

GLOBAL MARKET UPDATE



6 TO 12 FEBRUARY: IT'S COMPLICATED

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Luxembourg 4.30% , Japan 1.69% , Australia 1.67%
	Bottom 3:	Norway -2.96% , Italy -2.70% , Spain -2.27%
EMERGING	Top 3:	Egypt 9.55% , China "H" 4.55% , Abu Dhabi 2.77%
	Bottom 3:	Greece -2.20% , Russia -1.93% , Colombia -1.72%
FRONTIER	Top 3:	Venezuela 17.45% , Jamaica 7.18% , Ukraine 4.23%
	Bottom 3:	Nigeria -4.76% , Cyprus -4.68% , Lithuania -2.88%

In our last issue, we talked about investors being “caught in the headlights”; struggling for conviction as strong economic data contrasts with heightened political uncertainty and (for developed markets) challenging valuations. Market moves this week suggest this dynamic continued – the S&P 500 hit 39 consecutive days without a move of more than 1% (a new record), whilst equities outside Europe climbed the “wall of worry”, moving higher.

Actually, there were potentially a few cracks in the status quo:

- **Congenial Trump:** after weeks of bashing Japan for currency manipulation, Trump went out of his way to extend a warm welcome to Prime Minister Abe, “The bonds between our two nations and the friendship between our two peoples is very, very deep. This administration is committed to bringing these ties even closer,” then later “When I greeted him today at the car... I shook hands but I grabbed him and hugged him because that’s the way we feel.”
- **Mixed Data:** although in aggregate still pointing towards continuing economic momentum (China trade data strong), US sentiment and European industrial production disappointed.
- **Peripheral Roller Coaster:** the Greek 2-year yield touched 10.23% (from below 6% a week prior) before consolidating around 8.5%.
- **Central Banks “Internalising”:** the RBI India did not cut rates as expected. Not significant in isolation, but following a broader trend of backing away from the monetary Kool-Aid (see also UK, Korea, Malaysia, Indonesia).

UNITED STATES

S&P 2,316 **+0.81%**, 10yr Treasury 2.42% **-5.75bps**, HY Credit Index 323 **0bps**, Vix 11.36 **-0.12Vol**

Most US indices touched all-time highs, alongside a stronger USD and lower bond yields. Volatility remains extremely low (30 day realised at 6.58%, which equates to an average move of only 0.31% per day). This has pushed the VIX back towards the lowest levels since July 2014 (Friday's close at the 99.4th percentile over the last 5 years).

From a data perspective, the Michigan consumer sentiment survey declined from recent highs. **It would be a little hasty to extrapolate too much from a single print, but it was interesting to note the "expectations component" fell back, erasing the election surge.** Elsewhere, President Trump made most of the headlines:

- **Obamacare Repeal taking longer than expected;** After promising the Affordable Care Act (ACA) would be replaced within a week, Trump now suggested "I would like to say by the end of the year, at least the rudiments, but we should have something within the year and the following year." The major significance, is that, given Congress wants ACA addressed before turning to tax reform, **it could be a while (even into 2018) before Trump delivers anything concrete on tax.**
- **But Tax reform will be worth waiting for...** During a meeting with aviation executives on Thursday, the President promised to outline "something phenomenal in terms of tax" in the next few weeks
- **The Immigration story isn't over;** Although the 3-judge panel at the 9th U.S. Circuit Court of Appeals unanimously voted against reinforcing Trump's travel ban, Don was not for moving: "We will win that battle...we also have a lot of other options, including just filing a brand new order... perhaps Monday or Tuesday". This may include exempting legal permanent residents from the travel restrictions or a Supreme Court appeal.

It's only been 3 weeks since the Presidential handover, but there are tentative signs of Trump's momentum and ability to be different waning. Reform is almost always a painfully slow process and the POTUS will need to be careful not to get bogged down by the political process..

EUROPE

Eurostoxx 3,283 **-1.46%**, German Bund 0.33% **-9.20bps**, Xover Credit Index 299 **-8bps**, EURUSD 1.066 **+1.36%**

We've talked at length about the strong rebound in business surveys over the past few months (Eurozone manufacturing PMI for January at a 6-year high). However, **hard data for December, in the form of Industrial production (IP) for Germany and France, disappointed last week.** IP data is extremely volatile and therefore, given the breadth of positive indicators elsewhere, we stick to our expectation of a recovery for European manufacturing, at least over H1 2017.

