GLOBAL MARKET UPDATE

22 TO 28 MAY: PAPER SHUFFLING

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	**Top 3:**	New Zealand **2.78%,** Luxembourg **2.38%,** Finland **1.67%**
	Bottom 3:	Italy **-1.78%,** Belgium **-1.35%,** Norway **-0.99%**
EMERGING	**Top 3:**	Turkey **3.83%,** Brazil **2.95%,** China "H" **2.90%**
	Bottom 3:	Dubai **-1.51%,** Abu Dhabi **-1.41%,** Indonesia **-1.19%**
FRONTIER	**Top 3:**	Kenya **4.74%,** Pakistan **3.74%,** Nigeria **3.38%**
	Bottom 3:	Tanzania **-7.44%,** Bermuda **-2.54%,** Jamaica **-2.09%**

After a 9-month odd bull market, some divergence and loss of momentum has prevailed over recent weeks. Over the next month, a number of policy announcements could shape market direction. In particular:

- FED and ECB monetary policy decisions at which the US will likely raise rates and Europe may signal a more hawkish stance on policy.
- UK general elections and the start of Brexit negotiations.
- Italian electoral reform (setting up an Autumn election) and the conclusion of Greek negotiations with the EU to unlock the latest tranche of funding.

UNITED STATES

S&P 2,416 +1.43%, 10yr Treasury 2.23% +1.19bps, HY Credit Index 327 -3bps, Vix 9.81 -2.23Vol

The minutes to the FED's May meeting contained two points of interest:

1. As broadly expected, **the committee continue to look through recent weak data** as "primarily reflecting transitory factors". As such, "most participants anticipated that gradual increases in the federal funds rate would continue" prompting the market probability of a 15th June rate hike to rise to 84% (from 78% a week ago and 67% a month ago).

2. **The reinvestment policy for interest and principal repayments from the FED's stock of assets purchased under quantitative easing gained greater prominence in discussions.** Specifically, "nearly all policymakers expressed a favourable view" of a plan whereby the bank would announce limits on the dollar amounts of securities that would not be reinvested each month. These caps would then increase every 3 months. "Most participants…judged that a change in the committee's reinvestment policy would likely be appropriate later this year" and that "the approach would also likely be fairly straightforward to communicate."

Since 2008, the FED's balance sheet has expanded from under USD 1trn to over USD 4.5trn (an increase of over 30% of US GDP). Allowing some of this portfolio to "run-off" as bonds mature, is the next step in policy "normalisation". However, the outlook is still very much for a "new normal" in which interest rates have limited scope for increases.

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This is well demonstrated by US bond yields. Despite an approximate 1% gain in 2-Year Treasury yields over the last 3 years (reflecting realised hikes), the 10-year yield is lower by 0.4%, sitting at only 2.23%. This is to say the market expects a very shallow hiking cycle and therefore little potential for strong growth and inflation.

From a market perspective, the S&P has now returned 7 consecutive daily gains since the Trump/Russia "sell-off of the year". This is despite weakness in the energy sector, which continues to lag the rest of the market (by over 20% YTD) on lower oil prices. In terms of economic data, the second estimate of Q1 GDP growth was revised up to 1.2%, however personal consumption remained weak and more recent releases disappointed. In particular, new and existing home sales contained broad based declines and the Michigan consumer sentiment survey was revised lower. The employment report is released later this week.

EUROPE

Eurostoxx 3,553 -0.35%, German Bund 0.30% -3.70bps, Xover Credit Index 254 -4bps, EURUSD 1.113 +0.24%

Sentiment surveys across the Eurozone continue to go from strength to strength; the PMIs for May held at 6-year highs whilst the German IFO "Business Climate" recorded an all-time high. As in the US, this strong "soft data" is out-performing "hard" activity data. Nonetheless, the European economy continues to display good momentum.

