

19 TO 25 SEPTEMBER: SHOT IN THE ARM

Bonds and equities again moved together last week - this time pushing higher, with yield curves flattening. Given the FED will now not raise rates until at least December, any central bank action over the next 11 weeks will be further easing (possibly including BOJ and BOE rate cuts). We think the market could therefore benefit from a tail wind until the US election on the 8th November. More precisely, we believe there is a bias towards continued yield compression and emerging markets inflows.

Longer term, the picture is much more uncertain. Wednesday's FED meeting revealed major divisions amongst the committee, whilst the changes to BOJ strategy (announced the same day) highlighted our long running theme of monetary policy losing credibility. Further innovation risks losing faith in currency and creating a "stagflation" type environment.

UNITED STATES

S&P 2,165 **+1.19%**, 10yr Treasury 1.60% **-7.42bps**, HY Credit Index 387 **-29bps**, Vix 12.29 **-3.08Vol**

The short summary of the September FED meeting was that **the FOMC attempted to deliver a strong message indicating a December rate hike** (November is seen off the table as it comes only days before the Presidential election). Specifically, the statement stated the "committee judges that the case for an increase in the federal funds rate has strengthened." The reality, however, is that **the post-Bernanke FED is struggling for unity and authority**. In terms of divisions, 3 out of

10 governors voted for a hike this month, but another 3 believe there should be no hike this year at all. In terms of ability to move the market, the attempt at forward guidance failed to move FED fund futures, which price only slightly better than a 50% chance of an eventual move.

Even if the US has fared slightly better than its peers, the FED still faces the same problems as the rest of the developed world. Structural stagnation has driven weak productivity and investment, which has seen the labour market, their key leading indicator for the broader economy, outperform. This has thrown off their policy

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS (19 TO 25 SEPTEMBER 2016)

DEVELOPED	Top 3:	Norway 5.51% , Australia 4.43% , France 4.25%
	Bottom 3:	Denmark -0.18% , New Zealand 0.18% , Ireland 0.58%
EMERGING	Top 3:	Turkey 5.98% , Taiwan 5.47% , South Korea 5.03%
	Bottom 3:	Egypt -1.18% , Abu Dhabi 0.36% , Dubai 0.90%
FRONTIER	Top 3:	Namibia 8.33% , Latvia 6.24% , Ukraine 5.23%
	Bottom 3:	Saudi Arabia -3.68% , Bermuda -2.11% , Pakistan -1.62%

compass. Meanwhile, interest rates near zero have required quantitative easing, turning government bonds into policy instruments rather than investment assets. Actually, recent data suggests labour market momentum is somewhat slowing alongside falling corporate margins and rising defaults. The December move will happen if markets and the data hold, but otherwise Yellen et al will be left crying wolf (again).

EUROPE

Eurostoxx 3,010 **+3.95%**, German Bund -0.10% **-8.90bps**, Xover Credit Index 331 **-11bps**, EURUSD 1.123 **-0.61%**

After 11 days at a dizzying positive yield, **the German 10-year bund returned firmly to negative territory this week**, as central bank meetings restored market expectations of low and stagnant for long. Indeed, Spanish and Italian bonds also broke psychologically important levels, with their 10 year bond yields falling below 1% as fund flows suggest investors continue to allocate sharply towards fixed income and away from equities.

In the UK, Jeremy Corbyn won a decisive victory in the opposition Labour party leadership elections, whilst in Turkey interest rates were cut by 0.25% to 8.25% and Moody's downgraded the country's bonds to junk.

ASIA PACIFIC

HSCEI 9,629 **+2.11%**, Nikkei 1,654.00 **+2.76%**, 10yr JGB **-0.06% 0bps**, USDJPY 100.610 **-1.20%**

Much like in the US, the Japanese central bank meeting resulted in mixed messages. On the one hand, **the BOJ delivered one of the policy innovations we have been highlighting- effectively raising the inflation target** by signalling they will seek to "overshoot" the 2% level "as soon as possible". On the other, they were **forced to modify their unprecedented asset purchase programme, to deal with the unintended consequence of a shortage of liquidity and a threat to bank profitability**. Namely, the bank will now use a "yield curve control" framework such that the 10yr bond yield remains around 0% and there is not excessive flattening. In theory, this will allow deeper negative rates, without drawing the entire curve below zero.

