

# GLOBAL MARKET UPDATE



## 10 TO 16 OCTOBER 2016: EASY PEASY JAPANESEY

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Portugal <b>1.25%</b> , Canada <b>1.07%</b> , Norway <b>0.19%</b>
	Bottom 3:	Singapore <b>-3.13%</b> , UK <b>-2.45%</b> , Sweden <b>-2.24%</b>
EMERGING	Top 3:	Brazil <b>2.04%</b> , Mexico <b>1.83%</b> , Egypt <b>1.43%</b>
	Bottom 3:	China "H" <b>-3.26%</b> , South Africa <b>-3.11%</b> , Poland <b>-3.02%</b>
FRONTIER	Top 3:	Kazakhstan <b>2.38%</b> , Argentina <b>2.12%</b> , Chile <b>1.41%</b>
	Bottom 3:	Namibia <b>-5.51%</b> , Slovenia <b>-3.32%</b> , Slovakia <b>-3.03%</b>

At their last meeting, the Bank of Japan made two policy innovations:

1. **"Yield Curve Control"** whereby the bank will aim to hold the 10yr yield at 0%, inducing a steep curve and allowing base rates to fall further into negative territory (whilst mitigating the tax on banks).
2. Effectively raising the **inflation target** by saying it was prepared to "over-shoot" the 2% level.

We think these measures may have a greater impact on global markets than initially appreciated. First, the adjustment to QE implementation has heightened concerns that this tool is reaching the end of its useful life. This week's ECB meeting may reveal Europe's take. Second, Japan's move on the inflation target may start the long discussed move towards tolerating a higher level of inflation as a way of managing the interest rate lower bound. Last week Mark Carney (Governor of the Bank of England) also spoke about a willingness to "over-shoot". So far this month US, German and UK 10-year yields have risen 17,18 and 37bps respectively as investors consider the sustainability of current policy.

### UNITED STATES

S&P 2,133 **-0.96%**, 10yr Treasury 1.79% **+7.96bps**, HY Credit Index 405 **+2bps**, Vix 16.12 **+2.64Vol**

Last week continued the trend of a **positive correlation between US bonds and equities, with both falling** – albeit modestly. The USD also gained, reaching 7 month highs but short of record levels from the beginning of the year. From a data perspective, retail sales were in line with expectations (but "core" missed) and Michigan consumer sentiment disappointed. Meanwhile, the minutes to the FED's September meeting revealed very little. There was again evidence of division with several members ready to hike rates "relatively soon" (recall 3 members voted to

hike, a further 4 saw a rate hike by year end and 3 wanted to pause at least until next year). Fed fund futures now price a 70% probability of a hike in December (Nothing in November due to the Presidential election). Any move remains data dependent, but we think economic releases thus far have been "good enough".

This week corporate earnings season accelerates, with almost a quarter of the S&P 500 by market capitalisation reporting. There is also the final televised Presidential debate on Wednesday.

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## EUROPE

Eurostoxx 3,012 **-0.74%**, German Bund 0.09% **+3.80bps**, Xover Credit Index 335 **0bps**, EURUSD 1.098 **+2.08%**

**European data was positive last week** with a sharp rebound in August industrial production and a decent ZEW survey. Portuguese bond also jumped higher as DBRS (the only agency with an investment grade rating on the country's debt) told Finance Minister Mario Centeno that it is "totally comfortable" with Portugal's fiscal position. The result of their review will be announced later this week (21st).

*Given the structural difficulties of the Euro, it's still hard (impossible?) to get excited about the continent longer-term growth prospects. However, data suggests the Brexit effect is contained and, with last week marking the 36th consecutive week of outflows for the region's equities, there is a contrarian argument for tactical investors.*

This week **we have the October ECB meeting on Thursday**. Whilst it is unlikely any concrete change to policy is made, there may well be announcements regarding technical changes to the quantitative easing program (particularly the removal of the yield floor). In addition, given the recent "taper scare", Mario Draghi will be asked about the potential to slow the pace of purchases after March 2017.

