

GLOBAL MARKET UPDATE



24 TO 30 OCTOBER 2016: HAPPY HALLOWEEN

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Austria 2.35% , Spain 1.72% , Italy 1.53%
	Bottom 3:	Denmark -6.30% , Australia -2.84% , Sweden -1.56%
EMERGING	Top 3:	Poland 2.84% , Hungary 1.04% , Egypt 0.71%
	Bottom 3:	Philippines -3.64% , Hong Kong -1.74% , China "H" -1.71%
FRONTIER	Top 3:	Venezuela 5.43% , Saudi Arabia 5.04% , Bosnia 4.39%
	Bottom 3:	Mongolia -3.96% , Pakistan -3.41% , Argentina -2.30%

Most bond and equity markets traded lower last week as the trend of slightly better growth and inflation data/expectations, together with less clarity from central banks, continues. Although the recent bond market sell-off has garnered much attention (US 10 year yield up over 50bps from July lows, German Bund moving from -0.2% to +0.17% yield and October representing the worst month in 3 years), some perspective is needed. Yields are still lower than the beginning of the year and, in most developed market cases, have never been lower outside the last 12 months. Similarly, whilst we expected the underlying pick-up in growth and inflation (and think it will continue over the next 6-9 months), it is nowhere near "escape velocity".

The US is late cycle, the UK will start to feel the effects of Brexit via lower investment and European remains highly fragile and lacking in joined up thinking. This is not to say the bond market offers value. Ultimately, we remain of the view that (longer-term and outside Europe) central banks will increasingly embrace inflation. Moreover, at this point, efforts to create additional monetary stimulus may challenge the faith in money as a store of value and thus also deliver a less bond market friendly outcome.

UNITED STATES

S&P 2,126 **-0.69%**, 10yr Treasury 1.84% **+11.21bps**, HY Credit Index 415 **+12bps**, Vix 16.31 **+2.85Vol**

Most US equities finished lower this week, with the technology sector under-performing as Amazon shed 6% on disappointing earnings. **Bonds traded similarly weak**; inflation expectations (measured by the 5y5yf inflation swap) rising and the probability of a FED rate hike in December firming marginally to 72%. Data was somewhat mixed with durable goods and measures of consumer confidence coming in lower, but the advanced estimate of Q3 GDP confirming a rebound in activity of the last few months - registering 2.9% annualised.

This week there is an FOMC meeting, but little change is expected given it falls one week prior to the 8th November Presidential Election. Therefore, the week's focus is more likely to be the employment report released on Friday. We continue to expect the FED to raise rates in December barring a "force majeure" market move. With respect to the election, a new FBI warrant to search the emails belonging to a key Clinton aide, saw the Democrat's lead apparently narrow - the latest Washington Post/ABC poll putting her advantage at a single point, from twelve points a week

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before. Other polls are, however, more sanguine..

EUROPE

Eurostoxx 3,071 +0.66%, German Bund 0.16% +16.10bps, Xover Credit Index 331 -9bps, EURUSD 1.096 -0.93%

Whilst US earnings for Q3 are seeing an absolute improvement after 5 quarters of falls (year on year growth will likely be positive), European companies have so far reported the 2nd best relative set of numbers since the financial crisis – beating consensus estimates in 60% of cases. Last week, **economic data was also better than expected with a positive surprise in the flash PMI index and German IFO survey.** This did not, however, translate into significant market gains, as bond yields rose and equities finished broadly unchanged. Indeed, **European equities continued their record streak for out-flows, with a 38th consecutive week of funds withdrawn from the asset class** (albeit at the slowest rate since January).

In **Spain, Mariano Rajoy was confirmed as Prime Minister on Saturday**, starting a new term after a 10-month political deadlock. However, parliament remains deeply fragmented and it will therefore be difficult to institute meaningful reforms, or even pass the 2017 budget. As a reminder, Spain is currently missing EU budget deficit targets by a healthy margin.

In the UK, **Q3 GDP came in better than expected at 0.5%** (industrial production driving a slowdown from Q2, but the trend of a more subdued than expected Brexit effect continuing). This prompted a rise in Gilt yields back towards pre-Brexit levels. The Bank of England meets on Thursday, but no change to policy is expected given recent resilience. Instead, Governor Carney may give some insight into how long he expects to remain in his role.