The next ECB meeting on the 8th June has the potential to shape market direction over the summer months. On the one hand, the governing council have a (German influenced) history of reacting quickly to any pick-up in activity. This is to say, with the French election in the past, there could be a change in rhetoric aimed at preparing the market for a wind-down of quantitative easing and eventual rate hikes. On the other hand, there is no real threat of inflation breaching the 2% target (in fact it is more likely headline inflation moderates over the coming months). Indeed, yesterday Mario Draghi commented "At its June monetary policy meeting the Governing Council will receive an update of the staff projections and a more complete information set on which it will be able to formulate its judgement on the distribution of risks around the most likely outlook for growth and inflation...overall, we remain firmly convinced that an extraordinary amount of monetary policy support, including through our forward guidance, is still necessary for the present level of underutilised resources to be re-absorbed and for inflation to return to and durably stabilize around levels close to 2 percent within a meaningful medium-term horizon."

In a meeting with senior EU officials, **Donald Trump spoke with his usual eloquence stating "The Germans are bad, really bad...look at the millions of cars they sell in the US. It's terrible. We'll put a stop to that."** Also because of the expanding auto emissions scandal, this saw the auto sector under-perform broader equities.

Greek government bonds gave back some of their recent gains after the Eurogroup meeting did not manage to close the second review. Nonetheless, the overall impression was positive, with a conclusion apparently in sight. In other political news, **the probability of a snap Italian election this year appears to have increased.** In an interview with "Il Messaggero", former PM Renzi said that he favours a German style "proportional representation" electoral system with a cut-off of 5% to enter parliament. Moreover, he commented that Italy could go to the polls at the same time as Germany this autumn. This constitutes a shift from Renzi and comes after Silvio Berlusconi, the leader of the centre-right Forza Italia party, and Beppe Grillo, the head of the Five Star Movement, also backed the German model in recent weeks. Opinion polls are very tight, with no clear winner between Renzi and Grillo.

Although there are tentative signs of life in the Italian economy over the short term (we were tactically bullish at the end of last year on market positioning and could become so again given certain electoral outcomes), in the context of the Euro, the country remains terminally economically ill. Like in Japan, there is no way to generate proper and sustained real economic growth. Indeed, the country has not been helping itself; there has been no reform and the banking system is still to be properly recapitalised.

In the UK, Q1 GDP was revised down to 0.2% QOQ (with consumption growth at a 2-year low) whilst **pre-election polls signalled a tightening in the lead of PM Theresa May's Conservative party over the opposition Labour party** (to as low as 5% from as high as 19%). The Conservative's poor showing in opinion polls comes after a campaign which has been seen by most as complacent. This pushed both GBP and Gilt yields lower. The UK 10-year currently sits at a 1% yield versus CPI inflation at 2.7%. The general election falls on the 8th June, with formal Brexit negotiations commencing on the 19th.

The NBH in Hungary left interest rates unchanged at 0.9% as it continues its reliance on unconventional measures.

ASIA PACIFIC

HSCEI 1,061 +2.90%, Nikkei 1,967.00 + 0.57%, 10yr JGB 0.04% +0bps, USDJPY 110.850 +0.06%

On Wednesday, **former Fed Chairman Ben Bernanke spoke at a BOJ seminar.** He suggested current stimulus efforts may be losing their effectiveness and that the BOJ may need to raise the inflation target above 2% whilst coordinating with the Government on a fiscal stimulus plan.

The suggestion is all well and good, but we see no way the country can reduce its Debt-to-GDP in a "real" sense. That is to say it can only inflate its debt away rather than stimulate real growth.

Moody's downgraded China's sovereign credit rating from Aa3 (negative outlook) to A1 (stable outlook). The rationale was based on an expectation for increasing leverage across the economy due to slower progress on economic reform.

Equity markets paid little attention to the news, with H shares finishing the week +2.9% in USD and A shares +0.7%. The RMB also strengthened 43bps against the dollar

We agree with Moody's underlying thesis that China has been back-sliding on its targets to reduce leverage. This

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analysis is far from ground breaking, hence the lack of reaction from the market.

