 INDEX	DS30 Index	Bangladesh	1,675.89	3.26%	3.26%	-4.81%	6.19%	-4.87%		46.77	14.03%
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	8,452.52	-5.27%	-5.27%	-12.43%	-38.53%	-12.31%	111%	44.86	23.26%
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	2,832.11	-1.28%	-1.28%	-17.87%	-32.39%	-17.69%	78%	46.14	20.90%
HANG SENG INDEX	HSI Index	HK	20,166.46	-4.58%	-4.58%	-8.36%	-26.38%	-8.23%	101%	45.70	18.94%
Nifty 50	NIFTY Index	India	7,829.85	-1.67%	-1.67%	-3.15%	-7.53%	-2.68%	78%	52.35	15.18%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	4,758.15	-0.28%	-0.28%	10.18%	-6.96%	5.00%	98%	52.02	10.49%
NIKKEI 225	NKY Index	Japan	16,216.03	-1.82%	-1.82%	-4.30%	-6.22%	-15.38%	105%	44.93	30.54%
KOSPI 200 INDEX	KOSPI2 Index	Korea	242.23	-2.44%	-2.44%	2.28%	-12.93%	1.22%	101%	50.39	10.74%
Laos Composite Index	LSEX Index	Laos	1,147.46	1.70%	1.70%	-2.26%	-21.94%	-2.74%	107%	46.85	10.80%
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,642.86	-3.39%	-3.39%	4.95%	-17.66%	-2.55%	119%	41.00	8.78%
KARACHI 100 INDEX	KSE100 Index	Pakistan	36,230.33	3.79%	3.79%	9.83%	3.73%	9.62%	158%	72.86	9.77%
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	6,991.87	-2.62%	-2.62%	0.21%	-15.15%	0.57%	87%	46.45	8.97%
STRAITS TIMES INDEX STI	SSTI Index	Singapore	2,744.84	-4.76%	-4.76%	-1.26%	-21.97%	-5.27%	96%	43.25	15.35%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,598.15	1.38%	1.38%	-5.49%	-16.43%	-4.38%	98%	63.71	8.55%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	8,131.83	-3.07%	-3.07%	-0.77%	-20.24%	-2.30%	90%	39.64	12.15%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,384.55	-1.57%	-1.57%	10.84%	-11.33%	7.97%	112%	53.12	12.95%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	605.05	1.38%	1.38%	5.67%	6.66%	4.75%	91%	62.57	15.77%
Rest of the World											
MSCI ACWI	MXWD Index	MSCI World	395.66	-1.90%	-1.90%	-0.93%	-8.68%	-0.93%	88%	50.98	10.52%
MSCI EM	MXEI Index	MSCI EM	805.34	-4.15%	-4.15%	1.41%	-21.42%	1.41%	91%	48.34	14.99%
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,472.99	-1.72%	-1.72%	4.59%	-16.52%	4.59%	93%	56.26	8.26%
DFM GENERAL INDEX	DFMGI Index	Dubai	3,298.83	-5.28%	-5.28%	4.96%	-19.40%	4.97%	47%	48.68	17.86%
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,157.63	-5.87%	-5.87%	17.92%	-19.86%	17.92%	91%	54.22	25.86%
ARGENTINA Merval INDEX	MERVAL Index	Argentina	13,453.91	-1.77%	-1.77%	5.08%	-30.43%	15.24%	8%	54.86	35.99%
MSCI BRAZIL	MXBR Index	Brazil	1,359.91	-6.47%	-6.47%	31.24%	-24.05%	31.24%	79%	55.83	36.85%
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,003.02	-0.63%	-0.63%	16.08%	-10.75%	8.77%	77%	61.06	7.83%
IGBC GENERAL INDEX	IGBC Index	Colombia	9,602.81	-7.38%	-7.38%	20.28%	-28.50%	12.35%		49.73	15.14%
MEXICO IPC INDEX	MEXBOL Index	Mexico	45,209.85	-5.25%	-5.25%	1.19%	-13.65%	5.19%	105%	52.53	10.73%
Bolsa de Panama General	BVPSBVPS Index	Panama	393.44	0.17%	0.17%	-2.49%	-7.48%	-2.47%	108%	44.11	2.31%
S&P/BVLPeruGeneralTRPEN	SPBPLPGPT Index	Peru	13,332.01	-3.68%	-3.68%	39.38%	-6.34%	35.37%	67%	65.94	32.20%
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	15,357.17	-2.00%	-2.00%	-33.68%	69.86%	5.27%	27%	50.05	22.17%
MSCI EFM AFRICA	MXFMEAF Index	Africa	728.14	-8.12%	-8.12%	5.89%	-24.22%	5.89%	98%	48.68	30.93%
EGYPT HERMES INDEX	HERMES Index	Egypt	690.70	-2.43%	-2.43%	-3.88%	-25.12%	9.11%	67%	58.50	19.87%
GSE Composite Index	GGSECI Index	Ghana	1,801.28	-1.11%	-1.11%	-9.47%	-19.09%	-9.71%	61%	12.56	4.78%
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,964.65	-0.54%	-0.54%	-0.06%	-26.02%	-1.88%	81%	51.21	96.86%
MAFI Free Float Index	MOSENEW Index	Morocco	10,157.29	1.76%	1.76%	17.46%	3.58%	13.80%	117%	73.06	12.51%
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	25,701.60	2.55%	2.55%	-10.15%	-25.28%	-10.27%	78%	54.30	15.05%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	45,179.13	-7.12%	-7.12%	2.43%	-22.86%	-1.52%	120%	47.45	14.03%
Average				-2.12%	-2.12%	1.81%	-11.70%	0.52%	92%	50.92	17.29%
Top 25%				-0.40%	-0.40%	5.76%	-6.06%	5.43%	101%	54.71	20.19%
Bottom 25%				-3.75%	-3.75%	-3.84%	-20.86%	-5.76%	82%	46.45	11.09%

