

GLOBAL MARKET UPDATE



5 TO 11 DECEMBER: ANY NEWS IS GOOD NEWS

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Italy 5.70% , Germany 5.22% , Spain 5.19%
	Bottom 3:	New Zealand -0.29% , Singapore 0.45% , Japan 1.64%
EMERGING	Top 3:	Mexico 6.56% , Dubai 5.88% , Russia 5.80%
	Bottom 3:	Egypt -3.50% , China "A" -0.87% , Czech Republic 0.34%
FRONTIER	Top 3:	Pakistan 4.95% , Chile 4.50% , Kazakhstan 4.04%
	Bottom 3:	Venezuela -5.54% , Slovakia -4.55% , Kenya -3.07%

A cynic might claim that a thirst for yield and return is pushing investors to interpret "any news as good news" over the last few months. Indeed, last week risk assets navigated the failure of the constitutional reform referendum in Italy, and the ECB tapering of bond purchases, with aplomb.

We feel there is a disconnect between pricing/positioning and risk/reward across many markets. Fundamentally, this is explained by a mix of easy monetary policy, extreme leverage and structurally lower trend growth across the developed world. This is a concern in light of significant ongoing political risk (Trump policy implementation, Italian bank recapitalisation, Brexit, French elections). However, in the short-term, the global economy will not be going into recession and, as such, data is likely to be supportive.

This week we have the December FED meeting (which includes a press conference), at which the market expects a 25bps interest rate hike. As Deutsche Bank point out in a note this morning, any tightening should be seen as momentous, given approximately 670 interest rate cuts globally over the last 9 years! Attention will focus on changes to forecasts in the light of the incoming (fiscal stimulus friendly) Trump government. However, given considerable uncertainty about the details of the new President's policy, the board will perhaps proceed cautiously. There are currently slightly more than 2 hikes priced in for 2017.

Elsewhere, following the recent 1.2mn barrels per day production cut by OPEC members, on Saturday non-OPEC producers agreed an incremental 558,000 barrels a day cut (including Russia at 300,000). Oil markets have responded favourably this morning.

UNITED STATES

S&P 2,260 **+3.08%**, 10yr Treasury 2.52% **+8.44bps**, HY Credit Index 356 **-29bps**, Vix 11.75 **-2.37Vol**

All major US equity indices hit all-time record highs this

week, with small caps outperforming. The USD touched a new multi-year high and the US 10 year closed at the highest yield since June.

Data was positive, ISM non-manufacturing pointing to an acceleration in services, durable goods rising more than

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

expected and consumer confidence surging to an 11 year high..

EUROPE

Eurostoxx 3,204 **+4.71%**, German Bund 0.41% **+8.40bps**, Xover Credit Index 308 **-23bps**, EURUSD 1.057 **+0.99%**

At Thursday's **ECB meeting, the governing council announced a 9 month extension to its QE programme (from March to December 2017), but at a reduced pace** (from EUR 80bn to EUR 60bn per month plus reinvestment of any repayments of principal). The ECB also made 2 technical changes:

1. **Removal of the yield floor**; the ECB may buy bonds yielding below the deposit rate at -0.40%.
2. **Extending eligible maturities** to include bonds between 1 and 2 years (such that national central banks can now purchase securities between 1-30 years).

In his press conference, **Draghi highlighted the possibility of increasing the rate of purchases and extending the time horizon further** if required. **The net result for European equities was unequivocally positive**; Eurostoxx rallying 6.09% and the banks index up over 10% (with most country indices at their highest levels in a year). However, interest rate curves steepened and peripheral bond spreads widened.

Elsewhere, following the Italian referendum "no" vote, and the subsequent resignation of Prime Minister Renzi, **the ECB rejected a request to delay the Monte Paschi capital raising** (by 5 weeks). This saw the bank's subordinated bonds collapse on the potential for a state-backed rescue. Over the weekend, however, the bank released a statement saying they would ask the regulator to approve an extension of last week's debt-for-equity swap to retail bondholders. They would then try to complete a capital raising, albeit their banking syndicate would not underwrite the deal - rather try to sell shares on a "best efforts" basis. Whether this is feasible is unclear. As a reminder, in a state rescue, Eurozone directives require junior bondholders to suffer impairment first, which is seen as a political challenge given the domestic, non-professional investor base. **Foreign Minister Paolo Gentiloni has been chosen to become the new Prime Minister.**

Although credit is due to the ECB for managing a doveish taper (the market acknowledged a longer than expected extension and the commitment to act further if required against the reduction in monthly purchases) much of the reaction is likely to be technical. European equities have seen persistent outflows this year (over USD 2bn), particularly across Italy and the banks. There were therefore very few non-captive investors left to sell.