We think the efficiency of quantitative easing has been

dramatically reduced by the common practice of 2% inflation targets: if investors expect a central bank to respond immediately to any meaningful inflation, then this counterbalances any signalling effect from asset purchases. In this sense, the "overshoot" language may help the BOJ deliver greater threat of inflation and therefore to generate stimulus. However, the new constraint of managing a steep yield curve, and the limits to which they can impose negative rates, together with their long history of weak and confused communication, leaves us little moved. Indeed, the JPY moved stronger on the week.

Asia-ex markets were positive over the week following the Fed's interest rate pause. As the high beta, most rate sensitive markets, China (+2.1%), Korea (+5.1%) and Taiwan (5.5%) outperformed.

SAFE data showed that **capital outflows from China slowed in August to \$32bn**, down from \$55bn in July. This has coincided with the more optimistic market view of the health of the Chinese economy and the subsequent erosion of the expectations for a large one-off devaluation of the RMB.

On a longer term basis, we believe that the People's Bank of China's ability to reduce the pace of capital outflows over the last 12 months, primarily by abstaining from further monetary loosening and by propping up the economy, will add a good deal of credibility to the central bank's policy making.

With inflation at 2.8% YoY, below the 3%-5% target, **Bank Indonesia cut interest rates 25bps to 5.0%**, in line with expectations. *With inflation running at its lowest level since 2009, a moderate economic growth rate (5.2% versus medium term average of 6%) and impending fiscal tightening (the government will soon bump against the constitutional 3% budget deficit ceiling), further easing looks inevitable (withstanding the Fed's likely intentions to raise before year end).*

The evolution of India's monetary policy took another step as **the government-nominated members of the newly established FOMC-style monetary policy committee were announced**. The government selected highly credible and qualified candidates, squashing scepticism that the committee would be filled with easily to manipulate or overly dovish members. The standout nomination was Professor Chetan Ghate, a

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

known inflation hawk.

Abstracting from the implications for monetary policy (we maintain our expectations for a further 0-25bps of easing this year), we believe the government's ability to arrive at the nominations quickly and with quality, adds to the Modi story of efficiency and reform.

LATIN AMERICA

MSCI Lat Am 2,400 +4.33%

Peru's 5-year CDS spread declined to 111bps, only 22bps above Chile's. This is reflective of the very positive outlook for the Andean economy, following Kuczynski's election and his structural reform agenda. This positive view was reinforced by last week's comprehensive infrastructure package and fiscal reform in the 2017 budget.

The Mexican Peso breached the psychological threshold of 20 MXN per USD. Despite inflation below 3%, remittances growing by 7.5% YOY, 80% of Mexican exports going to the US (and so benefiting from a weaker MXN), the USDMXN is only moving on US polls and the probability of a Trump victory. The central bank may increase interest rates as a measure to counter this MXN depreciation.

Brazilian inflation came in lower than expected at 0.23% MOM from 0.45% in August. Inflation expectations for 2016 and 2017 were revised downward and should trigger a first rate cut by the central bank, as soon as October.

AFRICA

MSCI Africa 817 +4.58%

The Central Bank of Kenya reduced its policy rate by 50bps to 10%. On the one hand, this cut is justified by the stability of the KES, the need for boosting credit growth to the private sector and falls in inflation expectations. On the other hand, the banking system may be destabilised further by a lower cap on interest rates.

A number of sub-Saharan economies are facing high level of inflation as commodity-producers haven't built the buffers and strong political/economic structures

during the 2000-2010 bonanza. Now those countries are in a situation of low to negative growth, massive current account deficit, FX shortage and staggering inflation (in august: 38.2% in Angola, 16.9% in Ghana, 19.6% in Zambia, 21.2% in Mozambique, 17.6% in Nigeria). Policymakers are embracing IMF's orthodox policies to speed-up macroeconomic rebalancing.