Chris Wehbe

Global Market Strategist

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.)

2 to 8 May 2016

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXYS Index	USD Index	93.97	0.87%	0.87%	-4.81%	-0.79%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.88	0.41%	0.41%	-4.79%	-1.21%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	65.98	2.16%	2.16%	-8.76%	31.50%
USD-TRY X-RATE	USDTRY Curncy	Turkey	2.92	4.73%	4.73%	0.36%	9.03%
USD-GBP X-RATE	USDGBP Curncy	UK	0.70	1.27%	1.27%	2.14%	5.69%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	107.45	-0.87%	-0.87%	0.86%	-4.36%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.36	3.24%	3.24%	-1.09%	7.33%
USD-CNY X-RATE	USDCNY Curncy	China	6.51	0.28%	0.28%	0.04%	4.66%
USD-INR X-RATE	USDINR Curncy	India	66.49	0.34%	0.34%	0.61%	3.60%
USD-JPY X-RATE	USDJPY Curncy	Japan	107.43	0.58%	0.58%	-10.90%	-10.54%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,165.80	2.66%	2.66%	-0.45%	7.36%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	32.44	0.37%	0.37%	-1.44%	5.38%
USD-ARS X-RATE	USDARS Curncy	Argentina	14.21	-0.32%	-0.32%	9.91%	59.28%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.50	1.92%	1.92%	-11.59%	15.73%
USD-CLP X-RATE	USDCLP Curncy	Chile	664.78	0.66%	0.66%	-6.18%	9.18%
USD-MXN X-RATE	USDMXN Curncy	Mexico	17.90	4.02%	4.02%	3.84%	16.65%
USD-EGP X-RATE	USDEGP Curncy	Egypt	8.88	0.06%	0.06%	13.42%	171.3%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	198.97	-0.01%	-0.01%	-0.16%	-0.04%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	14.89	4.59%	4.59%	-3.78%	23.64%
Commodities				Return (USD)			
WTI CRUDE FUTURE Jun16	CLA Comdty	US	45.39	-2.74%	-2.74%	9.70%	-29.30%
BRENT CRUDE FUTR Jul16	COA Comdty	UK	45.91	-4.22%	-4.22%	10.47%	-35.46%
BALTIC DRY INDEX	BDIY Comdty		631.00	-10.24%	-10.24%	32.01%	10.12%
Natural Gas Futures	NG1 Comdty		2.10	-3.54%	-3.54%	-10.10%	-23.15%
Gold Spot \$/Oz	XAU Curncy		1,279.84	-0.35%	-0.35%	21.48%	8.82%
Silver Spot \$/Oz	XAG Curncy		17.38	-2.10%	-2.10%	26.17%	7.00%
LME COPPER 3MO (\$)	LMCADS03 Comdty		4,810.00	-4.75%	-4.75%	2.23%	-24.84%
Government Bond Yields %				Change (Bps)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	0.73	-0.05	-0.05	-0.31	0.10
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.23	-0.07	-0.07	-0.53	-0.33
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	1.78	-0.05	-0.05	-0.49	-0.40
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.36	-0.16	-0.16	-0.04	-0.39
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	5.90	0.02	0.02	-0.38	-0.15
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.42	-0.18	-0.18	-0.54	-0.50
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.29	-0.06	-0.06	-0.23	-0.44
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.52	-0.03	-0.03	-0.17	-0.31
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.37	-0.09	-0.09	-0.33	-0.46
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.15	-0.13	-0.13	-0.49	-0.45