The National Bank of Hungary left its key three-month deposit rate unchanged at 0.9% but, in an unexpected move, cut its overnight lending rate by 10bps to 1.05% and lowered banks' mandatory reserve ratio to 1% from 2%. Alongside the introduction of a cap on the three month reserves deposit facility, the bank aims to increase liquidity in inter-bank markets and to lower government bond yields.

Meanwhile in Russia, the CBR kept its main policy rate at 10.0% with a hawkish bias, aiming to curb inflation. Russia is in the 3rd year of a recession and has also recently announced a fiscal austerity plan to bring the budget deficit to 1.2% in 2019 from this year's 3.7% target..

ASIA PACIFIC

HSCEI 9,559 -1.71%, Nikkei 1,742.00 +0.16%, 10yr JGB -0.05% +0bps, USDJPY 104.960 +0.85%

After the BoJ's last meeting, at which they instituted "yield curve control" and a commitment to "over-shoot" on the inflation target, we thought further cuts in short-term interest rates might follow in November. Our point was that this new framework would allow them to generate a steep yield curve and promote greater credibility. However, **based on consensus expectations and Governor Kuroda's**

comments last week, the most probable outcome of Tuesday's policy announcement is simply a downgrade to inflation forecasts and an extension to the expected time horizon for reaching 2% inflation. This outcome would, in our opinion, deal a significant blow to any hopes the BoJ had ended their reign as the most directionless central bank in the developed world.

Last week, CPI inflation again registered in negative territory, with prices down 0.5% YOY. The JPY however weakened on rising global yields, which stimulated a move higher in equities.

Asian-ex Japan markets traded modestly down this week with no strong themes to speak of, as we move closer to the US election and markets wait to assess the implications for the region.

In China, the economy has taken something of a backseat in recent weeks as attention has turned to the country's political future. A steady stream of reports out of China have been suggesting that President Xi Jinping could look to further consolidate his power and extend his term in office beyond the customary 10 years. The latest development has been his official designation as the "core" of the Chinese Communist Party. We are sceptical Xi will be able to obtain an extension.

At this week's party Plenum, a meeting of several hundred of the party's most senior members, President Xi was afforded the same moniker as Mao Zedong – the "core" of the party. This cements Xi's status and strong position within the party and highlights the differences between Xi and his recent predecessors. In the past, China's top leaders have favoured more of a consensus-driven approach to policymaking, as opposed to Xi's track record for marginalising members of rival factions within the party and centralising high level decision making.

This development has come just a year before the 2017 party congress, during which President Xi is expected to secure a second five-year term. Due to mandatory retirement ages, seven members of the country's highest policymaking body, the Politburo Standing Committee, will also retire during the meeting and need to be replaced.

The new appointees to the Standing Committee will give an indication as to Xi's strategy for consolidating power over the next five years. There are growing rumours that Xi may take the unprecedented step of staying on beyond the customary 10-year Presidential term, which would see him leave office in 2022. The strongest signal that would confirm this as Xi's intention would be if he were to fail to appoint an heir-apparent to the standing committee during the party congress in October next year. Under current party rules, the leader designated to take over from the current President should first join the Standing Committee at this stage.

One of Xi's key policies is being interpreted by some as another means of serving his aims to further consolidate power and crack down on dissent within the party. The Central Commission for Discipline Investigation has taken action against 1,010,000 officials, with allegations that those opposed to Xi have been disproportionately targeted.

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In our view, President Xi's strategy of consolidating power in order to raise the likelihood of obtaining a term extension is clear. Being named "core" of the party is just one step down this road. The party congress next year will prove to be a far bigger test.

At face value, we can see why many Chinese people would support a 50% term extension for Xi. The President has advanced China's role in international diplomacy, largely maintained the country's growth momentum (on the surface, at least) and done more to tackle corruption than any leader in recent memory. More time in office would allow him to continue the economic reforms he has started and provide guaranteed policy continuity. There is no doubt Xi is well liked by the Chinese people, with many referring to him as "dada", a warm paternalist sentiment.