*We continue to expect the ECB to extend asset purchases beyond March, but to leave interest rates unchanged. This is because the continent remains far away from "escape velocity", and therefore will require incremental easing, but there is increasing concern about the effects of negative rates on banks.*

**The GBP suffered another week of losses, touching a 31-year low against the USD** on Tuesday. There was, however, temporary relief on Wednesday after PM Theresa May accepted that Parliament will hold a "full and transparent" debate on the government's plan to leave the EU before Article 50 is triggered. Given that the majority of MPs campaigned to remain in the EU, markets interpreted this as positive; it is likely the discussion will push for the closest possible relationship with Europe.

The **Bank of England, however, appears less willing to indulge in classic verbal currency intervention**. This week Governor Carney stated "we're willing to tolerate a bit of overshoot in inflation over the course of the next few years in order to avoid that situation (rising unemployment), to cushion the blow." Similarly, fellow BoE member Michael Saunders stated "given the scale and persistence of the UK's current account deficit, I would not be surprised if sterling falls further, but I am fairly agnostic as to whether any further depreciation is likely."

The Turkish Lira touched an all-time low against the USD and 10-year bond yields rose above 10% for the first time since the attempted coup in July. Elsewhere, Fitch revised its outlook on Russia's credit rating to "stable" from "negative" citing the country's "coherent and credible policy response to the sharp fall in oil prices."

## ASIA PACIFIC

HSCEI 9,544 **-3.26%**, Nikkei 1,690.00 **-0.94%**, 10yr JGB **-0.05%** **+0bps**, USDJPY 104.040 **+1.16%**

Asian markets were weak following disappointing Chinese trade data and the implications this has for the region. The MSCI Asia Pac ex Japan Index fell **-2.9%** on the week.

**Chinese H shares underperformed, down -3.2%**. China's exports fell **-10%** YoY in September, while imports fell **-1.9%** YoY. The weaker than expected prints were a combination of lower economic activity, as well as widely acknowledged seasonality issues with the September data. China's September trade data have shown deterioration in 2/3rds of cases since records began. We look to the PPI print (discussed below) for clearer insights as to economic conditions in China.

**China's Producer Price Index turned positive for the first time since 2012 (+0.1% YoY)**, having trended upwards for most of 2016.

*This reflects two factors - a reduction in excess capacity (a pillar of President Xi Jinping's reform policy, with particular emphasis on state-owned enterprises) and a recovery in domestic demand. This demand-side improvement has been driven by loose monetary policy deployed in tandem with China's largest fiscal stimulus programme since the aftermath of the global financial crisis. Our base case remains that China will increasingly rely on fiscal policy in order to reach its economic growth target in the coming years, due to the challenges of monetary policy - the downward pressure it creates on the RMB, decreasing marginal effectiveness and the accumulation of excessive leverage.*

As we discussed at the time, we were surprised to see an interest rate cut from the new Reserve Bank of India rate setting committee at the October meeting, given that inflation was around the 5% target level and the reputational risk of cutting in such circumstances. This week's inflation report for September may have partially vindicated the central bank.

**India's CPI came in at 4.3% YoY, which is well below the target rate, the lowest print for a year, and indicative of a downward trend in price growth.**

*If the RBI were in possession of leading data at the time of their decision, which suggested September's print would be significantly lower than August, then their rate cut call makes more sense. In our view, this restores a degree of credibility to India's new FOMC-style monetary policy committee. However, we maintain that Governor Patel's administration will be dovish going forward, having talked down  $r^*$  (the neutral real interest rate where monetary policy is neither stimulating nor deflating) and re-framing of the inflation target legacy of outgoing Governor Rajan.*

**The Bank of Korea's Monetary Policy Committee unanimously voted to keep interest rates on hold at 1.25%**. The accompanying statement was upbeat on the outlook for domestic demand, led by construction activity. Despite this, the official GDP growth forecast for 2017 was reduced by 10bps to 2.8%.

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## **Thailand announced the death of King Bhumibol Adulyadej at the age of 88, following years of poor health.**

The government announced a 30-day period of national mourning, extending to a year for government workers.