As expected, the SARB in South Africa kept benchmark rates at 7%. Facing a stagflation dilemma, the MPC mentioned its priority to fight stubbornly high inflation over boosting sluggish economic growth, for the 3rd meeting in a row.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
New home sales (AUG) th	Mon/26	597
Case-Schiller HPI (JUL) % YOY	Tue/27	5.0
Michigan consumer sentiment (SEP)	Fri/30	91.1
EUROPE		
Israeel rate decision	Mon/26	0.1
Eurozone M3 (AUG) % YOY	Tue/27	4.9
Eurozon industrial confidence (SEP)	Thu/29	-4.1
Eurozon consumer confidence (SEP)	Thu/29	-8.2
Eurozone headline inflation (SEP) % YOY	Fri/30	0.4
Eurozone unemployment rate (AUG) %	Fri/30	10.0
UK GDP (Q2) % YOY	Fri/30	2.2
ASIA PACIFIC		
Japan industrial production (AUG) % MOM	Fri/30	0.5
Taiwan rate decision	Thu/29	1.25
China manufacturing PMI (SEP)	Fri/30	50.1
LATIN AMERICA		
Mexico rate decision %	Thu/29	4.25
Colombia rate decision %	Fri/30	4.25
AFRICA		
Zambia rate decision %	Mon/26	-
Ghana GDP (Q2) % YOY	Tue/27	-
Botswana GDP (Q2)	Wed/28	-
Angola rate decision	Wed/28	-
Kenya GDP (Q2)	Fri/30	-

PLEASE CONTINUE FOR MARKET DATA

Chris Wehbé

Global Market Strategist

christopher.wehbe@alquity.com

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

Aaron Armstrong

Investment Analyst (Asia)

aaron.armstrong@alquity.com

Florian Gueritte

Investment Analyst (Africa & LatAm)

