

12 TO 18 DECEMBER: THE IMPORTANCE OF BEING EARNEST

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Italy 3.02% , Spain 1.74% , Europe 1.02%
	Bottom 3:	New Zealand -4.09% , Australia -2.45% , Norway -2.17%
EMERGING	Top 3:	Hungary 4.01% , Turkey 2.33% , Russia 1.27%
	Bottom 3:	China "A" -4.21% , Brazil -4.18% , Mexico -4.14%
FRONTIER	Top 3:	Mongolia 7.11% , Bermuda 5.56% , Nigeria 3.53%
	Bottom 3:	Venezuela -17.26% , Namibia -4.85% , Chile -4.55%

Frequent readers will know of our great interest in the plethora of reforms announced by the Modi government in India since 2014 – and of our positive assessment of the economy over the next few years. The most controversial policy, amongst the raft of changes, has been demonetisation. 86% of cash has been removed from circulation in order to help formalise the economy and increase tax revenue (only 1% of Indians pay income tax). Whilst this has created a significant short-term drag on activity, the policy has remained popular and we see consistent evidence that the negative effects will be transitory, with permanent long-term benefits.

Following the Indian example, on the 11th December, Venezuela attempted a similar exercise. President Maduro announced the 100 bolivar note (worth about 15 USD cents and used for 77% of transactions) would cease to be legal tender within 72 hours. However, unlike the Indian example, the measure has descended into farce. New replacement notes were not ready for circulation and there have been riots and looting across the country (which has the highest rate of inflation and one of the highest rates of violent crime in the world). The exchange has now been delayed until the 2nd January.

We think the contrasting outcomes highlight two important features of the Indian economic story. First, for all the criticism of demonetisation, a hugely abrupt change to day-to-day life in India was implemented in complete surprise and with extremely limited social disruption. Whether you believe the strategy is well-placed or not, the government is showing an ability to execute. Second, the Venezuela parallel stresses the great importance of trust and social cohesion in completing structural reform and monetising underlying growth drivers. To the extent the Modi government can remain earnest, retain the faith of its people, and therefore avoid corruption and self-interest, India has the potential to unlock the largest youth population in the world.

The Global Market Update now takes a break for 2 weeks, returning on the 9th January. This week there is a Bank of Japan meeting, with results due on Tuesday.

UNITED STATES

S&P 2,258 **-0.06%**, 10yr Treasury 2.57% **+12.41bps**, HY Credit Index 361 **+1bps**, Vix 12.20 **+0.45Vol**

As expected, the **FOMC announced a 25bps point rate hike (0.50-0.75% range)** at their December meeting. However, three items mean **the outcome was more hawkish than anticipated**:

1. The Median FED voter now predicts **three rate hikes in 2017 vs. 2 prior** (specifically 11 out of 17 expect 3 or more and the remainder 1 or 2).
2. The FED are starting to **“internalise” the potential effects from fiscal policy**.
3. Yellen backed away from her **“high-pressure economy”** statement.

With respect to the FED's new forecast for an extra hike in 2017 this, in itself, is of marginal importance. Given recent history, the committee has lost credibility and the market will not necessarily be swayed by its guidance. Indeed, the messaging was not internally consistent as growth and inflation forecasts were little changed. Moreover, although futures now price 2.5 hikes, an FT survey over the weekend suggests sell-side economists still expect only two increases.

The other items, revealed by Yellen during the post-meeting press conference, are more significant.

First, although caveating that it is “far too early” to understand the impact of so called “Trumponomics”, Yellen stated that “some of the participants...did incorporate some assumption of a change in fiscal policy into their projections.” This is to say rates will rise faster to the extent fiscal stimulus is forthcoming.

Second, and related, Yellen appeared to back away from an October speech in which she had discussed the benefits of running a “high-pressure economy with robust aggregate demand and a tight labour market”. She said the focus of this discussion was to stimulate academic work and that “I didn't draw any policy conclusions from that...I was not recommending a substantially easier policy.” Further, she commented “I would say at this point that fiscal policy is not obviously needed to provide stimulus to help us get back to full employment.”