*Crown Prince Maha Vajiralongkorn has been announced as the country's next monarch. However, the Crown Prince has a strained relationship with the people of Thailand, meaning there is a degree of uncertainty as to whether he will win out as the ultimate successor to the world's longest reigning monarch. There are already rumours that the Crown Prince's sister, formerly known as Princess Angel and who has close ties with the military junta, may mount a challenge for the throne, with the Thai constitution having been changed in 1974 to allow for female monarchs.*

## **LATIN AMERICA**

MSCI Lat Am 2,496 +1.69%

**Brazil September inflation came in at 8.48% YOY** (vs 8.97% in August), below consensus and the lowest monthly print in 2 years. Deceleration in food and service inflation and the increasing probability of the fiscal ceiling bill to be voted are setting the perfect conditions for the central bank to start cutting interest rates this month or next.

**Temer's government secured the first round of approval for the fiscal ceiling bill in the House of Representatives with a 366 to 111 vote.** It now has an increased chance of being finally adopted by the end of this year. This constitutional amendment will cap primary fiscal spending growth at a 0% in real terms for the next 20 years, allowing the largest Latin American country to put public finances on a sounder and more sustainable footing.

The **Peruvian central bank kept rates on hold for the 8th consecutive month** (4.25%). In Andean countries, inflation and inflation expectations are on a downward path (after El Nino phenomenon and FX devaluation in 2015), while growth is sluggish compared to their long-term potential growth and historical growth rate. This can open a window of opportunity to cut interest rates to boost the Colombian, Chilean and Peruvian economies.

## **AFRICA**

MSCI Africa 762 -4.27%

**Moroccan elections saw the ruling moderated Islamist party PJD secure 32% of seats in parliament.** Constitutionally, Morocco must be governed by a coalition (no party can have a majority of seats in parliament). The current Prime Minister, Mr Abdelilah Benkiran is likely to be reappointed. The re-election of the PJD reflects a peaceful democratic system and the sound social and economic management of the country over the last 5 years.

**Egypt core inflation keeps increasing, reaching 13.9% YOY in September.** The continued pass-through of a weaker EGP/USD (around 12.9 on the informal market serving c90% of the economy's FX needs vs. 8.8 official rate) and the VAT implementation are fuelling price increases. Removing energy subsidies, being one of the IMF conditions to grant a USD 12bn loan, inflation is likely

to keep on increasing at least until the end of this year. To fight inflation and defend the currency (to a certain extent), a hike by the Egyptian central bank is increasingly likely, although its impact on the real economy will be rather limited given low banking penetration.

**In a new episode of the South African political saga, Finance Minister Pravin Gordhan was charged for fraud with completely new accusations.** This marks a dramatic ramp-up of assaults against one of the strongest institutions in the country by President Jacob Zuma. Following a year of attacks against the finance ministry and the setback of the local elections in August, Zuma appears increasingly isolated (students, businesses and other independent institutions are voicing their discontent and ask for his removal). Immediately after the news broke SA's 5-year USD CDS jumped to around 260bps.

**PLEASE CONTINUE FOR  
& CALENDAR  
MARKET DATA**

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## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
Industrial production (SEP) % MOM	Mon/17	0.2
Capacity utilization (SEP) %	Mon/17	75.6
CPI (SEP) % YOY	Tue/18	1.5
<b>EUROPE</b>		
Eurozone 2017 Budget	Sat/15	-
Eurozone headline inflation (SEP) % YOY	Mon/17	0.4
UK CPI (SEP) % YOY	Tue/18	0.8
ECB rate decision	Thu/20	0.0
UK retail sales (SEP) % YOY	Thu/20	4.8
Turkey rate decision %	Thu/20	7.5
Eurozone consumer confidence (OCT)	Fri/21	-8.0
<b>ASIA PACIFIC</b>		
China M2 (SEP) % YOY	Sat/15	11.6
China industrial production (SEP) % YOY	Wed/19	6.4
China retail sales (SEP) % YOY	Wed/19	10.7
China GDP (Q3) % YOY	Wed/19	6.7
Indonesia rate decision %	Thu/20	
<b>LATIN AMERICA</b>		
Brazil retail sales (AUG) % YOY	Tue/18	-
Colombia retail sales (AUG) % YOY	Tue/18	-0.5
Brazil rate decision %	Wed/19	14.0
<b>AFRICA</b>		
Botswana rate decision %	Mon/17	-
South Africa CPI (SEP) % YOY	Tue/18	-
South Africa retail sales (SEP) % YOY	Tue/18	-
Namibia rate decision %	Thu/20	-
Mozambique rate decision	Fri/21	