After a period out of the spotlight, **Greece returned**

to the front page. The second review of the "bailout" programme was supposed to have been completed last year but yields spiked mid-week as (similar to last time) the IMF is threatening not to participate without greater fiscal consolidation or additional debt relief. However, "substantial progress" was made on Friday, which helped support prices. Greece has no material repayments until July and thus, notwithstanding the noise, there is no imminent flashpoint.

In France, the National Front created headlines when their head of strategy stated 20 per cent of France's total public debt "falls under international law [and would stay denominated in euros] ...but for the rest we will have the right to change the currency".

In Germany, the nomination of Martin Schultz as leader of the SPD two weeks ago (ahead of the German elections) has seen a dramatic turnaround in the polls. His party now lag Angela Merkel's CDU/CSU coalition by only a few points. As former Head of the European Parliament, Schultz is considered to offer the potential of greater German support for its union partners (Eurobonds, joint deposit insurance).

ASIA PACIFIC

HSCEI 1,025 **+4.55%**, Nikkei 1,945.00 **+1.69%**, 10yr JGB 0.09% **0bps**, USDJPY 113.560 **+0.54%**

The Reserve Bank of India surprised the market this week by leaving interest rates on hold at 6.25%, in addition to changing the official policy stance from 'accommodative' to 'neutral'. This was the third consecutive central bank meeting where a rate cut was expected but not delivered.

On a backward-looking view of India's inflation, the conclusions are straightforward. Inflation has trended down over the last 8 months from 6.1% to 3.4% in January 2017, while interest rates have come down 175bps since January 2015. It would be easy to extrapolate this to a continued disinflationary medium term outlook and associated lower rates. However, there are several uncertainty factors that we believe complicate the analysis of India's current inflation path:

- *The impact of a less favourable base effect of commodity prices*
- *The lagged effects of demonetisation yet to fully work through the economy*
- *The subsequent impacts of remonetisation, which we believe are being irrationally ignored by the market (what happens when bank notes become freely available again and ATM withdrawal limits are removed for the first time in three months, will demand or supply reflate faster)*
- *The imposition of the Goods and Services Tax in July, a transformational reform with one of its overriding objectives being to bring more Indian business and households in to the tax system than ever before, will surely have an impact (if transitory) on the general price level in the economy, as these costs are passed on to consumer prices*
- *The likely interest rate trajectory of the Federal reserve.*

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- *A firmer global inflation environment*

Whilst the long term path of inflation in India has clearly been downward, since the central bank began a credible inflation targeting policy under former governor Raghuram Rajan in 2013, the short to medium term outlook (3 to 6 months in our view) is thus much more clouded.

Indian equities witnessed no material reaction to the lack of a rate cut. However, **ten-year bond yields rose 32bps (the biggest move for three years)**, whilst the rupee also strengthened against the dollar by 33bps, as the market priced in expectations for less accommodative policy.

Given that consumer price inflation has already fallen below the central bank's medium term target of 4%, we see no reason why the central bank could not return to an easing policy stance once the above uncertainties dissipate.

An issue that had the potential to disrupt the most important bilateral relationship in global trade was diffused this week, when President Donald Trump agreed to abide by the 'One China' policy.

During the first interaction between Donald Trump and President Xi Jinping, Trump indicated that the US would, as it has done since 1979, continue to recognise Beijing as the Chinese government, rather than Taipei, in a conversation described as "cordial" by the Whitehouse.

We believe it would be unwise to consider this a signal that Donald Trump intends to be unequivocally friendly towards China in economic as well as diplomatic relations.

The President still has the option of trying to label China a currency manipulator, in the hope that this would make it easier to impose trade sanctions on the world's second largest economy, in order to reduce America's current account deficit and bring back manufacturing jobs lost to China over the last two decades.