The FED's stance speaks to a view that the market has got ahead of itself with respect to the potential boost from Trump. Although there will be short-term gains, the longer term relies on positive multipliers and an interaction with monetary policy that shifts the growth regime back to the pre-crisis norm. We think this is unlikely.

After the FED meeting, **the USD dollar trade-weighted index hit a 14 year high and the 10-year Treasury touched its highest yield since September 2014.**

EUROPE

Eurostoxx 3,250 **+1.02%**, German Bund 0.33% **-5.10bps**, Xover Credit Index 292 **-17bps**, EURUSD 1.046 **+1.05%**

Despite moves on the other side of the pond, **most European bonds rallied last week**. This came on mixed

data with weak industrial production but strong PMI and French and German business surveys.

In Italy, **Monte Paschi's tightrope walk continued** with the regulator approving an extension of a debt-to-equity swap to retail bondholders. The bank will now pursue the exchange this week, alongside a share offering. If there is not sufficient interest, the firm will be nationalised. Elsewhere, **Unicredit announced a sweeping restructuring and capital raising (amounting to EUR 13bn), which was taken positively by the market.**

In groundhog day style, **Greek Parliament's decision to give a year-end bonus to pensioners prompted European partners to suspend debt relief negotiations**. Greek bonds underperformed as a consequence.

In the UK, the MPC voted unanimously to leave policy unchanged (base rate at 0.25%) as expected. The minutes revealed a neutral tone - “a slowdown in growth remained likely, but there had been little news since the time of the November inflation report about domestic activity and, although the near-term global outlook had improved, this was counterbalanced by more elevated risks.” The SNB in Switzerland also left policy on hold, whilst the Riksbank in Sweden meets this week.

ASIA PACIFIC

HSCEI 9,377 **-4.12%**, Nikkei 1,939.00 **+0.10%**, 10yr JGB 0.09% **+0bps**, USDJPY 117.330 **+2.26%**

China's economic data for November was largely positive versus consensus. A turnaround in manufacturing and trade were the key positive surprises, with trade growth turning positive for the first time since September 2011 on the back of a weaker RMB and higher commodity prices. Retail sales also accelerated to 10.8% YoY (versus 10.0% in October). On the downside, infrastructure investment slowed down to +14.6% YoY. This is partly seasonal, with a ramp up in spending expected after Chinese New Year. The property market also softened, with both sales and investment weaker, on the back of recently introduced tightening measures. These tightening measures are scheduled to be reviewed by the government in Q1, which could lead the sector to return to its previous upward trajectory established earlier this year.

The Chinese economy continues to perform better than most had expected it to at the start of 2016. Achieving the annual GDP growth target of 6.5%-7.0% now appears a formality, with Q4 growth likely to fall in the middle of this range. As we have outlined before, we attribute much of this strength to increased fiscal stimulus, which we expect to continue in to 2017. Monetary conditions are unlikely to be relaxed any further in the near term (M2 already began to shrink in November) due to the pressure this creates on the RMB and capital outflows.

India's consumer price index fell to the lowest level in two years, falling to 3.6% YoY in November versus 4.2% in October. This was lower than market expectations.

There are a number of moving parts here. India's inflation rate has been on a downward trajectory for over two years now, with the lower oil price playing a

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key role, along with the central bank's inflation targeting renaissance in effect since 2013. On a more temporary basis, Modi's demonetisation programme appears to have had a disinflationary impact. This is intuitive both on a conceptual level (monetarist view of inflation: increasing [decreasing] the supply of money causes inflation to increase [decrease]) and when considering behaviour at the household level (less cash with which to transact, spend less, demand-pull disinflation). The Reserve Bank of India also acted to prevent one channel through which demonetisation could have created inflationary pressure, increasing the cash reserve requirement ratio to 100% on incremental deposits in order to prevent excessive lending growth and risk taking from the banking sector.

The Bank of Korea kept interest rates at 1.25%, in line with expectations. The accompanying statement showed that the monetary policy committee see downside risks to growth and inflation on the horizon. Given that over the last 12 months Korea's current account surplus has been equivalent to 7% of GDP, there is likely room for Korean monetary policy to diverge from the US without incurring external balance issues.