Chinese policymakers have clearly made a significant U-turn over the last three years. Looking back to 2014, the government were focusing on restructuring the economy to focus less on investment and exports and more on developing a domestic consumption base and tertiary industries and simultaneously reducing the role of government investment and SOEs in driving growth. Then after the turbulence of 2016, where concerns over a hard landing caused a stock market correction in January, coupled with growing concerns around the stability of the RMB under the new fixing mechanism and the implications for capital outflow, the government decided to put economic reforms on hold and to prioritise steadying the ship. Since then we have seen a dramatic increase in fiscal stimulus, of a similar magnitude to that deployed in the wake of the 2008 global financial crisis, and a return to a growth model heavily reliant on investment and infrastructure to drive the economy.

Inevitably, a return to the investment and spending-heavy growth model has caused debt levels to increase across the economy and increasing attention is now being paid to the issue of servicing the debt burden, which has been accumulating rapidly over the last decade.

The direction China's finances are headed in the medium term is, in all likelihood, towards further deterioration. We maintain the view that, if, China continues to manage its economy as it does currently, ultimately this becomes unsustainable and a significant adjustment will be required that will have disruptive consequences. We do not believe, however, that this adjustment is imminent by any means.

Pakistan's stock market rose +3.7% in USD last week, on the back of a two-punch combo of reporting the country's highest GDP growth rate in 10 years and a pro-growth budget announcement for FY18.

GDP growth was reported at 5.3% YOY, with the official Economic Survey attributing this to accommodative monetary policy, increased development spending, higher private sector credit growth and structural improvements made in the energy sector. The target for next year's growth rate was set at 6.0%.

After the GDP release, the government then announced a pro-growth budget, with an allocated 37% increase in infrastructure investment and an increase in the total budget outlay from 12% to 16% of GDP, matched off by targets to raise tax revenue by 13%.

One of the world's best performing stock markets last year, returning 46% in USD in 2016, Pakistan is now days away from joining the MSCI Emerging Markets Index, with significant passive inflows expected in to the market. These liquidity factors, plus the fundamental characteristics of a large, growing population underpenetrated by modern trade, are slightly balanced out by the recent trends we have seen in the current account deficit and foreign reserves. On a longer-term view, Pakistan requires a large amount of restructuring in order to avoid having to repeatedly turn to the IMF for funding. After the 2018 general election, investors will have a far better indication of just how likely this is to take place.

Bank of Korea left interest rates on hold for the 11th consecutive meeting at 1.25%, with a unanimous decision and in line with expectations. The MPC statement showed a slight increase in optimism, commenting that there is moderate upside risk to the 2.6% growth forecast for this year. The inflation outlook was unchanged at 2.0%.

Thailand also kept interest rates on hold at 1.25%, with the BOT's Monetary Policy Committee also reaching a unanimous decision. Policymakers described an improving growth outlook and expectations for gradually rising inflation, while attributing the recent downside surprise in inflation to supply-side shocks impacting food prices due to a favourable base effect from last year's drought.

LATIN AMERICA

MSCI Lat Am 2,565 +2.74%

Mexico's GDP grew 2.8% annualised in 1Q17. The Mexican economy has performed better than expected in the months following Trump's election. The spike in inflation, the uncertainty surrounding bilateral relations with the US, the tightening of macroeconomic policies (fiscal cuts and rate hikes), and the consistent fall of oil output haven't had a broad-based impact on GDP figures yet.

Mexican parties PAN and the PRD announced they would run together in the Mexican Presidential election of June 2018. This should erode the chances of Andres Manuel Lopez-Obrador running on a populist platform of more state intervention in the economy.

S&P placed Brazil rating on watch negative due to "increased risk that a disruptive or slow resolution of recent political turmoil could delay corrective policy measures while country's economic and fiscal challenges continue to mount".