*With respect to the taper itself, if we consider ECB policy in the narrow context of its primary objective (2% inflation target), then **we think they have committed a policy error**. Realised inflation has just broken above 0% and expectations have risen modestly. However, both remain far below target. The most important transmission channel for quantitative easing is as a signalling mechanism (changing market expectations of future short-term interest rates).*

By moving well ahead of the data, Draghi et al have again shown a fear of inflation, rather than a focus on escaping deflation. They have failed to fulfil the Krugman "credibly promise to be irresponsible" mantra and will therefore, in our opinion, remain ineffective at moving the economy.

After 38 people were killed in a bombing at a football stadium in Istanbul, **Q3 GDP numbers for Turkey came in much worse than expectations at -1.8%** (the worst reading since 2009).

ASIA PACIFIC

HSCEI 9,679 **+0.83%**, Nikkei 1,915.00 **+1.64%**, 10yr JGB 0.09% **+0bps**, USDJPY 115.970 **+1.62%**

The second estimate for Japanese Q3 GDP came in much lower than expected at 1.3%.

South Korean MPs voted (by 234 to 56 votes) in favour of the impeachment of President Park, following a maelstrom of corruption allegations against her. The country now finds itself with a power vacuum at the top of government at a time when strong leadership is desperately needed.

Park Geun-hye won the Korean Presidential election four years ago as a candidate promising change, with pledges to tackle corruption and to rein in the country's behemoth 'chaebol' corporations among her key campaign messages. She has now been accused of extorting millions of dollars from those same corporations, along with a string of other scandalous claims against her conduct in office, as well as clouds over her personal life.

Park's position became ultimately untenable last week as hundreds of thousands of protestors took to the streets in a show of outrage at her behaviour, whilst her estimated public approval rating fell to 4%. Her refusal to be held to account for her actions left some commentators asking whether the Korean democratic system itself was at risk, following the President's announcement that she would not be making herself available for questioning by state prosecutors.

The President's closest aide, Choi Soon-sil, has been at the centre of the scandal. Choi is accused of extorting millions of dollars from companies in return for Presidential favour, using rituals and spirituality to advise on policy and wielding her power to the point of editing the President's speeches and having an input on budget proposals.

Following the impeachment vote by MPs, **the constitutional court now has 180 days to uphold or dismiss the motion**. If the motion is upheld, then a presidential election would take place within 60 days. During this interim period, the current Prime Minister becomes the country's leader.

The country now faces up to six month of leadership paralysis under a lame-duck caretaker president. This comes at a time when the country was already facing crises of a slowing economy (exports, which account for nearly half of GDP, continue to shrink) corporate corruption scandals (management of some of the country's largest companies are currently facing criminal charges) and

Chris Wehbe

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

heightened geopolitical tensions (North Korea remains in a state of aggression, relations with the US are uncertain).

The country's best hope for the short term is that the constitutional court recognises this perfect storm and acts quickly. The dynamics of the court itself are also sketchy. Six of the nine members must vote in favour in order for the impeachment motion to be upheld. However, with two members due to retire early next year and new appointees unlikely to be found during this period of turbulence, this implies that the vote will need to be passed with a six out of seven majority.

China's foreign reserves fell \$69bn in November, the largest fall since January. A big chunk of this amount (some estimates say around 50%) is down to mark to market losses, including the weakening of EUR and GBP against USD, in addition to rising bond yields. Thus the true balance of payments scenario is not as bad as the headline figure suggests, which is the more important consideration, for a country defending a currency peg, than is the absolute change in foreign reserves (to a point).