Bank Indonesia also left rates on hold, at 4.75%, in line with expectations. The central bank spoke of external global risk factors and the delayed impacts of previous rate cuts yet to come through, as reasons for the pause.

LATIN AMERICA

MSCI Lat Am 2,243 -4.40%

Brazil is making further progress in passing structural reforms. Last week, the fiscal ceiling was definitively voted in the Senate in its initial version. This constitutional amendment will cap government spending in real terms over the next 20 years, reducing progressively the Debt/GDP level to a more sustainable level and trajectory. Also last week, the social security reform cleared its first vote in congress, the amended version will go for vote in the Senate and the definitive version is expected to be adopted in 2017.

The **Brazilian government announced a new package of reforms aiming to remove economic obstacles and inefficiencies.** This set of measures tackles the cost of dismissal, tax arrears, securitisation, reducing bank spreads and reducing red tape in general.

Although we don't have many details yet on those measures and they are less structural, it is a step in the right direction.

Banxico in Mexico hiked its benchmark rate by 50bps to 5.75%, surprising the market that expected only 25bps. Inflation expectations are overshooting the central bank's target of 3% due to the lagged impact of the MXN depreciation and the 9.6% minimum wage increase for 2017 announced earlier this month.

Mexico has been in a hiking cycle for the past 12 months (+275bps), initially anticipating the Fed rate increase (December 2015) and then trying to defend the currency. The Mexican monetary policy and central bank independence are not very clear. Although its mandate

is inflation targeting, it looks like there is also a MXN management component integrated in monetary policy decisions. Pure inflation targeting wouldn't justify this surprising 50bps hike. This year, the depreciation of the MXN was attributed to the increasing possibility of a Trump election in the US and its consequences for Mexico. However, this must not hide the deterioration of Mexican macroeconomic indicators such as current account balance, balance of trade and fiscal deficit trajectory.

Peruvian President Kuczynski encountered his first challenge from the opposition-dominated congress. His close ally Jamie Saavedra, the highly regarded education minister, was removed from office by a congress vote after he was implicated in a corruption case. More generally, Kuczynski will have to deal with a Fujimojist congress to get reforms passed.

Overall this should have a limited impact on reforms. Peru is accustomed to operating with fragmented leadership as it has consistently elected minority governments since 2000. So far Fuerza Popular, the party led by Keiko Fujimori, has not obstructed the law-making process: a dozen decrees have already been issued without major objections and they even granted the government authority for 90 days to legislate in five priority areas. More recently, congress approved the 2017 budget, the 2017 borrowing law and an amendment to the fiscal responsibility law.

Chile's central bank kept rates unchanged at 3% but adopted a much more dovish stance. According to the board, domestic economic growth, lower inflation expectations particularly in the short-term and high external volatility and uncertainty, among other factors are building the case for a rate cut next meeting.

AFRICA

MSCI Africa 725 -4.32%

Nigerian inflation rose for the 13th month in a row, reaching 18.5% in November.

It is difficult to see the light at the end of the tunnel for the Nigerian economy, based on all economic indicators, companies' results and messages from independent analysts. IMF intervention and oil price increasing back above USD 100/barrel appear to be the only 2 options.

South African inflation accelerated to 6.6% YoY in November, from 6.4% a month before. Food and transportation prices were the main contributor to the highest print in the last 9 months. Retail sales also fell 0.2% YoY in October.