Brazil's current account surplus totalled USD 1.2Bn in April. Over 12 months, the current account deficit shrank to USD 19.9Bn or 1.1% of GDP. The biggest positive contribution came again from the trade balance, with a USD 6.7Bn surplus, way up from USD 4.6Bn in April 2016.

As expected, **Colombia's central bank cut the benchmark rate by 25 bps to 6.25%** as inflation keeps converging to the target range.

AFRICA

MSCI Africa 878 +3.55%

Egypt's central bank hiked its overnight deposit rate by 200bps to 16.75% in an attempt to curb inflation and anchor the currency, in line with IMF recommendations. Inflation should be close to its peak in 2Q17 at 31.5% YOY in April. According to the Central Bank, a record level of foreign investment of nearly USD 1Bn entered the country within days of the rate increase.

This long-awaited rate hike is good news for the Egyptian economy, as it should attract portfolio flows, support the currency and taming inflationary pressures.

Egypt successfully issued a USD 3Bn Eurobond. This is

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about twice as much as targeted and at a lower cost than when the same bonds were first sold in January: 5-year paper at 5.45%, 10-year bonds at 6.65% and 30-year bonds at 7.95%. The issue was largely over-subscribed as the order book closed at USD 11Bn.

This is a vote of confidence in the structural reforms process in Egypt by international fixed income investors.

Kenya's current account deficit widened to 7.7% GDP in February 2017 from 5.9% a year earlier. The current account will remain under pressure given higher maize imports and lower tea exports, plus a debt obligation due in June. The decisions of the government to start subsidizing maize flour and increase minimum wage by 18% ahead of presidential elections in August are also weakening the fiscal account.

Nigeria's real GDP contracted 0.5% in 1Q17, marking the 5th contractionary quarter in succession.

The worry is that the march out of recession is almost entirely dependent on improvements in oil output and price, rather than policy or reform-led economic growth, and as a result, its sustainability is being questioned.

Nigeria's stock market rebounded strongly in the past few weeks following the launch of a special FX window for investors and exporters last April.

Despite encouraging signals, the CBN still has a lot to do in stabilizing the market on a sustainable basis. There are reports suggesting that large importers are still not getting their FX orders filled, despite the CBN's claims of surplus liquidity. Higher FX reserves in recent months have been built on stronger oil prices and relative peace in the Niger Delta. In addition, some civil servants are not getting paid and the banking system is under stress as utilities (at least USD 3Bn), oil-related and other companies (like Etisalat Nigeria for USD 1.2Bn) are unable meet their obligations.

Nigeria now has several exchange rates. You can receive USD 1 in exchange for:

- *197 NGN if you are a pilgrim*
- *285 NGN for petroleum products*
- *301 NGN at Western Union*
- *305 NGN used for the 2017 budget*
- *317 NGN on the interbank market*
- *366 NGN for personal travel allowance, foreign medical trip or at a bureau de change*
- *380 NGN at the parallel market*
- *382 NGN using the investors and exporters FX (bid-ask spreads may range from 380 to 420)*

Ghana cut rates by 100bps to 22.5% as core inflation ex energy and utility prices continues to trend downwards.

South Africa's inflation in April slowed to 5.3% YOY from 6.1% y/y in March, thank to food inflation falling to 6.7% YOY from 8.7% in March and fuel to 5.6% from 15.0%.

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Case-Shiller HPI (MAR) % YOY	Tue/30	0.8
Consumer confidence index (MAY)	Tue/30	119.9
ISM manufacturing PMI (MAY)	Thu/01	54.6
Non-farm payroll (MAY) th.	Fri/02	176
Trade balance (APR) USD Bn	Fri/02	-44.0
EUROPE		
Eurozone M3 growth (APR) % YOY	Mon/29	5.2
Israel rate decision %	Mon/29	0.1
Eurozone industrial confidence (MAY)	Tue/30	3.1
Eurozone consumer confidence (MAY)	Tue/30	-3.3
France GDP (Q1) % QOQ	Tue/30	0.3
Eurozone HICP (MAY) % YOY	Wed/31	1.5
UK manufacturing PMI (MAY)	Thu/01	56.5
ASIA PACIFIC		
Japan industrial production (APR) % MOM	Wed/31	4.3
China manufacturing PMI (MAY)	Thu/01	50.2
Korea GDP (Q1) % YOY	Fri/02	2.7
LATIN AMERICA		
Brazil rate decision %	Wed/31	10.25
Brazil GDP (Q1)	Thu/01	-1.2
AFRICA		
Kenya rate decision %	Mon/29	10.0