In view of a stronger USD, the Federal Reserve's likely rate hike trajectory and the RMB already being down 6% this year, China is in a process of aggressively plugging leaks in its capital control architecture. Chinese companies and households are now finding it harder to evade restrictions on the conversion of domestic assets in to foreign currency. The threshold for SAFE FX transactions requiring official authorisation has been reduced from \$50m to \$5m. Outbound investment deals by Chinese companies are also now coming under further scrutiny.

In the short term, monthly changes in foreign reserves will likely remain volatile. Over a longer horizon, however, given that China still has over \$3trn of reserves (26x that of the US) we do not rank the probability of a currency crises in China very highly.

The Reserve Bank of India surprised markets by not cutting interest rates at its December policy meeting. The central bank drew attention to its cautious outlook for domestic inflation and expectation for US interest rates and inflation as reasons for the pause. Despite India's CPI inflation rate moderating last month, the central bank commented:

- “[we] took note of the upturn in the prices of several items that is masked by the easing of inflation on base effects... [which] are expected to reverse and turn unfavourable in December and February”
- “global developments, especially as financial markets factor in the future stance of US monetary and fiscal policy, could impart volatility to the exchange rate thereby feeding into inflation”

Regarding the policy implications of demonetisation, the RBI commented that they see “wait and watch” as the best approach at this time, given that the effects are both “transitory and unclear”.

For the second time, the new RBI monetary policy committee serving under Governor Patel has taken the market by surprise (having done so previously by cutting rates at its very first meeting). This surprise, however, is far

more positive from a central bank credibility perspective than the first, whereby a rate cut made it seem as though the new appointees were already succumbing to government pressure to be more doveish. To cut rates at this current juncture must have been tempting, given that inflation has continued to trend down and economic activity has taken a hit from demonetisation. To pause in this way, however, shows that this RBI administration is conducting policy-making with an eye on the global context, with a forward looking perspective on inflation and in a manner agnostic to public sentiment or government preferences.

LATIN AMERICA

MSCI Lat Am 2,346 +4.34%

Mexico successfully auctioned 8 deep-water fields.

International oil majors will invest USD 41Bn (4% of GDP) over the next 3 decades. The government will retain 66%, on average, of profits after taxes and royalties. This marks the completion of a successful step in the ongoing Mexican energy reform, started 3 years ago and centred around the streamlining of state giant Pemex to improve the competitiveness of the country (JVs in E&P, opening downstream fuel distribution to competition...).

President Michel Temer sent the Social Security reform to the Brazilian Congress. The key points are the convergence of rules for public, private, urban and rural workers, an increase of the minimum age and stricter rules on survivor benefits. This is the 2nd of a package of structural reforms (after the fiscal ceiling) Temer wants to implement during his term. The bill will be debated in Congress and in the Senate and the final version may be passed in the first half of 2017.

Labour informality in Peru has fallen by 6.7pp in the last 8 years, from 79.9% in 2007 to 73.2% in 2015, according to the national statistics agency. The informal sector is estimated to contribute 19% of GDP and the productivity of informal worker is one fifth of that of formal workers. The pace of formalisation is the result of economic growth, thus these positive structural trends should continue in the years ahead.

AFRICA

MSCI Africa 758 +5.29%

Manufacturing output in South Africa contracted 2.7% in October and 3Q16 GDP growth came in at 0.2%. However, PMI data in South Africa suggests a case for an economic upturn. The index came in at 50.8 in November, a 19-month high, and up from 50.5 a month before. It remains in positive territory for the 4th consecutive month. The business confidence index (from another data provider) also reached 93.9 in November, the highest in 4 months.

The South African economy seems to have reached a bottom. Political developments are likely to set the direction of the economy. A change of president would be a positive catalyst. If President Zuma wins his battle against independent institutions like the finance minister, the economy can fall further.

Chris Wehbe

Global Market Strategist

christopher.wehbe@alquity.com

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

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florian.gueritte@alquity.com

Egyptian headline inflation shot up to 19.4% YoY, its highest level in 8 years, following the EGP devaluation and removal of energy subsidies. Core inflation also peaked at 20.7%. However, an inverted yield curve implies that the market expects inflation to fall rapidly next year (as a result of USD inflows, normalisation of capital markets and reforms required by the IMF and already implemented) allowing for rate cuts by the CBE.