Botswana's central bank kept the lending rate unchanged at 5.5%

**PLEASE CONTINUE FOR DATA
CALENDAR & MARKET DATA**

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
GDP (3Q) % QoQ	Thu/22	3.3
Michigan consumer sentiment (DEC)	Mon/26	98.1
Case-Shiller HPI (OCT) % YoY	Tue/27	4.9
Consumer confidence (DEC)	Tue/27	107.0
ISM manufacturing (DEC)	Sun/03	53.2
ISM non-mnufacturing (DEC)	Mon/05	56.0
Non-farm payroll change (DEC) th	Wed/06	170.0
EUROPE		
Turkey rate decision %	Tue/20	8.0
Hungary rate decision %	Tue/20	0.9
Sweden rate decision %	Wed/21	-0.5
Eurozone consumer confidence (DEC)	Wed/21	-6.0
Czech rate decision %	Thu/22	0.05
France GDP (Q3) % QoQ	Fri/23	0.2
UK GDP (Q3) % YoY	Fri/23	2.3
UK current account (Q3) £ Bn	Fri/23	-28.7
Israel rate decision %	Mon/26	0.1
Israel GDP (Q3) % QoQ annualised	Thu/29	1.9
Eurozone M3 growth (NOV) % YoY	Thu/29	4.4
Germany retail sales (NOV) % YoY	Fri/30	1.2
Germany CPI (DEC) % YoY	Sun/03	1.0
Eurozone PMI (DEC)	Mon/04	53.9
Eurozone HICP (DEC) % YoY	Mon/04	0.9
UK PMI (DEC)	Tue/05	-
Eurozone retail sales (NOV) % YoY	Wed/06	1.8
ASIA PACIFIC		
Japan trade balance sa (NOV) JPY Bn	Mon/19	591
Thailand rate decision %	Wed/21	6.1
Philippines rate decision %	Thu/22	3
Taiwan rate decision %	Thu/22	1.375
China manufacturing PMI (DEC)	Sat/02	51
LATIN AMERICA		
Argentina GDP (Q3) % YoY	Thu/22	-3.1
AFRICA		
Kenya GDP (Q3) % YoY	Mon/19	-
Ghana GDP (Q3) % YoY	Wed/21	-