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Market Summary — Data: Last Calendar Week

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	2,415.82	1.43%	1.33%	7.91%	15.58%		3.1
RUSSELL 2000 INDEX	RTY Index	US	1,382.24	1.09%	-1.30%	1.85%	21.28%		2.3
NASDAQ COMPOSITE INDEX	CCMP Index	US	6,210.19	2.08%	2.69%	15.36%	26.69%		4.0
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,421.91	0.32%	0.30%	0.74%	5.90%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	391.38	1.25%	0.16%	1.25%	23.00%		1.3
S&P 500 CONS DISCRET IDX	S5COND Index	US	721.91	1.74%	0.72%	11.44%	15.25%		5.1
S&P 500 INFO TECH INDEX	S5INFT Index	US	966.77	2.32%	4.14%	19.66%	32.70%		5.1
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	875.05	1.06%	0.32%	9.81%	7.10%		3.8
S&P 500 ENERGY INDEX	S5ENRS Index	US	487.49	-2.14%	-2.30%	-12.08%	-2.33%		1.8
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,415.82	1.43%	1.33%	7.91%	15.58%		3.1
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	575.69	1.68%	1.14%	6.99%	19.26%		4.7
S&P 500 CONS STAPLES IDX	S5CONS Index	US	580.26	2.22%	2.42%	9.11%	7.24%		5.6
S&P 500 UTILITIES INDEX	S5UTIL Index	US	269.54	2.48%	2.82%	9.20%	9.48%		2.0
S&P 500 MATERIALS INDEX	s5MATR Index	US	331.59	0.97%	-0.47%	6.22%	12.21%		3.8
S&P 500 TELECOM SERV IDX	S5TELS Index	US	155.99	-0.27%	-2.71%	-11.68%	-5.59%		2.7
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,552.84	-0.35%	3.09%	15.26%	16.54%	8.77%	1.6
CAC 40 INDEX	CAC Index	France	5,283.00	0.10%	3.88%	16.31%	18.27%	9.76%	1.5
DAX INDEX	DAX Index	Germany	12,584.71	-0.41%	3.89%	16.32%	22.69%	9.76%	1.8
Athex Composite Share Pr	ASE Index	Greece	777.19	-0.87%	12.06%	28.15%	20.61%	20.93%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	20,709.49	-1.78%	5.52%	16.86%	16.44%	10.27%	1.1
AEX-Index	AEX Index	Netherlands	525.15	0.09%	3.89%	15.81%	17.59%	9.28%	1.7
PSI All-Share Index GR	BVLX Index	Portugal	2,879.40	0.88%	8.14%	21.09%	13.75%	14.26%	1.3
MICEX INDEX	INDEXCF Index	Russia	1,930.29	-1.08%	-3.69%	-6.37%	16.95%	-13.37%	0.9
IBEX 35 INDEX	IBEX Index	Spain	10,818.70	0.51%	4.33%	23.56%	20.11%	16.60%	1.5
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,623.96	1.03%	2.46%	12.76%	13.48%	7.82%	2.3
SWISS MARKET INDEX	SMI Index	Switzerland	9,004.52	0.21%	4.61%	14.81%	11.63%	10.00%	2.5
BIST 100 INDEX	XU100 Index	Turkey	97,702.65	3.83%	2.21%	22.74%	2.37%	24.82%	1.3
FTSE 100 INDEX	UKX Index	UK	7,508.88	-0.73%	3.52%	9.53%	5.19%	5.67%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	621.17	1.93%	4.52%	20.75%	27.42%	20.75%	1.6
S&P/ASX 200 INDEX	AS51 Index	Australia	5,717.89	0.32%	-3.38%	4.71%	10.15%	1.52%	2.0
DSE 30 Index	DS30 Index	Bangladesh	1,988.52	1.04%	2.38%	8.52%	14.52%	11.07%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	10,619.34	2.90%	3.33%	12.05%	23.65%	12.61%	1.0
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,110.06	0.73%	-0.91%	1.40%	5.24%	0.21%	1.7
HANG SENG INDEX	HSI Index	HK	25,701.63	1.71%	3.96%	15.95%	25.26%	16.54%	1.3