The well documented critique of this argument is that China has in fact been intervening intensively over the last two years to strengthen, rather than weaken, its currency (this week we learned that reserves fell below \$3trn in January to touch a five year low). The time to label China a currency manipulator would have been during the 2000's, when the government was building foreign reserves and devaluing the Renminbi, on its way to amassing a peak of \$4trn of reserves in 2014.

The seasonal effects of an early Chinese New Year played a role in China posting strong trade numbers for January.

Exports rose 7.9% YoY (vs -6.2% YoY in December) while imports increased 16.7% YoY (vs 3.1% YoY in December). Even allowing for the short term noise in the data, January's trade data still paint an improving picture, with imports driven higher by domestic consumption and demand for commodities, while exports rose on the back of higher demand from developed economies.

The Philippines left interest rates unchanged at 3.0% in line with expectations, the eighteenth consecutive month of keeping rates on hold.

The central bank did however raise its inflation forecast for the third consecutive meeting, to 3.5% for 2017 from 3.3%, citing higher food and oil prices. Policymakers remain optimistic on the domestic

economy, given "buoyant household consumption and price investment". The market continues to expect the central bank to tighten during 2017.

Moody's revised its sovereign rating outlook for Indonesia from 'stable' to 'positive', while maintaining its Baa3 rating, in response to fiscal discipline and the outlook for a lower current account deficit.

Bangladesh strengthened its institutional framework this week with the appointment of an independent election commission.

The election commission is constitutionally empowered to oversee free and fair elections. Previously in Bangladesh, a non-partisan caretaker government would be formed to oversee elections. However in 2014 the opposition BNP boycotted the general election, alleging that they were not being conducted freely and fairly, leaving the Awami League to take a walkover victory. In the following year the BNP held violent strikes and blockades in attempt to disrupt the country and unsettle the government. The BNP have since become disorganised and lost support, with Bangladesh looking as though it were heading towards becoming a one-party state.

The formation of an independent election commission is expected to reverse this process, however, and bring opposition parties back in to mainstream politics and reduce the frustration and isolation-induced obstructionism we saw boil over back in 2015.

LATIN AMERICA

MSCI Lat Am 2,600 *+1.34%*

Mexico's consumer confidence index tumbled to 68.5 in January (see graph overleaf) from 85.7 the month before, reaching the lowest level since data started being compiled in 2001. This follows higher "gasolinazo" (gasoline prices increased by 15% as the government eliminated fuel subsidies), inflation increase due to MXN depreciation and tensions in bilateral relations with the US.

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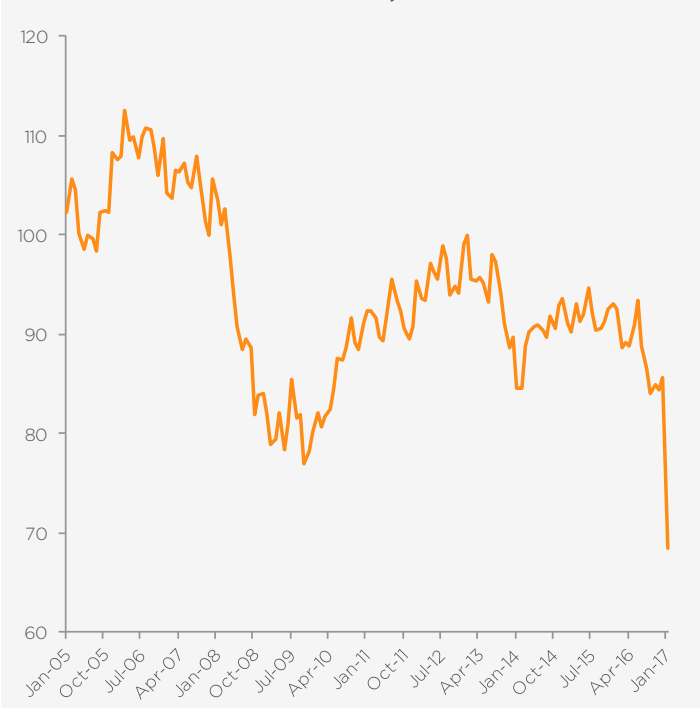
The Mexican central bank hiked 50bps, taking the reference rate up to 6.25%. This move was largely anticipated as it is the only way to anchor the currency and fight inflation, which reached a 5-year high in January at 4.72% YOY.