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GLOBAL MARKET DATA

12 to 18 December

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	2,258.07	-0.06%	2.70%	10.48%	10.59%		2.9
RUSSELL 2000 INDEX	RTY Index	US	1,364.40	-1.71%	3.18%	20.12%	20.17%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,437.16	-0.13%	2.13%	8.58%	8.69%		3.7
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,252.20	-1.65%	1.62%	21.50%	22.61%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	388.73	-1.15%	4.35%	20.82%	20.32%		1.3
S&P 500 CONS DISCRET IDX	S5COND Index	US	658.82	-1.33%	1.58%	6.09%	5.56%		4.7
S&P 500 INFO TECH INDEX	S5INFT Index	US	815.63	0.18%	2.48%	13.05%	12.51%		4.5
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	805.54	1.49%	1.69%	-3.32%	-2.63%		3.4
S&P 500 ENERGY INDEX	S5ENRS Index	US	563.18	0.80%	3.40%	25.59%	26.35%		2.1
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,258.07	-0.06%	2.70%	10.48%	10.59%		2.9
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	541.54	-1.60%	0.97%	16.83%	17.89%		4.0
S&P 500 CONS STAPLES IDX	S5CONS Index	US	536.06	0.87%	3.72%	3.40%	3.72%		5.2
S&P 500 UTILITIES INDEX	S5UTIL Index	US	246.22	1.85%	4.38%	11.92%	12.48%		1.8
S&P 500 MATERIALS INDEX	s5MATR Index	US	317.14	-1.52%	1.47%	15.90%	17.29%		3.8
S&P 500 TELECOM SERV IDX	S5TELS Index	US	173.41	2.26%	6.13%	15.68%	16.53%		2.9
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,250.13	1.02%	5.26%	-4.11%	-4.83%	-0.25%	1.6
CAC 40 INDEX	CAC Index	France	4,813.38	0.55%	4.04%	0.20%	-0.23%	4.23%	1.5
DAX INDEX	DAX Index	Germany	11,384.73	0.88%	5.63%	1.63%	2.54%	6.15%	1.8
Athex Composite Share Pr	ASE Index	Greece	639.64	-0.96%	0.26%	-2.60%	-0.75%	1.31%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	18,937.55	3.02%	10.69%	-15.01%	-14.70%	-11.22%	1.0
AEX-Index	AEX Index	Netherlands	478.70	0.78%	2.97%	3.94%	5.07%	8.12%	1.7
PSI All-Share Index GR	BVLX Index	Portugal	2,491.54	-1.16%	2.14%	-5.11%	-2.06%	-1.29%	1.4
MICEX INDEX	INDEXCF Index	Russia	2,231.43	1.27%	8.83%	49.00%	42.38%	26.69%	2.6
IBEX 35 INDEX	IBEX Index	Spain	9,357.80	1.74%	6.78%	-5.19%	-8.00%	-1.38%	1.3
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,544.02	-0.84%	3.08%	-3.64%	-1.34%	7.01%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	8,203.64	0.88%	3.65%	-9.97%	-7.69%	-6.69%	2.4
BIST 100 INDEX	XU100 Index	Turkey	77,775.17	2.33%	2.92%	-9.87%	-12.02%	8.17%	1.1
FTSE 100 INDEX	UKX Index	UK	6,997.56	0.18%	3.35%	-4.73%	-3.59%	12.32%	1.8
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	518.31	-2.40%	-1.55%	3.67%	3.79%	3.67%	1.4
S&P/ASX 200 INDEX	AS51 Index	Australia	5,562.08	-2.45%	0.38%	4.58%	11.14%	4.48%	2.0
DSE 30 Index	DS30 Index	Bangladesh	1,797.22	1.31%	2.29%	3.33%	6.52%	3.17%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,377.43	-4.12%	-3.86%	-2.18%	-2.22%	-1.97%	0.9
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,118.08	-4.21%	-4.95%	-17.89%	-18.88%	-11.76%	1.7
HANG SENG INDEX	HSI Index	HK	21,832.68	-3.34%	-3.50%	0.27%	0.49%	0.49%	1.1
Nifty 50	NIFTY Index	India	8,118.90	-1.94%	0.01%	0.00%	1.56%	2.43%	2.6