However, we believe many within the Communist Party leadership will see Xi's attempts to concentrate power and extend his term as a threat to the foundations of the party and the political system.

Under China's current political system, in place since 1978, ultimate authority has resided with the party, rather than a single individual. A pillar of success for China's system, versus other authoritarian regimes, has been its ability to manage successions (more on this can be found in Arthur Kroeber's 'China's Economy - What Everyone Needs To Now', 2016). China has managed 3 successive transfers of power from one living leader to another of no family relation (only surpassed by Vietnam, which has managed four) in 1992, 2002, and 2012. As a counter example, every leadership transition within the former Soviet Union over 74 years occurred either with the death of the incumbent leader or a coup. China's well defined succession procedures, plus currently imposed term limits and retirement ages, make the Chinese leadership stable, resilient and not liable to being monopolised by a single group of leaders.

We believe Xi would face a great struggle within the party to try and breakdown these frameworks due to the success they have helped build for the party over the last 40 years. As such, we remain sceptical that Xi will be able to achieve his goal of a five year term extension. In our view of events, this would become evident during next year's congress.

The Philippines was the worst performing market in Asia this week, down -3.6%. Investors remain concerned over the rhetoric of new President Rodrigo Duterte. The president has continued to alienate the US, the Philippines' long time military and trading ally, in favour of a pivot towards China. Senior ministers have been quick to downplay Duterte's sensationalist media comments of late.

This adds weight to our view that Duterte's off-the-cuff remarks on foreign policy cannot be taken at face values as indicators of future government action.

Korea and Taiwan both reported Q3 GDP numbers. Taiwan's economy accelerated to 2.1% YoY in Q3 versus 0.7% in Q2, on the back of strong domestic demand and export numbers. Korea's growth rate decelerated to 2.7% YoY versus 3.3% in Q2, as private consumption deteriorated.

LATIN AMERICA

MSCI Lat Am 2,598 -0.05%

Brazilian unemployment reached 11.8% in September, its highest level since 2004 and up from 8.9% in the same month last year. This number may even be underestimating reality as the prolonged recession is driving Brazilians to drop out of the labour force (workforce increased by 0.8% in 3Q16, when working-age population grew 1.2%).

We reiterate our view that unemployment should peak in mid-to-late 2017. Next year will be a jobless recovery in Brazil, as the economy lags political change and reforms. The consumer will remain constrained by inflation, real wage decreases, high real interest rates, unemployment and the need to deleverage. As a consequence, industrials (benefit from lower wage increase, low cost base, high operating leverage, increase in capacity utilization rate) can be expected to outperform banks (retail NPL yet to peak) and consumer sectors.

Chilean municipal elections, last week, saw a massive defeat for Bachelet's left-wing party. The right-wing party, led by Pinera (former president from 2010 to 2014 and likely candidate next year) won 38.5% of the national vote and major cities. Voters cited a series of corruption scandals, an inability to execute structural reforms and weak economic growth.

The MSCI Chile declined 37% from the beginning of 2013 (year of Bachelet's election) to September 2016 in USD terms, as the result of lower copper prices, regional difficulties and government incompetence. This market is under-allocated in EM and LatAm portfolios. However, those headwinds are now turning. Presidential elections in the fall 2017 should revive business and consumer confidence supporting the country's equity market.

The Peruvian government presented its guidelines and targets for macroeconomic and fiscal policies until the end of term in 2021. The main highlights are:

- Reduction of fiscal deficit from 3% of GDP in 2016 to 1% in 2021
- Changes to the balance of taxation with the result of increasing fiscal revenues between 2016 and 2021 from 18.9% to 19.7% of GDP.
- Lowering government expenditures from 21.3% of GDP to 19.4% and public investment reaching 5.5% of GDP in 2021 against the 5.0% registered in 2015.
- Assuming GDP growth of 4.2% and expansion of private investment of 5.7% in the same period.