Nano Akufo-Addo was elected President of Ghana. The 72-year old, Oxford educated lawyer won 53.8% of the vote to oust incumbent John Mahama. This election is the 7th peaceful one after the end of the dictatorship in 2012. This is also the 3rd consecutive election where the incumbent has been voted out of power, highlighting the successful democratisation of the country.

The new president has been elected on a platform to build more factories and dams, to give USD 1mn to every district for development projects and to cut corporate taxes to spur private investment. The execution and funding of such a program remains to be seen. In any case, Ghana is currently crippled by the fall in commodity prices, having been bailed out by the IMF (918mn USD) in 2014. The population discontent arises from (amongst other things) double-digit inflation, corruption scandals and electricity shortages.

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Retail sales (NOV) % MoM	Wed/14	0.3
Industrial production (NOV) % MoM	Wed/14	-0.2
FED rate decision %	Wed/14	0.5
CPI (NOV) % YoY	Thu/15	1.7
EUROPE		
Turkey GDP (3Q) % YoY	Mon/12	0.3
Russia GDP (3Q) % YoY	Tue/13	-0.4
Germany CPI (NOV) % YoY	Tue/13	0.8
UK CPI (NOV) % YoY	Tue/13	1.1
France CPI (NOV) % YoY	Wed/14	0.5
Eurozone industrial production (OCT) % YoY	Wed/14	0.9
BoE rate decision %	Thu/15	0.25
Switzerland rate decision %	Thu/15	-0.8
Norway rate decision %	Thu/15	0.5
France PMI (DEC)	Thu/15	51.6
Germany PMI (DEC)	Thu/15	54.7
Eurozone PMI (DEC)	Thu/15	53.8
UK retail sales (NOV) % YoY	Thu/15	5.9
Eurozone HICP (NOV) % YoY	Fri/16	0.6
Russia rate decision %	Fri/16	10.0
ASIA PACIFIC		
China M2 growth (NOV) % YoY	Tue/13	3.9
China industrial production (NOV) % YoY	Tue/13	6.1
China retail sales (NOV) % YoY	Tue/13	10.2
India CPI (NOV) % YoY	Tue/13	3.9
Korea rate decision %	Thu/15	1.25
Indonesia rate decision %	Thu/15	-
LATIN AMERICA		
Brazil retail sales (OCT) % YoY	Tue/13	-
Mexico rate decision %	Thu/15	5.5
Peru rate decision %	Thu/15	4.25
Colombia rate decision %	Fri/16	7.75
AFRICA		
Botswana rate decision %	Mon/12	-
SA CPI (NOV) % YoY	Wed/14	-
Uganda rate decision %	Wed/14	-
Mozambique rate decision %	Wed/14	-
Namibia GDP (3Q) % Q3	Wed/14	-