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,199.77	-1.80%	3.05%	17.83%	20.03%	13.90%	2.4
NIKKEI 225	NKY Index	Japan	19,391.60	0.10%	2.80%	4.49%	4.49%	1.93%	1.9
KOSPI 200 INDEX	KOSPI2 Index	Korea	261.93	-0.57%	2.33%	8.27%	7.46%	9.23%	0.9
Laos Composite Index	LSXC Index	Laos	1,029.74	1.42%	0.06%	-12.70%	-12.83%	-12.26%	0.9
FTSE Bursa Malaysia KLCI	FBMKLCI Index	Malaysia	1,633.68	-1.56%	0.95%	-6.95%	-4.58%	-3.23%	1.7
KARACHI 100 INDEX	KSEI00 Index	Pakistan	46,927.16	2.56%	9.28%	42.03%	40.60%	41.96%	2.0
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	6,714.13	-2.81%	0.57%	-7.47%	-5.70%	-1.46%	2.2
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,913.90	-1.48%	0.31%	-0.04%	0.90%	1.91%	1.1
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,257.70	-1.10%	0.15%	-12.05%	-12.02%	-9.08%	1.4
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,239.32	-1.35%	0.64%	14.98%	15.66%	11.86%	1.6
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,525.56	-0.66%	0.44%	18.94%	17.32%	18.21%	1.8
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	674.33	1.64%	1.16%	15.22%	15.81%	16.60%	2.0
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	422.30	-0.53%	2.15%	5.74%	6.12%	5.74%	2.1
MSCI EM	MXEF Index	MSCI EM	856.40	-2.44%	-0.75%	7.84%	7.24%	7.84%	1.4
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,386.92	-1.07%	1.19%	0.95%	2.54%	0.95%	1.6
DFM GENERAL INDEX	DFMGI Index	Dubai	3,540.87	-0.11%	5.76%	12.80%	15.67%	12.80%	1.3
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,242.51	-4.40%	-3.75%	22.55%	18.44%	22.55%	1.6
ARGENTINA Merval INDEX	MERVAL Index	Argentina	16,563.50	-3.09%	-5.18%	15.85%	16.39%	41.87%	0.6
MSCI BRAZIL	MXBR Index	Brazil	1,556.61	-4.65%	-6.66%	50.22%	41.55%	50.22%	1.5
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,212.37	-4.55%	0.13%	20.42%	20.72%	14.46%	1.5
IGBC GENERAL INDEX	IGBC Index	Colombia	10,040.73	1.55%	7.18%	23.96%	31.32%	17.47%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	45,121.39	-4.14%	-0.10%	-11.44%	-13.26%	4.99%	2.5
Bolsa de Panama General	BVPSBVPS Index	Panama	414.46	-0.09%	-0.94%	2.79%	2.64%	2.74%	1.9
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	15,404.72	-1.31%	0.22%	56.75%	54.71%	56.42%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	30,078.16	-17.26%	-9.41%	29.89%	31.01%	106.18%	2.6
MSCI EFM AFRICA	MXFMEAF Index	Africa	725.19	-4.32%	-0.84%	5.46%	4.88%	5.46%	2.1
EGYPT HERMES INDEX	HERMES Index	Egypt	1,029.90	-0.74%	-3.36%	-31.73%	-28.56%	61.70%	1.9
GSE Composite Index	GGSECI Index	Ghana	1,579.12	0.23%	2.53%	-28.53%	-27.34%	-20.84%	1.4
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,104.95	-1.71%	-4.63%	-23.08%	-22.33%	-23.16%	1.9
MASI Free Float Index	MOSENEW Index	Morocco	11,304.83	2.66%	5.04%	23.56%	24.81%	26.65%	2.7
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	26,707.10	3.53%	5.83%	-41.00%	-37.54%	-6.76%	1.3
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	43,410.59	-3.91%	-0.82%	4.13%	3.92%	-5.75%	1.9
Average				-0.91%	1.59%	6.17%	6.57%	10.09%	
Top 25%				0.87%	3.37%	15.87%	16.91%	14.04%	
Bottom 25%				-1.75%	0.09%	-3.88%	-2.42%	-1.32%	