Colombian annual inflation fell from 5.75% to 5.47% in January, making it six months of reduction from a 16-year high in Jul-16 (8.96%).

Peruvian annual inflation declined to 3.1% YOY (Dec-16: 3.2%) its fourth consecutive contraction, but remains above the target range of the Central bank (2.0% +/- 1pp) for the fifth straight month.

Annual inflation in Chile came in at 2.8% last month, slightly up from 2.7% in December, but still below the central bank's 3.0% target. This slight surprise to the upside on a month-over month basis and good economic data will likely delay the next rate cut.

Mexican Consumer Confidence, 2005-17



Brazil January IPCA came in at 6.3%. Inflation plunged to a 4-year low which fuels bets the central bank will keep its aggressive pace of monetary easing for longer. Almost all economists are forecasting interest rates below 10% at the end of 2017.

Mexico is the only large country in Latin America that is in an aggressive hiking cycle and where inflation expectations are increasing. Falling inflation and interest rates supported by structural political and economic reforms across South America provide a very positive macroeconomic backdrop for Latin American equities.

AFRICA

MSCI Africa 799 **-0.51%**

Egypt's net foreign reserves rose to USD 26.4Bn at the end of January from USD 24.3Bn at the end of December. The EGP appreciated circa 6% last week. All the good news coming from Egypt since November (IMF loan, VAT reform, decreasing energy subsidies, SOE listing...) is boosting the confidence of international investors. This package of comprehensive reforms is attracting hard currency into Egypt:

- Remittances up 11.8% QOQ in 4Q16 to USD4.6bn (c72% of which were sent after the EGP float). Recovery in remittances comes after consistent declines in the past six quarters, with a sharp 22% YoY weakening in 3Q16.
- The 4Bn Egyptian Eurobond issued two weeks ago was 3x oversubscribed.
- Foreign investment in Egyptian treasuries doubled to USD 500Mn in January from December, helping reduce yields by c1% last week, according to Deputy Finance Minister, Ahmed Kouchouk.
- The Egyptian index is up 10.8% YTD, mainly driven

by foreigners.

The Egyptian equity market and exchange rate have been so beaten up in 2016 that it is attractive and a strong rally (from a low base) wouldn't be a surprise. The way to a stable and sounder macroeconomic situation (trade, fiscal, current account balance) will be long and arduous. We still think that the monetary policy is weak: inflation is running at 24% and real interest rates are still negative.

Nigeria issued a USD 1Bn 15-year Eurobond. International fixed-income investors are starving for yield and priced this B+ rated bond at 7.875%. Although Nigeria Debt/GDP ratio is only 13%, the country struggles to service its debt amid declining oil production and the worst recession in 25 years. Debt service is expected to reach 36% of 2017 forecasted government revenue. Nigeria's dual exchange rate is crippling the economy. Nigeria's USD 28Bn is enough to pay down some debt but not enough to service the needs in hard currency of the real economy (current account and investment flows are deeply negative).

Morocco's official jobless rate fell to 9.4%, thanks to service and construction industries. The government has been developing manufacturing in areas such as automotive, aerospace and electronic components, in an effort to reduce reliance on agriculture, reduce the current account deficit and create more jobs in its crowded major cities. Agriculture, which accounts for some 15% of Morocco's gross domestic product and employs more than half its workforce, lost around 32,000 jobs last year. Along with the rest of North Africa, the country suffered its worst drought in 30 years, and its cereal harvest declined by more than 70%.

As productivity in the agricultural sector increases, jobs will move from the agricultural sector to the industrial sector. Over the long term this will increase disposable income. Urbanisation, increasing productivity and disposable income are long-trend tailwind for Morocco.

Zuma's state of the nation address focused on economic transformation, further state intervention via government procurement and more regulation of concentrated sectors. As expected, there was no cabinet reshuffle. The opposition parties of the DFF and DA showed their discontent, some of them walked out of the parliament, others were booted out.

This SONA was a negative PR event for the ANC and Zuma outlining how much of an electoral and public liability his leadership has become. The risk is that markets become too complacent and price too much of a positive political change in December 2017 for the ANC presidency election.