All across Latin America several structural trends are playing out and will impact the performance of equities:

- *In the short-to-medium term, food inflation is declining in all countries except Mexico. This **allows central banks to lower interest rates**. Brazil already started 2 weeks ago, the Argentinian benchmark rate was cut by 1125 bps in the last 5 months to 26.75% and the central banks of Peru and Colombia mentioned the increasing probability of easing in 2017.*
- *In the longer-term, we are observing a **shift from irresponsible leftist parties**, who spent money*

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coming from the commodity boom, **to the more pro-business, fiscally responsible right.** This shift can be seen in Argentina (from Kirchner to Macri), in Brazil (from Lula, Roussef to Temer), in Peru (from Humala to PPK) and maybe next year in Chile were Bachelet has very little chance of being re-elected.

We view the above as an **“alignment of the stars”** for those markets: expansionary monetary policy to support the real economy and fiscal tightening to rebalance the macro-economic indicators and put countries on a sustainable growth trajectory.

AFRICA

MSCI Africa 780 **-0.32%**

The Egyptian cabinet decided to reduce government spending by cutting non-salary expenses by 20%. This is part of the tacit conditions to receive USD 12Bn in loans from the IMF, along with raising USD 6Bn from external partners. Egypt will start a road-show to raise USD 2Bn in Eurobonds in November, whilst USD 4bn has already been committed by Saudi Arabia and China. As a consequence, Egyptian officials expect the first USD 2.5Bn tranche of the IMF loan to be unlocked in 2 weeks.

Over the past 3 years, Egypt has signed 70 agreements with investments worth USD 15bn to exploit its natural gas resources in the Mediterranean Sea, the Nile Delta, and north Alexandria, especially the very promising Zohr field. Egypt's refineries should receive USD 8Bn to boost production by 60%.

Morocco will spend 600MAD (USD 60bn) in infrastructure over the next 20 years. The kingdom's allies from the Gulf will fund most of these investments. The plan includes: 7,000 km of urban roads, 2,300 km of highways (doubling the current network), 24,000 of rural roads, 2,700 km of classic rail, 1,500 km of high speed rail, a new airport in Marrakesh (together with other expansion, it should triple the capacity of the country to 90Mn passengers/year), 6 new seaports and 12 rehabilitations or extensions. **Fitch confirmed Morocco's BBB- rating,** citing economic performance and public finance improvements as the reasons for the decision.

South Africa's finance Minister Pravin Gordhan presented the budget report. He reiterated the independence and strength of the Treasury, presenting a conservative budget aiming at a “measured fiscal consolidation”: increasing taxes and cutting expenses to reduce the current account deficit below 4% of GDP over 3 years. Macroeconomic assumptions were significantly lowered. The only weak spot was the absence of an SOE reform.

Fiscally the numbers stack up, although execution will be tough in this political context.

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Chicago PMI (OCT)	Mon/31	54.0
ISM manufacturing (OCT)	Tue/01	51.5
Fed rate decision	Thu/03	0,25-0,5
Non-farm payrolls (OCT) % change	Sat/05	173,000
EUROPE		
Germany retail sales (OCT) % YOY	Mon/31	1.6
Eurozone HICP (OCT) % YOY	Mon/31	0.5
Eurozone GDP (Q3) % QOQ	Mon/31	0.3
UK BoE rate decision	Thu/03	0.25
UK PMI (OCT)	Thu/03	-
Czech rate decision %	Thu/03	0.05
Eurozone PMI (OCT)	Fri/04	53.7
ASIA PACIFIC		
Japan industrial production (SEP) % MOM	Mon/31	0.9
Korea industrial production (SEP) % YOY	Mon/31	-2.0
China Caixin PMI (OCT)	Tue/01	50.1
Australia rate decision	Tue/01	1.5
LATIN AMERICA		
Colombia rate decision %	Mon/31	7.75
Mexico GDP (Q3) % YOY	Mon/31	-
Brazil industrial production (SEP) % YOY	Tue/01	-
AFRICA		
South Africa PMI (OCT)	Thu/03	-