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# GLOBAL MARKET DATA

## 10 to 16 October 2016

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	2,132.98	-0.96%	-1.63%	4.36%	5.39%		2.8
RUSSELL 2000 INDEX	RTY Index	US	1,212.41	-1.95%	-3.13%	6.74%	4.27%		2.1
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,214.16	-1.48%	-1.84%	4.13%	7.06%		3.6
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,584.99	1.07%	-1.23%	17.86%	3.10%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	322.37	-1.02%	0.48%	0.20%	2.14%		1.1
S&P 500 CONS DISCRET IDX	S5COND Index	US	626.39	-1.14%	-1.51%	0.86%	1.40%		4.7
S&P 500 INFO TECH INDEX	S5INFT Index	US	796.07	-0.59%	-0.70%	10.34%	13.20%		4.5
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	804.38	-3.27%	-3.53%	-3.46%	0.78%		3.6
S&P 500 ENERGY INDEX	S5ENRS Index	US	514.27	-1.16%	-1.17%	14.68%	1.03%		1.9
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,132.98	-0.96%	-1.63%	4.36%	5.39%		2.8
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	494.52	-0.62%	-2.05%	6.69%	7.94%		4.1
S&P 500 CONS STAPLES IDX	S5CONS Index	US	537.26	0.04%	-1.70%	3.63%	6.36%		5.3
S&P 500 UTILITIES INDEX	S5UTIL Index	US	242.50	1.33%	-2.53%	10.23%	6.78%		1.8
S&P 500 MATERIALS INDEX	s5MATR Index	US	290.71	-1.19%	-3.05%	6.24%	5.01%		3.4
S&P 500 TELECOM SERV IDX	S5TELS Index	US	165.11	0.66%	-3.21%	10.14%	13.35%		2.8
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,011.70	-0.74%	-1.33%	-6.32%	-9.92%	-7.42%	1.5
CAC 40 INDEX	CAC Index	France	4,449.22	-1.08%	-1.58%	-2.44%	-7.78%	-3.58%	1.4
DAX INDEX	DAX Index	Germany	10,538.26	-0.71%	-1.43%	-0.76%	1.38%	-1.51%	1.7
Athex Composite Share Pr	ASE Index	Greece	589.29	0.50%	2.04%	-5.55%	-18.17%	-6.66%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	16,586.62	-0.43%	-0.94%	-21.94%	-27.98%	-22.54%	0.9
AEX-Index	AEX Index	Netherlands	448.29	-1.45%	-2.47%	3.18%	-2.08%	1.96%	1.6
PSI All-Share Index GR	BVLX Index	Portugal	2,492.45	1.25%	-1.33%	0.21%	-2.47%	-0.97%	1.4
MICEX INDEX	INDEXCF Index	Russia	1,964.43	-1.89%	-0.76%	30.15%	11.51%	11.64%	0.8
IBEX 35 INDEX	IBEX Index	Spain	8,726.60	0.09%	-2.20%	-7.04%	-16.29%	-8.13%	1.3
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,441.05	-2.24%	-2.24%	-4.54%	-7.34%	-0.06%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	8,060.63	-1.46%	-2.40%	-8.25%	-10.31%	-8.26%	2.4
BIST 100 INDEX	XU100 Index	Turkey	77,112.55	-1.74%	-1.51%	2.11%	-8.67%	8.12%	1.2
FTSE 100 INDEX	UKX Index	UK	6,981.59	-2.45%	-4.32%	-6.91%	-12.82%	12.35%	1.8
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	543.94	-2.36%	-1.27%	8.80%	2.97%	8.80%	1.5
S&P/ASX 200 INDEX	AS51 Index	Australia	5,388.68	0.01%	-0.61%	7.24%	7.95%	2.61%	1.9
DSE 30 Index	DS30 Index	Bangladesh	1,755.55	-0.89%	-0.56%	1.13%	-0.64%	0.97%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,544.09	-3.26%	0.16%	-0.73%	-9.12%	-0.62%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,041.17	1.03%	1.03%	-16.53%	-13.51%	-13.43%	1.7
HANG SENG INDEX	HSI Index	HK	23,051.38	-2.60%	-0.32%	5.90%	1.39%	6.02%	1.2
Nifty 50	NIFTY Index	India	8,527.90	-1.38%	-0.43%	7.26%	1.92%	8.02%	2.8