**PLEASE CONTINUE FOR
CALENDAR
& MARKET DATA**

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
PPI, % m/m (y/y)	14-Feb	0.3 (1.5)
CPI, % m/m (y/y)	15-Feb	0.3 (2.4)
Core CPI, % m/m (y/y)	15-Feb	0.2 (2.2)
Retail sales, % m/m	15-Feb	0.1
IP: Manufacturing (SIC) production	15-Feb	0.3
NAHB housing market index	15-Feb	68
Philadelphia Fed mfg index	16-Feb	17.5
Housing starts, thous saar	16-Feb	1230
EUROPE		
Germany: Preliminary GDP, % q/q	14-Feb	0.5
Italy: Preliminary GDP, % q/q	14-Feb	0.3
E19: Industrial production, % m/m (y/y)	14-Feb	-1.5 (1.7)
E19: Final GDP, % q/q	14-Feb	0.5
ASIA PACIFIC		
Japan: real GDP, first preliminary, % q/q saar	13-Feb	1.1
India: CPI (% y/y)	13-Feb	3.24
China: CPI (% y/y)	14-Feb	6.5
China: PPI (% y/y)	14-Feb	4.34
India: WPI (% y/y)	14-Feb	4.34
Korea: Unemployment rate (%)	15-Feb	3.4
Philippines: Remittances (% y/y)	15-Feb	-
Indonesia: Trade Balance (USD mn)	15-Feb	-
Australia: Employment change (k)	16-Feb	10
Australia: Unemployment rate (%)	16-Feb	5.8
Malaysia: Current account balance (MYR bn)	16-Feb	-
Malaysia: GDP (% y/y)	16-Feb	-
"Indonesia: Bank Indonesia 7d Reverse Repo	16-Feb	4.75%
Singapore: Non-oil domestic exports (% y/y)	17-Feb	9.8
Singapore: GDP, Final (% q/q saar)/(% y/y)	17-Feb	12.2/2.4
LATIN AMERICA		
Brazil: Retail sales, % y/y	14-Feb	-

	Date	Consensus
AFRICA		
Mozambique: Policy rate	13-Feb	-
South Africa: Unemployment rate (%)	14-Feb	-
South Africa: CPI (% y/y)	15-Feb	-
Nigeria: CPI (% y/y)	15-Feb	-
Uganda: Policy rate (%)	15-Feb	-
Namibia: Policy rate (%)	15-Feb	-
Namibia: CPI (% y/y)	15-Feb	-