GLOBAL MARKET DATA

5 to 11 December

Equities				Return (USD)				YTD	Volume	14d	30d
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y	(Local)	1wk/3mo	RSI	Vol
North America											
S&P 500 INDEX	SPX Index	US	2,175.03	0.61%	3.63%	6.41%	3.47%		83%	60.52	17.22%
RUSSELL 2000 INDEX	RTY Index	US	1,212.89	0.63%	5.29%	6.78%	-2.58%		75%	59.39	23.13%
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,100.16	1.40%	5.32%	1.85%	-0.90%		81%	59.53	20.52%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,600.66	-0.70%	2.31%	17.83%	1.25%		68%	62.57	11.86%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	319.30	0.72%	3.54%	-0.76%	-6.54%		86%	55.60	25.73%
S&P 500 CONS DISCRET IDX	S5COND Index	US	648.13	0.75%	4.47%	4.37%	3.67%		83%	58.20	17.55%
S&P 500 INFO TECH INDEX	S5INFT Index	US	757.01	2.02%	6.17%	4.92%	5.98%		91%	60.41	20.58%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	866.91	1.24%	4.52%	4.04%	-2.31%		72%	62.42	15.62%
S&P 500 ENERGY INDEX	S5ENRS Index	US	512.82	-1.31%	0.08%	14.36%	-1.49%		87%	54.36	22.01%
S&P 500 ECO SECTORS IDX	SPXLI Index	US	2,175.03	0.61%	3.63%	6.41%	3.47%		83%	60.52	17.22%
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	506.49	-0.80%	3.89%	9.27%	9.61%		92%	58.71	19.88%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	568.30	-0.58%	0.59%	9.62%	10.91%		71%	59.36	11.43%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	267.92	1.46%	0.46%	21.78%	24.70%		71%	62.23	13.05%
S&P 500 MATERIALS INDEX	S5MATR Index	US	304.93	-0.27%	4.92%	11.43%	5.48%		75%	57.06	23.41%
S&P 500 TELECOM SERV IDX	S5TELS Index	US	183.78	0.43%	0.62%	22.59%	22.66%		79%	64.65	11.29%
Europe											
Euro Stoxx 50 Pr	SX5E Index	Europe	2,981.76	-0.40%	2.76%	-8.19%	-18.42%	-9.04%	91%	51.87	36.11%
CAC 40 INDEX	CAC Index	France	4,396.35	-0.66%	2.40%	-4.64%	-14.08%	-5.52%	72%	52.06	34.90%
DAX INDEX	DAX Index	Germany	10,180.67	-0.07%	3.82%	-5.06%	-12.06%	-5.54%	78%	53.70	31.44%
Athex Composite Share Pr	ASE Index	Greece	571.57	1.67%	4.42%	-8.63%	-29.55%	-9.47%	43%	49.04	54.83%
FTSE MIB INDEX	FTSEMIB Index	Italy	16,807.15	-0.68%	2.59%	-21.26%	-29.17%	-21.66%	90%	48.50	51.65%
AEX-Index	AEX Index	Netherlands	455.07	0.43%	3.01%	3.56%	-8.88%	2.61%	82%	55.64	28.35%
PSI All-Share Index GR	BVLX Index	Portugal	2,463.45	0.61%	2.50%	-1.95%	-8.35%	-2.85%	37%	52.63	28.04%
MICEX INDEX	INDEXCF Index	Russia	1,938.80	-2.94%	0.46%	23.87%	6.31%	9.40%	62%	53.18	14.70%
IBEX 35 INDEX	IBEX Index	Spain	8,624.70	-0.06%	4.34%	-9.06%	-25.02%	-9.89%	94%	51.13	47.17%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,386.84	-0.92%	1.85%	-7.44%	-15.77%	-4.79%	107%	53.50	35.19%
SWISS MARKET INDEX	SMI Index	Switzerland	8,204.35	0.01%	1.05%	-6.90%	-15.43%	-7.07%	80%	54.53	19.91%
BIST 100 INDEX	XU100 Index	Turkey	73,521.69	-18.31%	-12.52%	-4.91%	-18.41%	0.02%	156%	39.42	34.80%
FTSE 100 INDEX	UKX Index	UK	6,737.56	0.37%	2.23%	-4.08%	-14.54%	7.82%	82%	61.05	22.95%
Asia Pacific											
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	525.63	-0.40%	4.36%	5.14%	-6.70%	5.14%	100%	60.98	16.50%
S&P/ASX 200 INDEX	AS51 Index	Australia	5,533.56	-0.55%	5.14%	6.14%	-0.51%	3.82%	88%	60.17	15.73%
DSE 30 Index	DS30 Index	Bangladesh	1,772.60	-0.01%	0.38%	1.70%	-6.56%	1.64%		61.05	7.27%
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,013.71	-0.23%	3.69%	-6.60%	-23.74%	-6.51%	77%	55.68	19.64%
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,015.83	-1.15%	2.51%	-17.28%	-31.99%	-14.87%	101%	54.65	12.61%
HANG SENG INDEX	HSI Index	HK	21,964.21	1.37%	5.65%	0.13%	-13.59%	0.23%	82%	60.03	18.50%