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,415.15	-0.34%	0.26%	24.71%	23.42%	17.57%	2.5
NIKKEI 225	NIKY Index	Japan	16,900.12	-0.94%	-0.06%	2.70%	6.04%	-11.44%	1.6
KOSPI 200 INDEX	KOSPI2 Index	Korea	256.19	-3.39%	-4.00%	10.20%	1.87%	6.12%	0.9
Laos Composite Index	LSXC Index	Laos	998.73	-0.01%	0.12%	-14.66%	-20.18%	-14.90%	0.8
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,655.70	-1.73%	-1.50%	0.25%	-4.91%	-1.98%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	41,408.62	0.61%	2.08%	26.62%	21.94%	26.35%	1.9
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,358.21	-2.57%	-3.31%	3.15%	-0.50%	6.29%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,810.67	-3.13%	-3.67%	-0.34%	-7.38%	-2.34%	1.1
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,463.90	-1.42%	-0.80%	-7.61%	-11.50%	-5.98%	1.5
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,176.22	-1.97%	-1.49%	13.93%	7.09%	9.92%	1.6
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,474.33	-2.85%	-2.38%	17.16%	3.26%	14.72%	1.8
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	682.83	0.49%	0.20%	19.65%	16.18%	18.65%	1.9
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	411.21	-1.18%	-1.73%	2.97%	1.41%	2.97%	2.0
MSCI EM	MXEF Index	MSCI EM	897.03	-1.94%	-0.71%	12.96%	3.74%	12.96%	1.6
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,506.88	-0.92%	-0.97%	6.02%	-0.47%	6.02%	1.7
DFM GENERAL INDEX	DFMGI Index	Dubai	3,275.18	-0.59%	-4.01%	5.83%	-9.81%	5.84%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,496.13	1.69%	4.84%	36.41%	22.68%	36.41%	1.8
ARGENTINA Merval INDEX	MERVAL Index	Argentina	17,414.89	2.12%	5.24%	27.84%	-1.85%	49.16%	0.6
MSCI BRAZIL	MXBR Index	Brazil	1,774.55	2.00%	7.18%	71.25%	51.89%	71.25%	1.6
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,141.16	1.41%	0.99%	18.93%	9.36%	12.53%	1.5
IGBC GENERAL INDEX	IGBC Index	Colombia	9,946.92	-0.02%	-0.39%	26.31%	3.70%	16.37%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	47,701.45	1.83%	2.80%	0.66%	-6.79%	10.99%	2.8
Bolsa de Panama General	BVPSBVPS Index	Panama	402.06	-1.07%	-1.09%	-0.18%	-1.24%	-0.33%	2.0
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	15,012.58	-0.02%	-2.14%	52.96%	32.78%	52.43%	1.7
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	13,552.60	1.01%	4.56%	-41.47%	-28.97%	-7.10%	1.3
MSCI EFM AFRICA	MXFMEAF Index	Africa	762.04	-4.27%	-5.46%	10.82%	-10.35%	10.82%	2.3
EGYPT HERMES INDEX	HERMES Index	Egypt	747.60	1.43%	6.95%	5.18%	-1.00%	19.38%	1.4
GSE Composite Index	GGSECI Index	Ghana	1,770.56	0.43%	0.13%	-14.72%	-13.13%	-11.25%	1.6
Nairobi SE 20 Share	KNMIDX Index	Kenya	3,267.92	0.07%	0.63%	-18.41%	-14.06%	-19.13%	2.0
MASI Free Float Index	MOSENEW Index	Morocco	10,282.14	-0.25%	1.05%	16.06%	10.95%	15.20%	2.4
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	27,861.03	0.78%	-1.08%	-38.08%	-40.48%	-2.73%	1.3
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	44,585.37	-3.11%	-4.98%	6.29%	-13.52%	-2.49%	1.9
<b>Average</b>				-0.76%	-0.80%	5.45%	-0.10%	6.34%	
<b>Top 25%</b>				0.26%	0.13%	10.58%	6.20%	12.40%	
<b>Bottom 25%</b>				-1.73%	-2.17%	-0.74%	-8.89%	-2.94%	