GLOBAL MARKET DATA

6 to 12 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	2,316.10	0.81%	1.63%	3.45%	26.63%		3.0
RUSSELL 2000 INDEX	RTY Index	US	1,388.84	0.80%	1.98%	2.34%	45.62%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,734.13	1.19%	2.13%	6.52%	34.39%		3.8
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,729.12	1.03%	1.90%	5.80%	38.78%		2.0
S&P 500 FINANCIALS INDEX	S5FINL Index	US	394.13	0.25%	1.84%	1.97%	48.79%		1.4
S&P 500 CONS DISCRET IDX	S5COND Index	US	681.97	1.41%	1.05%	5.27%	25.47%		4.9
S&P 500 INFO TECH INDEX	S5INFT Index	US	865.88	1.23%	2.71%	7.17%	35.89%		4.7
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	829.52	0.46%	1.90%	4.09%	13.17%		3.5
S&P 500 ENERGY INDEX	S5ENRS Index	US	534.42	-0.67%	0.01%	-3.62%	31.56%		2.0
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,316.10	0.81%	1.63%	3.45%	26.63%		3.0
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	556.15	1.59%	1.96%	3.36%	31.26%		4.6
S&P 500 CONS STAPLES IDX	S5CONS Index	US	549.65	1.12%	1.88%	3.36%	8.65%		5.3
S&P 500 UTILITIES INDEX	S5UTIL Index	US	249.94	0.73%	0.05%	1.26%	8.02%		1.9
S&P 500 MATERIALS INDEX	s5MATR Index	US	327.36	0.05%	0.27%	4.87%	33.99%		3.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	168.24	0.29%	-1.28%	-4.74%	6.80%		2.8
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,283.34	-1.46%	-0.17%	0.22%	14.53%	-0.60%	1.6
CAC 40 INDEX	CAC Index	France	4,854.49	-1.33%	0.26%	0.12%	16.30%	-0.70%	1.5
DAX INDEX	DAX Index	Germany	11,704.03	-1.26%	-0.27%	2.46%	25.10%	1.62%	1.8
Athex Composite Share Pr	ASE Index	Greece	623.79	-2.20%	0.55%	-2.28%	32.80%	-3.08%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	18,940.68	-2.70%	0.05%	-1.13%	12.24%	-1.94%	1.0
AEX-Index	AEX Index	Netherlands	491.73	-0.65%	1.27%	2.16%	20.09%	1.32%	1.6
PSI All-Share Index GR	BVLX Index	Portugal	2,518.82	-0.32%	0.95%	0.67%	9.58%	-0.16%	1.1
MICEX INDEX	INDEXCF Index	Russia	2,166.62	-1.93%	0.43%	1.58%	73.65%	-3.16%	0.8
IBEX 35 INDEX	IBEX Index	Spain	9,420.50	-2.27%	-0.73%	1.11%	13.63%	0.28%	1.4
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,567.56	-1.39%	-0.17%	4.89%	17.48%	3.00%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	8,456.39	0.08%	0.68%	4.29%	9.36%	2.88%	2.5
BIST 100 INDEX	XUI00 Index	Turkey	87,994.90	-1.09%	3.89%	6.83%	-2.20%	11.95%	1.3
FTSE 100 INDEX	UKX Index	UK	7,269.53	0.83%	1.63%	2.85%	13.30%	1.62%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	557.11	1.51%	2.00%	8.32%	25.35%	8.32%	1.5
S&P/ASX 200 INDEX	AS51 Index	Australia	5,760.69	1.67%	3.25%	7.44%	28.42%	0.97%	2.0
DSE 30 Index	DS30 Index	Bangladesh	2,022.10	3.50%	1.49%	11.09%	14.06%	10.57%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	10,258.59	4.55%	3.26%	7.69%	32.82%	7.77%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,216.84	1.05%	1.15%	3.87%	10.47%	3.00%	1.8
HANG SENG INDEX	HSI Index	HK	23,685.60	1.91%	0.90%	7.08%	27.70%	7.16%	1.2