Nifty 50	NIFTY Index	India	9,604.95	1.75%	2.65%	23.39%	23.25%	17.22%	2.9
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,707.46	-1.19%	0.67%	9.78%	21.69%	7.93%	2.4
NIKKEI 225	NKY Index	Japan	19,677.85	0.57%	2.61%	7.88%	15.73%	2.99%	1.7
KOSPI 200 INDEX	KOSPI2 Index	Korea	304.59	2.76%	8.50%	27.23%	34.56%	18.06%	1.1
Laos Composite Index	LSXC Index	Laos	1,034.04	-0.70%	-2.32%	-0.65%	-11.63%	-0.50%	0.9
FTSE Bursa Malaysia KLCI	FBMKLCI index	Malaysia	1,764.67	1.45%	1.94%	13.48%	3.53%	7.95%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	51,476.40	3.74%	6.69%	9.63%	43.95%	10.10%	2.1
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,860.77	0.89%	3.06%	14.29%	-0.19%	15.01%	2.5
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,200.97	0.43%	2.52%	17.04%	15.51%	11.76%	1.2
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,648.73	-0.37%	1.36%	5.67%	-1.61%	7.54%	1.4
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,101.95	0.90%	2.40%	17.12%	29.48%	9.17%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,569.55	2.16%	1.85%	7.14%	17.18%	1.71%	1.9
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	741.94	1.14%	3.55%	12.02%	21.15%	11.81%	2.2
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	464.29	1.06%	2.05%	10.11%	15.60%	10.11%	2.2
MSCI EM	MXEF Index	MSCI EM	1,015.19	2.14%	3.99%	17.94%	26.66%	17.94%	1.7
MSCI Fronter Market Index	MXFEM Index	MSCI FM	2,713.61	1.22%	4.08%	12.26%	7.46%	12.26%	1.9
DFM GENERAL INDEX	DFMGI Index	Dubai	3,333.86	-1.51%	-2.57%	-5.77%	-0.71%	-5.77%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,565.00	2.74%	-0.53%	10.52%	24.60%	10.52%	1.8
ARGENTINA MERVAL INDEX	MERVAL Index	Argentina	22,347.43	1.76%	1.35%	30.10%	52.64%	30.88%	0.7
MSCI BRAZIL	MXBR Index	Brazil	1,745.56	3.53%	-3.44%	5.51%	37.30%	5.51%	1.5
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,890.49	1.59%	1.26%	17.50%	26.51%	17.71%	1.6
IGBC GENERAL INDEX	IGBC Index	Colombia	10,757.22	-0.21%	6.76%	9.82%	16.85%	6.44%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	49,450.48	2.45%	2.97%	21.52%	7.69%	8.83%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	425.05	-0.09%	0.26%	1.91%	7.86%	1.96%	2.0
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	16,150.57	-0.55%	2.34%	5.72%	20.88%	3.25%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	73,959.10	2.96%	28.66%	129.79%	374.59%	133.27%	5.8
MSCI EFM AFRICA	MXFMEAF Index	Africa	878.21	3.55%	6.83%	15.45%	21.57%	15.45%	2.5
EGYPT HERMES INDEX	HERMES Index	Egypt	1,193.47	1.41%	4.30%	8.96%	-15.77%	8.75%	1.9
GSE Composite Index	GGSECI Index	Ghana	1,923.86	2.78%	-1.43%	12.50%	-2.38%	13.88%	1.8
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,442.38	4.74%	8.91%	7.17%	-13.20%	8.04%	2.1
MASI Free Float Index	MOSENEW Index	Morocco	11,534.46	-0.91%	1.08%	2.99%	18.52%	-0.45%	2.5
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	29,064.52	3.38%	9.50%	8.23%	-36.34%	8.15%	1.3
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	47,501.46	2.24%	5.22%	15.84%	20.60%	8.28%	2.1