florian.gueritte@alquity.com

GLOBAL MARKET DATA

19 to 25 September 2016

Equities			Return (USD)				YTD (Local)	Price/Book	Volume 1wk/3mo	14d RSI	30d Vol
Name	BBG Code	Country	Price	1 Week	MTD	YTD					
North America											
S&P 500 INDEX	SPX Index	US	2,164.69	1.19%	-0.29%	5.91%	12.03%	2.9	92%	52.39	12.02%
RUSSELL 2000 INDEX	RTY Index	US	1,254.62	2.44%	1.19%	10.45%	10.29%	2.1	99%	57.13	16.09%
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,305.75	1.17%	1.77%	5.96%	12.07%	3.6	98%	58.70	12.85%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,697.93	2.15%	0.42%	18.71%	11.81%	1.9	96%	54.80	11.04%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	321.82	0.83%	-2.56%	0.03%	6.21%	1.1	76%	51.12	11.33%
S&P 500 CONS DISCRET IDX	S5COND Index	US	633.09	1.45%	-0.87%	1.94%	6.79%	4.7	98%	49.07	11.76%
S&P 500 INFO TECH INDEX	S5INFT Index	US	795.35	0.42%	1.59%	10.24%	18.83%	4.5	91%	59.09	12.75%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	845.97	1.39%	0.80%	1.53%	6.48%	3.8	86%	51.45	12.74%
S&P 500 ENERGY INDEX	S5ENRS Index	US	497.27	0.10%	-1.62%	10.89%	9.15%	1.9	99%	47.45	19.76%
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,164.69	1.19%	-0.29%	5.91%	12.03%	2.9	92%	52.39	12.02%
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	499.77	1.83%	-1.28%	7.82%	16.28%	4.2	80%	50.20	12.83%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	547.94	1.04%	-1.50%	5.69%	13.09%	5.4	99%	46.90	13.37%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	258.75	3.37%	4.13%	17.61%	20.36%	2.0	90%	53.91	20.31%
S&P 500 MATERIALS INDEX	s5MATR Index	US	297.33	1.16%	-2.32%	8.66%	17.47%	3.4	91%	47.75	14.63%
S&P 500 TELECOM SERV IDX	S5TELS Index	US	173.00	1.92%	0.46%	15.40%	22.67%	3.0	97%	48.80	17.93%
Europe											
Euro Stoxx 50 Pr	SX5E Index	Europe	3,009.93	3.95%	0.97%	-4.07%	0.22%	1.5	63%	52.81	15.37%
CAC 40 INDEX	CAC Index	France	4,452.46	4.25%	1.81%	0.06%	3.04%	1.4	92%	53.66	14.75%
DAX INDEX	DAX Index	Germany	10,554.47	4.05%	0.99%	1.83%	12.49%	1.7	90%	54.92	14.23%
Athex Composite Share Pr	ASE Index	Greece	574.05	3.23%	0.08%	-6.01%	-14.22%	0.5	74%	51.85	15.34%
FTSE MIB INDEX	FTSEMIB Index	Italy	16,305.10	2.24%	-2.25%	-20.92%	-20.22%	0.9	75%	47.32	21.12%
AEX-Index	AEX Index	Netherlands	451.41	4.15%	0.69%	6.33%	10.66%	1.6	88%	53.17	14.34%
PSI All-Share Index GR	BVLX Index	Portugal	2,462.13	3.96%	-1.01%	1.04%	8.00%	1.4	110%	49.58	14.33%
MICEX INDEX	INDEXCF Index	Russia	1,996.96	3.00%	4.00%	30.94%	28.05%	0.8	94%	56.33	10.68%
IBEX 35 INDEX	IBEX Index	Spain	8,743.80	2.83%	1.90%	-4.44%	-5.23%	1.3	114%	52.92	16.87%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,423.88	2.66%	1.66%	-1.93%	2.27%	2.2	98%	56.77	11.34%
SWISS MARKET INDEX	SMI Index	Switzerland	8,226.59	2.72%	2.17%	-4.25%	0.29%	2.5	82%	53.71	10.09%
BIST 100 INDEX	XUI00 Index	Turkey	76,837.02	5.98%	5.22%	9.88%	10.11%	1.2	109%	54.97	19.78%
FTSE 100 INDEX	UKX Index	UK	6,870.18	2.13%	0.55%	-2.57%	-1.43%	1.8	83%	58.34	12.05%
Asia Pacific											
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	559.06	3.00%	2.91%	11.83%	15.80%	1.5	98%	61.56	13.24%
S&P/ASX 200 INDEX	AS51 Index	Australia	5,431.42	4.43%	1.35%	7.27%	16.57%	1.9	95%	52.47	11.55%
DSE 30 Index	DS30 Index	Bangladesh	1,770.08	0.65%	2.12%	1.33%	-5.53%	-	-	55.10	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,646.04	2.11%	2.67%	1.31%	3.36%	1.0	110%	58.22	17.61%
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	2,980.43	1.05%	-1.47%	-16.60%	-7.67%	1.7	72%	50.72	12.32%
HANG SENG INDEX	HSI Index	HK	23,381.83	1.52%	3.09%	8.00%	12.19%	1.2	106%	61.74	14.69%