Nifty 50	NIFTY Index	India	8,777.50	0.99%	3.71%	9.21%	29.09%	7.42%	2.8
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,390.35	0.20%	1.79%	3.16%	14.00%	1.42%	2.3
NIKKEI 225	NKY Index	Japan	19,459.15	1.69%	1.44%	4.31%	24.18%	1.38%	1.8
KOSPI 200 INDEX	KOSPI2 Index	Korea	268.81	-1.08%	0.73%	8.68%	23.63%	3.33%	1.0
Laos Composite Index	LSXC Index	Laos	1,046.17	-2.46%	-2.33%	1.65%	-12.37%	1.77%	0.9
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,707.52	0.45%	1.30%	4.47%	-3.92%	3.48%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	50,240.14	0.77%	2.42%	4.03%	56.86%	4.43%	2.2
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,294.67	-0.30%	-0.35%	4.96%	3.35%	5.77%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,109.38	0.96%	1.03%	9.60%	19.51%	7.62%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,128.66	-0.54%	-0.71%	-2.69%	-7.71%	-2.15%	1.2
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,710.32	1.79%	3.52%	9.34%	28.99%	4.45%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,585.24	0.02%	0.69%	5.04%	24.40%	2.74%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	705.90	0.23%	0.75%	6.47%	27.26%	5.85%	2.1
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	439.01	0.59%	1.36%	4.07%	24.24%	4.07%	2.2
MSCI EM	MXEF Index	MSCI EM	930.16	1.23%	2.30%	7.87%	30.45%	7.87%	1.6
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,590.56	0.28%	1.02%	7.12%	15.58%	7.12%	1.8
DFM GENERAL INDEX	DFMGI Index	Dubai	3,635.07	1.63%	1.09%	4.31%	23.53%	4.30%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,599.50	1.34%	3.31%	11.06%	55.43%	11.06%	1.9
ARGENTINA Merval INDEX	Merval Index	Argentina	19,502.93	2.16%	4.71%	18.20%	66.60%	15.28%	0.7
MSCI BRAZIL	MXBR Index	Brazil	1,908.99	1.67%	3.24%	14.19%	102.39%	14.19%	1.8
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,312.24	1.17%	4.13%	8.85%	31.70%	3.87%	1.4
IGBC GENERAL INDEX	IGBC Index	Colombia	10,055.41	-1.52%	1.33%	4.64%	38.90%	-0.50%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	47,797.04	1.12%	4.30%	6.29%	6.36%	4.72%	2.6
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	16,441.86	1.70%	3.47%	8.69%	77.21%	5.62%	1.6
MSCI EFM AFRICA	MXFMEAF Index	Africa	798.54	-0.51%	1.26%	3.79%	25.70%	3.79%	2.4
EGYPT HERMES INDEX	HERMES Index	Egypt	1,152.90	9.55%	10.77%	10.81%	-1.70%	7.87%	2.1
GSE Composite Index	GGSECI Index	Ghana	1,805.09	-2.67%	-0.55%	2.20%	-19.72%	6.87%	1.7
Nairobi SE 20 Share	KNSMIDX Index	Kenya	2,951.62	3.42%	5.94%	-8.28%	-24.10%	-7.36%	1.9
MASI Free Float Index	MOSENEW Index	Morocco	12,233.88	-0.83%	-0.83%	5.60%	29.29%	5.06%	2.9
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	25,340.02	-4.76%	-5.38%	-5.49%	-34.91%	-5.71%	1.2
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	46,017.55	-0.24%	0.68%	7.09%	28.72%	4.22%	2.0
Average				0.43%	1.48%	4.51%	23.28%	3.81%	
Top 25%				1.23%	2.13%	7.12%	31.56%	7.06%	
Bottom 25%				-0.65%	0.43%	2.20%	12.24%	1.34%	