Nifty 50	NIFTY Index	India	8,582.25	-0.12%	3.57%	5.95%	-5.53%	7.49%	83%	62.69	11.87%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,217.08	1.65%	4.01%	19.52%	8.52%	13.16%	121%	64.64	12.85%
NIKKEI 225	NIKY Index	Japan	16,620.29	0.04%	3.73%	-0.78%	-6.29%	-12.64%	94%	53.04	34.68%
KOSPI 200 INDEX	KOSPI2 Index	Korea	250.65	-0.43%	3.67%	7.67%	3.14%	4.02%	70%	56.34	14.63%
Laos Composite Index	LSXC Index	Laos	1,087.89	-2.08%	-2.69%	-6.77%	-16.75%	-7.29%	35%	39.15	11.30%
FTSE Bursa Malaysia KLCI	FBMVKLCI Index	Malaysia	1,662.86	-2.92%	-1.74%	3.53%	-9.75%	-2.07%	74%	50.98	7.43%
KARACHI 100 INDEX	KSE100 Index	Pakistan	39,119.68	-0.14%	3.57%	19.39%	5.94%	19.31%	98%	65.87	15.73%
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	8,049.13	-0.74%	2.99%	15.00%	0.95%	15.44%	79%	62.04	12.40%
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,938.29	-0.16%	2.95%	6.57%	-11.63%	2.17%	103%	60.73	12.53%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,404.22	0.09%	2.18%	-7.78%	-18.20%	-6.76%	121%	50.78	6.50%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	8,991.67	0.56%	4.65%	11.16%	0.15%	8.10%	133%	60.89	13.68%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,513.92	1.21%	5.02%	20.93%	4.08%	17.17%	109%	65.84	10.95%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	651.19	-2.21%	2.79%	13.17%	0.59%	12.23%	108%	56.53	16.72%
Rest of the World											
MSCI ACWI	MXWD Index	MSCI World	412.67	0.35%	3.35%	3.33%	-3.40%	3.33%	81%	57.40	21.32%
MSCI EM	MXEF Index	MSCI EM	869.30	0.17%	4.22%	9.46%	-5.88%	9.46%	81%	60.10	19.67%
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,567.89	-0.58%	1.68%	8.60%	-6.50%	8.60%	78%	55.46	11.37%
DFM GENERAL INDEX	DFMGI Index	Dubai	3,539.35	2.08%	7.04%	12.47%	-15.64%	12.48%	127%	59.55	15.33%
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,392.21	1.62%	5.41%	30.74%	2.85%	30.74%	105%	61.29	28.51%
ARGENTINA Mervalvado INDEX	MERVAL Index	Argentina	15,846.54	1.17%	7.81%	17.80%	-16.47%	35.73%	17%	65.30	29.31%
MSCI BRAZIL	MXBR Index	Brazil	1,609.67	2.17%	7.64%	55.34%	9.96%	55.34%	93%	63.81	32.47%
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,143.81	1.32%	5.17%	22.73%	8.06%	12.60%	143%	63.56	8.97%
IGBC GENERAL INDEX	IGBC Index	Colombia	9,873.03	-1.77%	-0.09%	24.33%	-5.79%	15.51%		53.23	9.84%
MEXICO IPC INDEX	MEXBOL Index	Mexico	47,537.28	1.05%	2.63%	2.40%	-8.14%	10.61%	81%	60.11	14.53%
Bolsa de Panama General	BVPSBVPS Index	Panama	400.37	1.38%	0.55%	-0.75%	-5.25%	-0.75%	29%	64.01	6.91%
S&P/BVLPeruGeneralTRPEN	SPBVLPGPT Index	Peru	14,762.87	1.02%	5.40%	53.92%	17.62%	49.90%	74%	67.27	16.17%
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	12,483.27	2.90%	-2.86%	-46.09%	-47.53%	-14.43%	6%	36.14	30.25%
MSCI EFM AFRICA	MXFMEAF Index	Africa	806.03	1.07%	5.32%	17.22%	-11.78%	17.22%	79%	57.19	40.56%
EGYPT HERMES INDEX	HERMES Index	Egypt	683.30	-1.82%	6.60%	-4.74%	-16.44%	8.17%	90%	52.43	27.06%
GSE Composite Index	GGSECI Index	Ghana	1,780.45	0.25%	-0.14%	-13.80%	-32.52%	-10.75%	87%	41.32	3.91%
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,524.59	-2.23%	-3.71%	-12.22%	-23.08%	-12.77%	139%	28.89	9.07%
MAFI Free Float Index	MOSENEW Index	Morocco	9,814.73	-0.24%	2.77%	10.63%	1.03%	9.96%	126%	55.65	8.70%
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	27,659.44	-11.13%	-13.51%	-36.95%	-42.16%	-3.43%	82%	48.77	24.38%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	46,462.78	-0.35%	3.08%	9.10%	-13.93%	1.07%	79%	50.50	22.83%
Average				-0.32%	2.58%	5.17%	-7.00%	4.66%	85%	56.36	20.35%
Top 25%				1.04%	4.49%	12.82%	2.99%	11.02%	94%	61.01	26.39%
Bottom 25%				-0.62%	1.77%	-4.69%	-15.53%	-5.79%	75%	53.11	12.46%