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# GLOBAL MARKET DATA (CONTD.)

10 to 16 October 2016

FX (vs USD)			Return +ive=USD Stronger			
Name	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	USD Index	97.98	1.44%	2.68%	-0.62%	3.87%
USD-EUR X-RATE	Europe	0.91	2.08%	2.47%	-1.03%	3.78%
Russian Ruble SPOT (TOM)	Russia	63.13	1.07%	0.12%	-12.45%	2.60%
USD-TRY X-RATE	Turkey	3.09	1.29%	3.07%	5.92%	7.29%
USD-GBP X-RATE	UK	0.82	2.03%	6.49%	20.91%	26.84%
Bloomberg JPMorgan Asia Dollar	Asia USD Index	106.01	-0.76%	-1.21%	-0.39%	-2.87%
USD-AUD X-RATE	Australia	1.32	-0.39%	0.56%	-4.31%	-3.76%
USD-CNY X-RATE	China	6.74	0.53%	1.02%	3.67%	6.07%
USD-INR X-RATE	India	66.80	0.18%	0.24%	0.76%	3.00%
USD-JPY X-RATE	Japan	104.04	1.17%	2.80%	-13.24%	-12.38%
USD-KRW X-RATE	Korea	1,139.55	1.87%	3.13%	-3.40%	1.19%
USD-TWD X-RATE	Taiwan	31.80	0.81%	1.40%	-3.38%	-0.77%
USD-ARS X-RATE	Argentina	15.17	-0.11%	-1.21%	17.33%	60.00%
USD-BRL X-RATE	Brazil	3.21	-0.47%	-1.68%	-19.04%	-15.61%
USD-CLP X-RATE	Chile	670.98	0.18%	2.03%	-5.33%	-0.45%
USD-MXN X-RATE	Mexico	18.99	-1.59%	-2.04%	10.41%	15.84%
USD-EGP X-RATE	Egypt	8.90	0.06%	0.00%	13.43%	12.69%
USD-NGN X-RATE	Nigeria	315.00	2.32%	-0.60%	57.10%	57.44%
USD-ZAR X-RATE	South Africa	14.32	3.22%	4.32%	-7.48%	9.75%
Commodities			Return (USD)			
WTI CRUDE FUTURE Nov16	US	50.18	1.08%	4.37%	16.17%	-2.46%
BRENT CRUDE FUTR Dec16	UK	51.86	0.04%	3.51%	17.00%	-7.38%
BALTIC DRY INDEX		892.00	-3.15%	1.94%	86.61%	16.45%
Natural Gas Futures		3.24	2.88%	13.04%	40.56%	33.92%
Gold Spot \$/Oz		1,254.63	-0.44%	-4.89%	17.90%	5.78%
Silver Spot \$/Oz		17.45	-0.71%	-9.17%	25.70%	7.96%
LME COPPER 3MO (\$)		4,675.00	-2.16%	-3.91%	-0.64%	-11.93%
Government Bond Yields %			Change (Bps)			
US Generic Govt 2 Year Yield	US 2yr	0.83	0.00	0.07	-0.21	0.24
US Generic Govt 5 Year Yield	US 5yr	1.29	0.03	0.14	-0.47	-0.05
US Generic Govt 10 Year Yield	US 10yr	1.80	0.08	0.20	-0.47	-0.22
Canadian Govt Bonds 10 Year No	Canada 10yr	1.25	0.08	0.25	-0.14	-0.19
Mexico Generic 10 Year	Mexico 10yr	6.07	-0.04	0.01	-0.21	0.14
UK Govt Bonds 10 Year Note Gen	UK 10yr	1.17	0.13	0.35	-0.86	-0.67
Switzerland Govt Bonds 10 Year	Swiss 10yr	-0.46	0.01	0.08	-0.40	-0.26
German Government Bonds 2 Yr B	German 2yr	-0.65	0.01	0.03	-0.31	-0.40
German Government Bonds 5 Yr O	German 5yr	-0.47	0.01	0.09	-0.44	-0.45