GLOBAL MARKET DATA (CONTD.)

6 to 12 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	100.61	0.93%	1.29%	-1.38%	5.48%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.94	1.36%	1.48%	-1.14%	6.41%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	57.98	-1.17%	-3.12%	-5.24%	-27.16%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.68	0.02%	-2.01%	4.94%	26.19%
USD-GBP X-RATE	USDGBP Curncy	UK	0.80	-0.06%	0.72%	-1.17%	15.89%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	104.61	-0.41%	-0.01%	1.67%	-1.45%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.30	0.07%	-1.20%	-6.20%	-7.39%
USD-CNY X-RATE	USDCNY Curncy	China	6.88	0.16%	-0.08%	-0.96%	4.63%
USD-INR X-RATE	USDINR Curncy	India	66.93	-0.64%	-1.45%	-1.53%	-2.07%
USD-JPY X-RATE	USDJPY Curncy	Japan	113.56	0.54%	0.37%	-3.20%	0.71%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,151.90	0.28%	-0.89%	-4.55%	-4.30%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.96	0.14%	-1.03%	-3.91%	-6.00%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.53	-0.58%	-2.30%	-2.19%	6.32%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.12	-0.25%	-1.06%	-4.30%	-21.98%
USD-CLP X-RATE	USDCLP Curncy	Chile	639.85	0.16%	-1.15%	-4.56%	-10.34%
USD-MXN X-RATE	USDMXN Curncy	Mexico	20.31	-0.08%	-2.33%	-1.84%	6.26%
USD-EGP X-RATE	USDEGP Curncy	Egypt	17.37	-4.83%	-5.90%	-2.22%	126.56%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	314.42	2.94%	0.93%	-0.22%	58.14%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.29	0.53%	-1.03%	-2.94%	-15.68%
Commodities				Return (USD)			
WTI CRUDE FUTURE Mar17	CLA Comdty	US	53.74	0.06%	1.99%	-1.46%	40.92%
BRENT CRUDE FUTR Apr17	COA Comdty	UK	56.63	-0.19%	2.02%	-1.37%	48.39%
BALTIC DRY INDEX	BDIY Comdty		702.00	-6.65%	-12.25%	-26.95%	142.07%
Natural Gas Futures	NGI Comdty		2.99	-0.95%	-2.66%	-18.53%	52.16%
Gold Spot \$/Oz	XAU Curncy		1,231.44	1.09%	1.89%	7.51%	-1.05%
Silver Spot \$/Oz	XAG Curncy		17.93	2.49%	2.24%	12.69%	13.92%
LME COPPER 3MO (\$)	LMCADS03 Comdty		6,090.00	5.51%	1.65%	10.02%	37.01%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.20	-0.01	-0.01	0.00	0.54
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.90	-0.02	-0.03	-0.04	0.75
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.42	-0.06	-0.05	-0.04	0.75
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.70	-0.07	-0.06	-0.02	0.67
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.33	-0.09	-0.09	-0.10	1.22
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.27	-0.10	-0.16	0.02	-0.05
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.12	-0.04	-0.04	0.09	0.20
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.79	-0.05	-0.09	-0.02	-0.25
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.43	-0.09	-0.04	0.09	-0.12
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.33	-0.09	-0.12	0.11	0.13
French Generic Govt 10Y Yield	GTRFR10Y Govt	French 10yr	1.06	-0.03	0.02	0.37	0.46
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	7.26	-0.17	-0.47	0.24	-4.08
Italy Generic Govt 10Y Yield	GBTGRI10 Index	Italy 10yr	2.29	0.01	0.01	0.46	0.56
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.71	0.02	0.10	0.32	-0.08
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	4.14	-0.06	-0.08	0.35	0.01
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.71	-0.10	-0.02	-0.07	0.32
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.80	0.40	0.40	0.29	-0.91
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.14	-0.04	-0.01	0.05	0.37
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.09	-0.01	0.01	0.05	0.07
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.73	-0.05	-0.05	-0.15	-0.40
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	ITRXEXE CBIL Curncy	EUR XOVER	299.08	8.21	-0.20	11.46	-184.15
MARKIT ITRX EUROPE 12/21	ITRXEBE CBIL Curncy	EUR MAIN	74.65	3.36	1.56	2.83	-49.19
MARKIT ITRX EUR SNR FIN 12/21	ITRXESE CBIL Curncy	EUR SNR FIN	93.51	6.61	3.63	0.28	-41.84
MARKIT ITRX EUR SUB FIN 12/21	ITRXEUE CBIL Curncy	EUR SUB FIN	218.97	14.84	5.87	-3.42	-95.86
MARKIT CDX.NA.IG.27 12/21	IBOXUMAE CBIL Curncy	US IG	64.56	0.36	-1.74	-2.70	-61.10
MARKIT CDX.NA.HY.27 12/21*	IBOXHYSE CBIL Curncy	US HY	323.48	-0.40	-28.99	-32.24	-267.67
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	15.62	0.49	-0.80	-2.23	-15.29
FTSE 100 500 3month ATM	UKX Index	UK	10.82	-0.35	-1.21	-2.15	-14.63
Hang Seng 3month ATM	HSI Index	HK	14.48	0.33	0.69	-1.71	-14.70
Nikkei 3month ATM	NKY Index	Japan	17.14	-2.16	-2.05	-2.09	-18.74
S&P 500 3month ATM	SPX Index	US	11.08	0.04	-0.35	-2.39	-13.01
Volatility (VIX)	VIX Index	US	11.36	-0.12	-1.14	-3.19	-17.29
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap	FWISUS55 Index	USD	2.38	-0.80	-10.86	-1.17	57.94
UK 5Y5YF Inflation Swap	FWISBP55 Index	GBP	3.57	-4.30	-15.00	3.00	47.00
JPY 5Y5YF Inflation Swap	FWISJY55 Index	JPY	0.62	0.50	0.50	20.50	43.50
EUR 5Y5YF Inflation Swap	FWISEU55 Index	EUR	1.76	-0.95	-3.57	2.08	32.93
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	45.60				
Citi Economic Surprise Index -	CESICNY Index	China	32.20				
Citi Economic Surprise Index -	CESIEM Index	EM	38.60				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	51.80				
Citi Economic Surprise Index -	CESIG10 Index	G10	40.50				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	22.40				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	27.90				
Citi Economic Surprise - Unite	CESIUSD Index	US	40.80				

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