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.)

5 to 11 December

FX (vs USD)			Return +ive=USD Stronger			
Name	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	USD Index	97.42	0.92%	1.38%	-1.18%	0.36%
USD-EUR X-RATE	Europe	0.91	0.53%	1.18%	-1.09%	0.04%
Russian Ruble SPOT (TOM)	Russia	64.96	1.75%	1.45%	-10.65%	11.94%
USD-TRY X-RATE	Turkey	3.03	1.67%	6.54%	5.10%	12.15%
USD-GBP X-RATE	UK	0.76	0.61%	1.56%	12.42%	18.35%
Bloomberg JPMorgan Asia Dollar	Asia USD Index	106.63	-0.01%	-0.10%	0.21%	-3.42%
USD-AUD X-RATE	Australia	1.34	1.45%	-0.24%	-2.43%	-1.50%
USD-CNY X-RATE	China	6.68	-0.21%	0.47%	2.86%	7.57%
USD-INR X-RATE	India	67.29	0.02%	-0.66%	1.40%	5.20%
USD-JPY X-RATE	Japan	106.22	1.19%	2.84%	-11.72%	-14.36%
USD-KRW X-RATE	Korea	1,136.78	0.07%	-1.51%	-3.46%	-2.60%
USD-TWD X-RATE	Taiwan	32.13	0.52%	-0.74%	-2.57%	2.47%
USD-ARS X-RATE	Argentina	14.91	-0.19%	-0.90%	15.30%	62.70%
USD-BRL X-RATE	Brazil	3.26	-0.72%	1.35%	-17.78%	-0.89%
USD-CLP X-RATE	Chile	650.46	-0.28%	-1.93%	-8.20%	-0.89%
USD-MXN X-RATE	Mexico	18.59	-0.31%	1.45%	7.78%	14.40%
USD-EGP X-RATE	Egypt	8.88	0.04%	-0.04%	13.49%	13.48%
USD-NGN X-RATE	Nigeria	299.75	7.39%	8.82%	53.16%	53.20%
USD-ZAR X-RATE	South Africa	14.34	-1.93%	-2.95%	-7.60%	14.79%
Commodities			Return (USD)			
WTI CRUDE FUTURE Sep16	US	44.12	-5.27%	-9.83%	4.22%	-18.32%
BRENT CRUDE FUTR Sep16	UK	45.64	-4.03%	-8.09%	7.48%	-24.63%
BALTIC DRY INDEX		718.00	-3.62%	8.79%	50.21%	-34.85%
Natural Gas Futures		2.80	0.76%	-5.03%	18.83%	-1.38%
Gold Spot \$/Oz		1,317.03	-1.10%	0.06%	24.66%	21.27%
Silver Spot \$/Oz		19.51	-2.97%	4.90%	41.77%	33.86%
LME COPPER 3MO (\$)		4,920.00	0.04%	1.55%	4.57%	-6.69%
Government Bond Yields %			Change (Bps)			
US Generic Govt 2 Year Yield	US 2yr	0.72	0.04	0.12	-0.35	0.01
US Generic Govt 5 Year Yield	US 5yr	1.13	0.01	0.12	-0.64	-0.52
US Generic Govt 10 Year Yield	US 10yr	1.58	0.02	0.10	-0.70	-0.70
Canadian Govt Bonds 10 Year No	Canada 10Yr	1.10	0.02	0.04	-0.29	-0.40
Mexico Generic 10 Year	Mexico 10Yr	5.92	-0.08	0.02	-0.36	-0.17
UK Govt Bonds 10 Year Note Gen	UK 10yr	0.83	-0.04	-0.07	-1.16	-1.21
Switzerland Govt Bonds 10 Year	Swiss 10yr	-0.51	0.04	0.07	-0.44	-0.52
German Government Bonds 2 Yr B	German 2yr	-0.61	0.04	0.05	-0.27	-0.39
German Government Bonds 5 Yr O	German 5yr	-0.48	0.06	0.08	-0.44	-0.58
Germany Generic Govt 10Y Yield	German 10yr	-0.02	-0.04	0.10	-0.66	-0.77
French Generic Govt 10Y Yield	French 10yr	0.22	-0.02	0.03	-0.78	-0.82
Greece Generic Govt 10Y Yield	Greece 10yr	7.90	0.17	-0.27	-0.16	-3.23
Italy Generic Govt 10Y Yield	Italy 10yr	1.04	-0.02	-0.02	-0.31	-0.67