	1 Week	MTD	YTD	1Y	YTD (Local)	Price/Book
Average	1.13%	2.86%	12.78%	19.83%	12.17%	
Top 25%	2.15%	4.04%	16.32%	22.19%	14.45%	
Bottom 25%	0.09%	0.70%	7.06%	7.35%	7.27%	

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GLOBAL MARKET DATA (CONTD.)

22 TO 28 MAY

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	USD Index	97.61	0.31%	-1.62%	-4.66%	2.39%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.90	0.24%	-2.55%	-5.91%	0.11%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	56.52	-0.66%	-0.73%	-8.16%	-14.19%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.58	0.10%	0.74%	1.55%	21.93%
USD-GBP X-RATE	USDGBP Curncy	UK	0.78	1.80%	1.13%	-3.60%	14.55%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	105.86	0.08%	0.61%	3.03%	-0.64%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.35	0.13%	0.56%	-3.31%	-2.97%
USD-CNY X-RATE	USDCNY Curncy	China	6.86	-0.43%	-0.55%	-1.29%	4.53%
USD-INR X-RATE	USDINR Curncy	India	64.65	-0.30%	0.31%	-5.12%	-4.07%
USD-JPY X-RATE	USDJPY Curncy	Japan	110.85	0.06%	-0.14%	-4.81%	1.43%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,125.25	-0.54%	-1.48%	-7.05%	-5.05%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	30.22	-0.25%	-0.32%	-6.85%	-7.50%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.98	-0.06%	3.99%	0.82%	14.36%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.26	0.18%	2.63%	0.15%	-9.02%
USD-CLP X-RATE	USDCLP Curncy	Chile	674.70	0.43%	0.71%	0.25%	-2.26%
USD-MXN X-RATE	USDMXN Curncy	Mexico	18.54	-1.13%	-1.62%	-10.67%	0.33%
USD-EGP X-RATE	USDEGP Curncy	Egypt	18.10	0.02%	0.25%	-0.24%	103.81%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	316.22	2.06%	3.53%	1.79%	61.28%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.03	-2.64%	-3.65%	-6.25%	-16.99%
Commodities				**Return (USD)**			
WTI CRUDE FUTURE Jul17	CLA Comdty	US	49.67	-1.72%	0.36%	-12.26%	-3.56%
BRENT CRUDE FUTR Jul17	COA Comdty	UK	51.99	-2.72%	0.19%	-11.16%	-1.02%
BALTIC DRY INDEX	BDIY Comdty		912.00	-4.60%	-17.76%	-5.10%	51.75%
Natural Gas Futures	NG1 Comdty		3.21	-0.61%	-1.22%	-13.10%	64.85%
Gold Spot $/Oz	XAU Curncy		1,268.31	0.86%	-0.12%	10.39%	3.85%
Silver Spot $/Oz	XAG Curncy		17.43	2.86%	0.79%	8.94%	6.29%
LME COPPER 3MO ($)	LMCADS03 Comdty		5,657.50	-0.43%	-1.36%	2.20%	21.38%
Government Bond Yields %				**Change (percentage points)**			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	1.29	0.02	0.03	0.11	0.43
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.78	0.01	-0.02	-0.14	0.44
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.23	0.01	-0.03	-0.20	0.42
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.41	-0.03	-0.10	-0.28	0.12
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.33	0.05	0.09	-0.12	1.23
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.00	-0.08	-0.07	-0.23	-0.40
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.14	-0.02	-0.01	0.06	0.18
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.72	-0.01	0.05	0.08	-0.16