Nifty 50	NIFTY Index	India	8,770.20	1.23%	0.93%	10.40%	11.54%	2.8	86%	58.64	11.21%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,340.09	2.97%	1.62%	24.29%	42.35%	2.5	86%	56.73	14.97%
NIKKEI 225	NKY Index	Japan	16,544.56	2.76%	1.46%	5.12%	12.91%	1.6	106%	52.02	15.60%
KOSPI 200 INDEX	KOSPI2 Index	Korea	257.48	4.91%	1.76%	14.73%	19.28%	1.0	86%	56.10	11.77%
Laos Composite Index	LSXC Index	Laos	1,012.82	0.05%	1.58%	-13.14%	-16.83%	0.9	17%	47.63	25.55%
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,669.68	1.51%	-1.62%	3.18%	10.05%	1.7	98%	50.67	6.19%
KARACHI 100 INDEX	KSEI00 Index	Pakistan	40,186.12	-1.62%	-0.08%	21.39%	20.93%	1.9	158%	55.36	9.68%
PSEI - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,618.81	1.92%	-3.83%	8.36%	8.73%	2.5	75%	48.99	13.56%
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,846.87	1.74%	1.52%	3.37%	5.35%	1.1	86%	50.99	11.49%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,479.32	-0.31%	-1.31%	-7.34%	-12.23%	1.5	129%	49.48	4.55%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,194.52	5.47%	3.72%	16.97%	20.90%	1.6	85%	58.90	13.81%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,488.97	1.81%	-3.62%	20.66%	13.89%	1.9	90%	50.84	17.18%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	676.08	3.49%	-0.13%	17.32%	19.12%	1.9	99%	59.04	9.42%
Rest of the World											
MSCI ACWI	MXWD Index	MSCI World	420.02	2.15%	0.82%	5.17%	9.80%	2.1	96%	55.24	10.36%
MSCI EM	MXEF Index	MSCI EM	917.50	3.62%	2.67%	15.53%	16.78%	1.6	98%	58.81	14.98%
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,535.32	1.51%	-0.59%	7.22%	3.89%	1.8	100%	47.84	9.03%
DFM GENERAL INDEX	DFMGI Index	Dubai	3,484.23	0.90%	0.26%	11.50%	-3.29%	1.3	118%	51.42	11.47%
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,400.03	4.33%	-0.07%	31.16%	30.52%	1.7	90%	52.37	23.56%
ARGENTINA Merval INDEX	MERVAL Index	Argentina	16,441.71	3.53%	3.37%	20.59%	9.80%	1.1	99%	59.35	22.57%
MSCI BRAZIL	MXBR Index	Brazil	1,677.30	5.12%	1.58%	61.87%	62.85%	1.5	90%	55.54	28.79%
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,094.00	3.40%	2.38%	19.41%	16.12%	1.4	94%	51.06	5.88%
IGBC GENERAL INDEX	IGBC Index	Colombia	9,937.70	1.25%	-0.77%	26.66%	14.83%	-	-	49.53	11.66%
MEXICO IPC INDEX	MEXBOL Index	Mexico	47,778.48	1.50%	-3.91%	-2.91%	-3.39%	2.8	102%	55.10	13.31%
Bolsa de Panama General	BVPSBVPS Index	Panama	406.65	0.30%	1.26%	0.72%	-0.85%	2.0	17%	68.25	4.72%
S&P/BVLPeruGeneralITRPN	SPBLPGPT Index	Peru	15,324.63	2.50%	2.54%	58.27%	47.24%	1.7	74%	56.12	13.93%
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	12,503.98	4.85%	4.53%	-46.00%	-35.77%	1.2	246%	49.61	26.93%
MSCI EFM AFRICA	MXFMEAF Index	Africa	816.76	4.58%	6.24%	18.78%	6.84%	2.5	103%	52.46	31.15%
EGYPT HERMES INDEX	HERMES Index	Egypt	706.52	-1.18%	-3.10%	-1.10%	-4.61%	1.3	65%	47.47	12.82%
GSE Composite Index	GGSECI Index	Ghana	1,775.12	-0.94%	-2.38%	-15.13%	-15.11%	1.6	708%	40.98	5.73%
Nairobi SE 20 Share	KNSMID Index	Kenya	3,174.15	-0.92%	-0.15%	-20.63%	-21.64%	1.9	128%	32.17	21.06%
MASI Free Float Index	MOSENEW Index	Morocco	10,000.05	0.43%	1.82%	14.30%	8.69%	2.3	39%	57.10	4.30%
NIGERIA STOCK EXC ALL SHR	NGSEINDX Index	Nigeria	28,247.11	1.43%	-0.70%	-39.32%	-43.44%	1.4	113%	54.93	14.43%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	45,104.02	4.18%	5.70%	12.39%	2.17%	2.1	94%	46.87	14.17%
Average				2.21%	0.75%	6.71%	7.79%	6.35%	103%	53.06	14.20%
Top 25%				3.44%	1.86%	15.07%	15.96%	12.10%	99%	56.22	15.54%
Bottom 25%				1.18%	-0.73%	0.04%	0.26%	-2.49%	86%	49.91	11.48%