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GLOBAL MARKET DATA (CONTD.)

12 to 18 December

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	USD Index	102.70	1.34%	1.43%	4.38%	3.71%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.96	1.05%	1.31%	3.89%	3.58%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	61.78	-0.64%	-3.18%	-14.42%	-12.85%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.50	0.81%	1.97%	20.16%	19.65%
USD-GBP X-RATE	USDGBP Curncy	UK	0.80	0.70%	0.15%	18.01%	19.34%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	103.20	-0.82%	-0.54%	-3.29%	-3.07%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.37	1.99%	1.09%	-0.24%	-2.41%
USD-CNY X-RATE	USDCNY Curncy	China	6.95	0.77%	1.05%	7.20%	7.37%
USD-INR X-RATE	USDINR Curncy	India	67.73	0.52%	-0.90%	2.45%	2.03%
USD-JPY X-RATE	USDJPY Curncy	Japan	117.33	2.26%	3.03%	-1.90%	-3.78%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,187.00	1.53%	1.27%	0.74%	0.31%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	31.96	0.41%	0.26%	-2.77%	-2.64%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.90	-0.61%	0.14%	22.92%	19.21%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.39	0.23%	0.06%	-14.46%	-12.64%
USD-CLP X-RATE	USDCLP Curncy	Chile	673.57	3.38%	-0.10%	-4.94%	-4.90%
USD-MXN X-RATE	USDMXN Curncy	Mexico	20.50	0.25%	-0.66%	18.78%	19.89%
USD-EGP X-RATE	USDEGP Curncy	Egypt	18.38	2.75%	3.62%	137.57%	137.45%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	315.10	-0.27%	0.10%	58.25%	58.45%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.99	1.71%	-0.44%	-9.28%	-7.87%
Commodities				Return (USD)			
WTI CRUDE FUTURE Jan17	CLA Comdty	US	52.27	0.78%	4.98%	17.39%	18.52%
BRENT CRUDE FUTR Feb17	COA Comdty	UK	55.57	1.62%	6.50%	21.31%	20.49%
BALTIC DRY INDEX	BDIY Comdty		946.00	-13.21%	-21.43%	97.91%	100.85%
Natural Gas Futures	NGI Comdty		3.37	-8.84%	1.88%	46.13%	94.59%
Gold Spot \$/Oz	XAU Curncy		1,140.53	-2.15%	-3.27%	6.95%	7.97%
Silver Spot \$/Oz	XAG Curncy		16.11	-4.55%	-2.52%	16.23%	17.37%
LME COPPER 3MO (\$)	LMCADSO3 Comdty		5,635.50	-3.27%	-3.25%	19.78%	23.99%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.24	0.12	0.14	0.20	0.27
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	2.05	0.17	0.22	0.31	0.36
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.58	0.12	0.21	0.32	0.37
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.83	0.10	0.25	0.44	0.40
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.37	0.04	0.10	1.09	1.15
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.45	-0.02	0.02	-0.52	-0.41
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.08	-0.01	0.05	-0.01	0.07
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.80	-0.04	-0.07	-0.45	-0.45
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.47	-0.03	-0.04	-0.43	-0.40
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.33	-0.05	0.04	-0.32	-0.29
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.77	-0.05	0.02	-0.22	-0.17
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	7.14	0.51	0.62	-0.93	-0.92
Italy Generic Govt 10Y Yield	GBTPGRI0 Index	Italy 10yr	1.86	-0.17	-0.12	0.28	0.24
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.41	-0.09	-0.13	-0.35	-0.32
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	3.76	-0.04	0.09	1.29	1.28
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.86	0.02	0.11	-0.05	-0.01
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.50	0.07	0.26	-1.26	-1.20
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.16	-0.04	0.01	0.08	0.00
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.09	0.02	0.06	-0.18	-0.22
South Africa Govt Bonds 10 Year	GSAB10YR Index	SA 10yr	8.99	0.12	-0.01	-0.78	-0.32
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	ITRXEXE CBIL Curncy	EUR XOVER	292.18	-16.98	-45.43	-21.74	-32.48
MARKIT ITRX EUROPE 12/21	ITRXEBE CBIL Curncy	EUR MAIN	71.58	-1.46	-7.65	-5.34	-6.78
MARKIT ITRX EUR SNR FIN 12/21	ITRXESE CBIL Curncy	EUR SNR FIN	94.45	-4.07	-13.12	17.29	18.90
MARKIT ITRX EUR SUB FIN 12/21	ITRXEUE CBIL Curncy	EUR SUB FIN	220.54	-1.73	-23.17	67.65	63.41
MARKIT CDX.NA.IG.27 12/21	IBOXUMAE CBIL Curncy	US IG	68.87	0.59	-4.09	-19.80	-23.83
MARKIT CDX.NA.HY.27 12/21	IBOXHYSE CBIL Curncy	US HY	361.29	0.93	-28.38	-112.45	-135.29
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	16.96	-0.11	-2.22	-6.53	-4.65
FTSE 100 500 3month ATM	UKX Index	UK	12.61	-0.38	-2.51	-3.59	-4.83
Hang Seng 3month ATM	HSI Index	HK	16.00	0.78	-0.57	-2.02	-2.84
Nikkei 3month ATM	NKY Index	Japan	18.60	-0.05	0.03	0.44	-0.91
S&P 500 3month ATM	SPX Index	US	12.17	-0.02	-0.52	-4.02	-4.70
Volatility (VIX)	VIX Index	US	12.20	0.45	-1.13	-6.01	-6.74
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.42	-0.05	-0.01	0.22	0.26
UK 5Y5YF Inflation Swap		GBP	3.53	-0.05	0.06	0.18	0.18
JPY 5Y5YF Inflation Swap		JPY	0.47	0.01	0.23	-0.22	-0.36
EUR 5Y5YF Inflation Swap		EUR	1.66	-0.08	0.06	-0.02	-0.04
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	12.60				
Citi Economic Surprise Index -	CESICNY Index	China	27.50				
Citi Economic Surprise Index -	CESIEM Index	EM	5.60				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	63.30				
Citi Economic Surprise Index -	CESIG10 Index	G10	35.00				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	21.80				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	12.20				
Citi Economic Surprise - Unite	CESIUSD Index	US	22.90				

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

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