Germany Generic Govt 10Y Yield	German 10yr	0.09	0.04	0.18	-0.57	-0.49
French Generic Govt 10Y Yield	French 10yr	0.37	0.02	0.15	-0.65	-0.59
Greece Generic Govt 10Y Yield	Greece 10yr	8.32	0.07	0.11	0.23	0.47
Italy Generic Govt 10Y Yield	Italy 10yr	1.18	0.00	0.19	-0.17	-0.27
Spain Generic Govt 10Y Yield	Spanish 10yr	1.15	0.11	0.25	-0.65	-0.68
Portugal Generic Govt 10Y Yield	Portugal 10yr	3.33	-0.28	-0.03	0.78	0.81
Australia Govt Bonds Generic Y	Aus 10yr	2.31	0.09	0.36	-0.62	-0.30
India Govt Bond Generic Bid Yi	India 10yr	6.75	0.02	-0.06	-1.01	-0.80
KCMP South Korea Treasury Bond	Korea 10yr	1.56	0.03	0.13	-0.53	-0.50
Japan Generic Govt 10Y Yield	Japan 10yr	-0.05	0.01	0.04	-0.32	-0.38
South Africa Govt Bonds 10 Yea	SA 10yr	8.86	0.14	0.17	-0.96	0.69
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	EUR XOVER	335.17	-0.12	0.50	18.38	-6.20
MARKIT ITRX EUROPE 12/21	EUR MAIN	74.41	0.09	1.33	-3.35	-7.11
MARKIT ITRX EUR SNR FIN 12/21	EUR SNR FIN	99.74	-0.01	-2.54	22.41	19.23
MARKIT ITRX EUR SUB FIN 12/21	EUR SUB FIN	231.17	-1.15	-12.05	75.53	61.79
MARKIT CDX.NA.IG.27 12/21	US IG	75.55	0.81	0.45	-12.75	-9.25
MARKIT CDX.NA.HY.27 12/21	US HY	405.16	2.19	4.77	-65.28	-50.91
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	Europe	20.01	-0.22	-0.05	-3.48	-1.89
FTSE 100 500 3month ATM	UK	14.77	0.11	0.85	-1.43	-1.16
Hang Seng 3month ATM	HK	17.61	0.37	-0.76	-0.41	-3.18
Nikkei 3month ATM	Japan	17.06	-1.47	-2.29	-1.10	-6.45
S&P 500 3month ATM	US	14.41	1.10	1.40	-1.78	-0.60
Volatility (VIX)	US	16.12	2.64	2.83	-2.09	0.07
Inflation (Long term inflation expectation proxy) %			Change (Bps)			
US 5Y5YF Inflation Swap	USD	2.03	0.02	0.06	-0.12	-0.02
UK 5Y5YF Inflation Swap	GBP	3.44	-0.20	0.08	0.07	0.16
JPY 5Y5YF Inflation Swap	JPY	0.04	0.00	-0.01	-0.66	-0.77
EUR 5Y5YF Inflation Swap	EUR	1.41	0.04	0.06	-0.27	-0.26
Economic Data Surprise (+ive = above expectations)						
Citi Economic Surprise Index	Asia Pacific	-11.70				
Citi Economic Surprise Index -	China	-5.90				
Citi Economic Surprise Index -	EM	-18.90				
Citi Economic Surprise Index -	Eurozone	22.50				
Citi Economic Surprise Index -	G10	10.00				
Citi Economic Surprise - Japan	Japan	22.00				
Citi Economic Surprise Index -	Latin America	-16.10				
Citi Economic Surprise - Unite	US	-7.60				

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

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