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.44	-0.05	-0.01	0.14	-0.02
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.30	-0.04	0.01	0.12	0.19
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.74	-0.05	-0.08	0.07	0.27
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	5.91	0.29	-0.34	-1.11	-1.20
Italy Generic Govt 10Y Yield	GBTPGR10 Index	Italy 10yr	2.20	-0.04	-0.18	0.29	0.73
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.54	-0.04	-0.11	0.16	0.04
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	3.16	-0.04	-0.40	-0.62	0.12
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.39	-0.06	-0.17	-0.36	0.13
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.67	-0.06	-0.31	0.14	-0.82
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	2.25	0.00	0.04	0.14	0.45
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.04	0.00	0.02	0.00	0.16
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.62	-0.17	-0.19	-0.42	-0.87
Corporate Credit Indices				**Change (Bps) +ive = Widening**			
MARKIT ITRX EUR XOVER 06/22	ITRXEXE CBIL Curncy	EUR XOVER	254.09	-4.13	-16.11	-38.80	-55.81
MARKIT ITRX EUROPE 06/22	ITRXEBE CBIL Curncy	EUR MAIN	62.58	-1.83	-5.02	-10.52	-9.62
MARKIT ITRX EUR SNR FIN 06/22	ITRXESE CBIL Curncy	EUR SNR FIN	68.99	-2.76	-7.76	-26.96	-22.75
MARKIT ITRX EUR SUB FIN 06/22	ITRXEUE CBIL Curncy	EUR SUB FIN	156.31	-5.90	-15.75	-70.39	-38.14
MARKIT CDX.NA.IG.28 06/22	IBOXUMAE CBIL Curncy	US IG	62.96	-1.13	-1.59	-5.05	-14.83
MARKIT CDX.NA.HY.28 06/22	IBOXHYSE CBIL Curncy	US HY	326.64	-3.36	-1.81	-29.01	-104.05
Implied Volatility (Equity Index)				**Change (Volatility Points) +ive = Volatility Rising**			
Eurostoxx 3month ATM	SX5E Index	Europe	13.63	-1.10	-0.93	-4.47	-6.69
FTSE 100 500 3month ATM	UKX Index	UK	10.23	-0.37	-0.15	-2.75	-5.91
Hang Seng 3month ATM	HSI Index	HK	11.93	-0.84	0.16	-4.02	-6.73
Nikkei 3month ATM	NKY Index	Japan	13.68	-1.29	-0.81	-5.35	-9.75
S&P 500 3month ATM	SPX Index	US	9.70	-1.09	-0.37	-3.77	-3.65
Volatility (VIX)	VIX Index	US	9.81	-2.23	-1.01	-4.23	-3.62
Inflation (Long term inflation expectation proxy) %				**Change (percentage points)**			
US 5Y5YF Inflation Swap		USD	2.25	-0.01	-0.10	-0.17	0.17
UK 5Y5YF Inflation Swap		GBP	3.39	-0.07	-0.06	-0.24	0.25
JPY 5Y5YF Inflation Swap		JPY	0.41	-0.01	-0.01	-0.16	0.14
EUR 5Y5YF Inflation Swap		EUR	1.57	-0.03	-0.04	-0.16	0.09
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	22.20				
Citi Economic Surprise Index -	CESICNY Index	China	23.50				
Citi Economic Surprise Index -	CESIEM Index	EM	19.70				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	56.00				
Citi Economic Surprise Index -	CESIG10 Index	G10	6.10				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	24.20				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	18.20				
Citi Economic Surprise - Unite	CESIUSD Index	US	-36.20				

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