Spain Generic Govt 10Y Yield	Spanish 10yr	1.12	-0.11	-0.05	-0.66	-0.83
Portugal Generic Govt 10Y Yield	Portugal 10yr	3.06	-0.08	0.05	0.54	0.48
Australia Govt Bonds Generic Y	Aus 10yr	1.91	-0.07	-0.07	-0.97	-0.95
India Govt Bond Generic Bid Yi	India 10yr	7.24	-0.02	-0.20	-0.51	-0.55
KCMP South Korea Treasury Bond	Korea 10yr	1.42	0.02	-0.05	-0.67	-0.95
Japan Generic Govt 10Y Yield	Japan 10yr	-0.24	0.01	0.00	-0.49	-0.64
South Africa Govt Bonds 10 Yea	SA 10yr	8.81	0.07	-0.03	-0.99	0.70
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/21	EUR XOVER	317.96	-5.61	-46.73	3.98	38.64
MARKIT ITRX EUROPE 06/21	EUR MAIN	68.06	-2.60	-15.14	-8.73	7.32
MARKIT ITRX EUR SNR FIN 06/21	EUR SNR FIN	92.05	-4.85	-19.58	15.48	23.09
MARKIT ITRX EUR SUB FIN 06/21	EUR SUB FIN	206.26	-15.48	-25.53	52.01	61.95
MARKIT CDX.NA.IG.26 06/21	US IG	70.47	-0.78	-7.96	-17.35	1.78
MARKIT CDX.NA.HY.26 06/21	US HY	386.90	-3.71	-39.73	-83.13	32.30
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	Europe	19.76	-1.25	-4.15	-3.72	1.66
FTSE 100 500 3month ATM	UK	13.64	-0.41	-4.31	-2.56	1.00
Hang Seng 3month ATM	HK	16.13	-2.03	-3.67	-1.89	-0.74
Nikkei 3month ATM	Japan	24.63	0.38	-0.91	6.47	8.15
S&P 500 3month ATM	US	12.27	-0.01	-1.98	-3.93	-0.30
Volatility (VIX)	US	12.64	-0.65	-3.61	-6.19	-0.62
Inflation (Long term inflation expectation proxy) %			Change (Bps)			
US 5Y5YF Inflation Swap	USD	1.91	0.01	0.10	-0.24	-0.41
UK 5Y5YF Inflation Swap	GBP	3.00	-0.07	-0.17	-0.37	-0.42
JPY 5Y5YF Inflation Swap	JPY	0.15	0.18	0.06	-0.55	-1.06
EUR 5Y5YF Inflation Swap	EUR	1.32	-0.03	0.00	-0.37	-0.46
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	Asia Pacific	-5.70				
Citi Economic Surprise Index -	China	-36.30				
Citi Economic Surprise Index -	EM	-11.00				
Citi Economic Surprise Index -	Eurozone	8.00				
Citi Economic Surprise Index -	G10	24.70				
Citi Economic Surprise - Japan	Japan	10.20				
Citi Economic Surprise Index -	Latin America	-23.00				
Citi Economic Surprise - Unite	US	36.70				

Chris Wehbe

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christopher.wehbe@alquity.com

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Aaron Armstrong

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aaron.armstrong@alquity.com

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Investment Analyst (Africa & LatAm)

florian.gueritte@alquity.com

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

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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
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