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.)

19 to 25 September 2016

FX (vs USD)			Return +ive=USD Stronger			
Name	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	USD Index	95.46	-0.66%	-0.57%	-3.20%	-0.54%
USD-EUR X-RATE	Europe	0.89	-0.61%	-0.60%	-3.27%	0.07%
Russian Ruble SPOT (TOM)	Russia	64.15	-1.36%	-2.01%	-10.88%	-3.08%
USD-TRY X-RATE	Turkey	2.99	-0.39%	0.39%	1.76%	-2.35%
USD-GBP X-RATE	UK	0.77	0.27%	1.33%	13.65%	17.56%
Bloomberg JPMorgan Asia Dollar	Asia USD Index	107.22	0.48%	0.30%	0.71%	0.51%
USD-AUD X-RATE	Australia	1.31	-1.75%	-1.39%	-4.39%	-7.84%
USD-CNY X-RATE	China	6.67	-0.07%	-0.18%	2.65%	4.47%
USD-INR X-RATE	India	66.69	-0.55%	-0.40%	0.74%	0.75%
USD-JPY X-RATE	Japan	100.76	-1.22%	-2.32%	-15.86%	-15.86%
USD-KRW X-RATE	Korea	1,108.70	-2.01%	-1.12%	-6.17%	-7.31%
USD-TWD X-RATE	Taiwan	31.46	-1.07%	-1.24%	-4.50%	-5.31%
USD-ARS X-RATE	Argentina	15.15	0.13%	1.50%	17.14%	61.18%
USD-BRL X-RATE	Brazil	3.24	-0.57%	0.52%	-18.10%	-17.61%
USD-CLP X-RATE	Chile	660.59	-2.09%	-2.91%	-6.79%	-5.23%
USD-MXN X-RATE	Mexico	19.81	0.92%	5.35%	15.04%	17.30%
USD-EGP X-RATE	Egypt	8.88	0.08%	0.09%	13.49%	13.51%
USD-NGN X-RATE	Nigeria	315.25	-0.03%	3.07%	62.52%	62.55%
USD-ZAR X-RATE	South Africa	13.64	-3.28%	-6.88%	-11.37%	-0.88%
Commodities			Return (USD)			
WTI CRUDE FUTURE Nov16	US	44.70	1.97%	-1.83%	2.63%	-12.37%
BRENT CRUDE FUTR Nov16	UK	46.10	0.26%	-2.13%	4.82%	-16.58%
BALTIC DRY INDEX		941.00	17.63%	32.35%	96.86%	2.06%
Natural Gas Futures		2.98	0.24%	2.36%	26.44%	14.05%
Gold Spot \$/Oz		1,335.66	2.09%	2.19%	26.02%	15.92%
Silver Spot \$/Oz		19.56	4.80%	5.52%	42.04%	29.96%
LME COPPER 3MO (\$)		4,855.00	1.40%	5.15%	3.19%	-3.88%
Government Bond Yields %			Change (Bps)			
US Generic Govt 2 Year Yield	US 2yr	0.75	-0.01	-0.05	-0.29	0.07
US Generic Govt 5 Year Yield	US 5yr	1.14	-0.04	-0.04	-0.60	-0.29
US Generic Govt 10 Year Yield	US 10yr	1.60	-0.07	0.04	-0.65	-0.51
Canadian Govt Bonds 10 Year No	Canada 10Yr	1.04	-0.15	0.02	-0.35	-0.43
Mexico Generic 10 Year	Mexico 10yr	6.14	0.07	0.30	-0.14	0.09
UK Govt Bonds 10 Year Note Gen	UK 10yr	0.71	-0.14	0.09	-1.23	-1.03
Switzerland Govt Bonds 10 Year	Swiss 10yr	-0.49	-0.07	0.02	-0.40	-0.37
German Government Bonds 2 Yr B	German 2yr	-0.67	-0.02	-0.05	-0.33	-0.43
German Government Bonds 5 Yr O	German 5yr	-0.56	-0.05	-0.05	-0.50	-0.55
Germany Generic Govt 10Y Yield	German 10yr	-0.10	-0.09	-0.02	-0.71	-0.69
French Generic Govt 10Y Yield	French 10yr	0.20	-0.09	0.04	-0.77	-0.78
Greece Generic Govt 10Y Yield	Greece 10yr	8.32	-0.22	0.30	0.24	0.06
Italy Generic Govt 10Y Yield	Italy 10yr	1.02	-0.13	0.07	-0.33	-0.54
Spain Generic Govt 10Y Yield	Spanish 10yr	0.97	-0.11	-0.05	-0.80	-1.02
Portugal Generic Govt 10Y Yield	Portugal 10yr	3.36	-0.04	0.34	0.86	0.81
Australia Govt Bonds Generic Y	Aus 10yr	1.97	-0.11	0.17	-0.88	-0.66
India Govt Bond Generic Bid Y	India 10yr	6.79	-0.06	-0.31	-0.96	-0.91
KCMP South Korea Treasury Bond	Korea 10yr	1.50	-0.06	0.02	-0.58	-0.66
Japan Generic Govt 10Y Yield	Japan 10yr	-0.06	-0.01	0.02	-0.31	-0.38
South Africa Govt Bonds 10 Yea	SA 10yr	8.56	-0.14	-0.51	-1.23	0.14
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	EUR XOVER	331.46	-10.80	14.97	10.10	-21.61
MARKIT ITRX EUROPE 12/21	EUR MAIN	72.42	-0.53	2.82	-6.55	-12.78
MARKIT ITRX EUR SNR FIN 12/21	EUR SNR FIN	98.68	1.50	6.84	19.81	6.21
MARKIT ITRX EUR SUB FIN 12/21	EUR SUB FIN	233.51	21.89	24.29	75.02	45.07
MARKIT CDX.NA.IG.27 12/21	US IG	76.79	0.21	3.68	-12.18	-10.49
MARKIT CDX.NA.HY.26 06/21	US HY	386.88	-28.66	-8.71	-88.99	-30.18
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	Europe	18.96	-3.14	-0.76	-4.53	-7.97
FTSE 100 500 3month ATM	UK	13.39	-1.89	-0.33	-2.81	-7.45
Hang Seng 3month ATM	HK	16.63	-2.29	-0.13	-1.39	-8.69
Nikkei 3month ATM	Japan	18.64	-2.95	-2.58	0.48	-7.55
S&P 500 3month ATM	US	12.96	-1.68	0.09	-3.23	-6.52
Volatility (VIX)	US	12.29	-3.08	-1.13	-5.92	-11.18
Inflation (Long term inflation expectation proxy) %			Change (Bps)			
US 5Y5YF Inflation Swap	USD	2.02	0.03	0.05	-0.18	-0.11
UK 5Y5YF Inflation Swap	GBP	3.20	-0.07	0.01	-0.14	-0.07
JPY 5Y5YF Inflation Swap	JPY	0.04	0.01	-0.06	-0.65	-0.93
EUR 5Y5YF Inflation Swap	EUR	1.34	0.02	0.05	-0.34	-0.28
Economic Data Surprise (+ive = above expectations)						
Citi Economic Surprise Index	Asia Pacific	6.60				
Citi Economic Surprise Index -	China	19.60				
Citi Economic Surprise Index -	EM	-14.70				
Citi Economic Surprise Index -	Eurozone	-19.30				
Citi Economic Surprise Index -	G10	-4.70				
Citi Economic Surprise - Japan	Japan	8.70				
Citi Economic Surprise Index -	Latin America	-32.80				
Citi Economic Surprise - Unite	US	-4.40				