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.53	-0.11	-0.11	-0.47	-0.37
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	8.32	-0.07	-0.07	0.27	-2.41
Italy Generic Govt 10Y Yield	GBTPIOYR Index	Italy 10yr	1.25	0.01	0.01	-0.10	-0.34
Spain Generic Govt 10Y Yield	GSPGIOYR Index	Spanish 10yr	1.62	0.00	0.00	-0.18	-0.16
Portugal Generic Govt 10Y Yield	GSPTIOYR Index	Portugal 10yr	3.34	0.15	0.15	0.80	0.91
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.32	-0.23	-0.23	-0.59	-0.70
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	7.42	0.00	0.00	-0.33	-0.56
KCMP South Korea Treasury Bond	GVSIOYR Index	Korea 10yr	1.77	-0.02	-0.02	-0.31	-0.78
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	-0.10	-0.04	-0.04	-0.38	-0.54
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	9.07	0.16	0.16	-0.65	1.01
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/21	ITRXEXE CBIL Curncy	EUR XOVER	332.64	2115	2115	16.81	46.44
MARKIT ITRX EUROPE 06/21	ITRXEBE CBIL Curncy	EUR MAIN	80.14	6.53	6.53	216	16.93
MARKIT ITRX EUR SNR FIN 06/21	ITRXESE CBIL Curncy	EUR SNR FIN	100.55	10.67	10.67	23.05	25.02
MARKIT ITRX EUR SUB FIN 06/21	ITRXEUE CBIL Curncy	EUR SUB FIN	224.03	20.28	20.28	67.86	66.81
MARKIT CDX.NA.IG.26 06/21	IBOXUMAE CBIL Curncy	US IG	84.89	6.60	6.60	-3.23	19.93
MARKIT CDX.NA.HY.26 06/21	IBOXHYSE CBIL Curncy	US HY	460.32	22.99	22.99	-10.67	112.68
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	23.80	1.47	1.47	0.31	3.00
FTSE 100 500 3month ATM	UKX Index	UK	19.08	1.36	1.36	2.88	5.34
Hang Seng 3month ATM	HSI Index	HK	20.61	-1.04	-1.04	2.60	0.06
Nikkei 3month ATM	NKY Index	Japan	25.78	2.50	2.50	7.62	5.66
S&P 500 3month ATM	SPX Index	US	15.05	0.13	0.13	-1.14	0.78
Volatility (VIX)	VIX Index	US	14.72	-0.98	-0.98	-3.49	-0.41
Inflation (Long term Inflation expectation proxy) %				Change (Bps)			
US 5Y5YF Inflation Swap		USD	2.06	-0.09	-0.09	-0.16	-0.26
UK 5Y5YF Inflation Swap		GBP	3.04	-0.08	-0.08	-0.32	-0.29
JPY 5Y5YF Inflation Swap		JPY	0.17	0.00	0.00	-0.53	-1.16
EUR 5Y5YF Inflation Swap		EUR	1.48	-0.01	-0.01	-0.22	-0.32
Economic Data Surprise (+ive/-ive = above/below expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	4.60				
Citi Economic Surprise Index -	CESICNY Index	China	9.30				
Citi Economic Surprise Index -	CESIEM Index	EM	9.80				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	-11.00				
Citi Economic Surprise Index -	CESIGIO Index	GIO	-14.40				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	18.70				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	27.20				
Citi Economic Surprise - Unite	CESIUSD Index	US	-36.70				

Chris Wehbe

Global Market Strategist

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

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 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, 5th Floor, 9 Kingsway, London, WC2B 6XF or by going to www.alquity.com.

Chris Wehbé

Global Market Strategist

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