Chris Wehbe

Global Market Strategist

christopher.wehbe@alquity.com

Twitter: @cswehbe

Aaron Armstrong

Investment Analyst (Asia)

aaron.armstrong@alquity.com

Florian Gueritte

Investment Analyst (Africa & LatAm)

florian.gueritte@alquity.com

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

This document has been issued and approved by Alquity Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. This document is a marketing communication and is intended solely for distribution to investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. If you are an individual who would like more information about Alquity's Funds, please go to www.alquity.com.

The Alquity Africa Fund, the Alquity Asia Fund, the Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American Fund are all sub-funds of the Alquity SICAV ("the Fund") which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.

This document has been provided for information purposes only and does not constitute an offer or solicitation to purchase or sell interests in the Fund. The information contained in this document shall not under any circumstances be construed as an offering of securities in any jurisdiction where such an offer or invitation is unlawful. The Fund is currently registered for sale in a limited number of countries and the Prospectus should be referred to before promoting a share class of a sub-fund as promotion of the Fund where it is not registered may constitute a criminal offence. The current prospectus and simplified prospectus are available free of charge from Alquity Investment Management Limited, 5th Floor, 9 Kingsway, London, WC2B 6XF or by going to www.alquity.com.

Chris Wehbé

Global Market Strategist

christopher.wehbe@alquity.com

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

Aaron Armstrong

Investment Analyst (Asia)

aaron.armstrong@alquity.com

Florian Gueritte

Investment Analyst (Africa & LatAm)

florian.gueritte@alquity.com