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24 to 30 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	2,126.41	-0.69%	-1.93%	4.03%	1.77%		2.8
RUSSELL 2000 INDEX	RTY Index	US	1,187.61	-2.50%	-5.12%	4.55%	1.89%		2.0
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,190.10	-1.28%	-2.29%	3.65%	2.28%		3.5
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,785.29	-1.47%	-1.59%	17.42%	5.43%		1.9
S&P 500 FINANCIALS INDEX	S5FINL Index	US	328.09	0.58%	2.27%	1.98%	-0.10%		1.1
S&P 500 CONS DISCRET IDX	S5COND Index	US	619.65	-1.98%	-2.56%	-0.22%	-3.31%		4.5
S&P 500 INFO TECH INDEX	S5INFT Index	US	800.66	-0.16%	-0.13%	10.97%	8.19%		4.4
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	783.10	-2.78%	-6.08%	-6.02%	-5.61%		3.4
S&P 500 ENERGY INDEX	S5ENRS Index	US	510.77	-1.17%	-1.84%	13.90%	2.42%		1.9
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,126.41	-0.69%	-1.93%	4.03%	1.77%		2.8
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	493.49	0.18%	-2.25%	6.46%	4.51%		4.0
S&P 500 CONS STAPLES IDX	S5CONS Index	US	540.13	0.97%	-1.17%	4.19%	4.30%		5.3
S&P 500 UTILITIES INDEX	S5UTIL Index	US	245.95	0.86%	-1.14%	11.80%	11.29%		1.9
S&P 500 MATERIALS INDEX	S5MATR Index	US	293.05	-0.76%	-2.27%	7.09%	3.24%		3.4
S&P 500 TELECOM SERV IDX	S5TELS Index	US	157.87	-0.61%	-7.45%	5.31%	6.12%		2.7
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,070.80	0.66%	-0.07%	-5.12%	-10.01%	-5.76%	1.5
CAC 40 INDEX	CAC Index	France	4,539.48	0.88%	-0.37%	-1.24%	-7.13%	-1.91%	1.4
DAX INDEX	DAX Index	Germany	10,677.92	0.47%	-0.85%	-0.17%	-1.21%	-0.44%	1.7
Athex Composite Share Pr	ASE Index	Greece	588.67	-0.73%	0.98%	-6.54%	-18.32%	-6.76%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	17,264.20	1.53%	2.92%	-18.90%	-23.00%	-19.12%	0.9
AEX-Index	AEX Index	Netherlands	454.62	0.16%	-1.91%	3.77%	-1.89%	3.07%	1.6
PSI All-Share Index GR	BVLX Index	Portugal	2,507.41	-0.72%	-1.24%	0.30%	0.17%	-0.38%	1.4
MICEX INDEX	INDEXCF Index	Russia	1,983.46	0.61%	0.14%	31.33%	18.39%	12.51%	0.9
IBEX 35 INDEX	IBEX Index	Spain	9,164.70	1.72%	2.12%	-2.94%	-11.72%	-3.59%	1.3
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,453.24	-1.56%	-3.67%	-5.93%	-7.78%	0.87%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	7,869.84	-1.34%	-4.85%	-10.55%	-11.87%	-10.31%	2.4
BIST 100 INDEX	XU100 Index	Turkey	78,740.79	-1.31%	-1.11%	2.52%	-7.24%	9.21%	1.2
FTSE 100 INDEX	UKX Index	UK	6,978.23	-0.96%	-4.92%	-7.49%	-13.07%	12.08%	1.8
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	543.30	-1.07%	-1.38%	8.67%	4.04%	8.67%	1.5
S&P/ASX 200 INDEX	AS51 Index	Australia	5,317.73	-2.84%	-3.75%	3.85%	7.58%	-0.23%	1.9
DSE 30 Index	DS30 Index	Bangladesh	1,733.05	0.06%	-1.53%	0.14%	0.75%	0.05%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,559.39	-1.71%	-0.67%	-1.56%	-8.90%	-1.51%	0.9
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,100.49	0.19%	1.60%	-16.06%	-14.13%	-12.29%	1.7
HANG SENG INDEX	HSI Index	HK	22,934.54	-1.74%	-1.45%	4.70%	0.54%	4.75%	1.2
Nifty 50	NIFTY Index	India	8,625.70	-0.42%	0.06%	7.78%	4.08%	8.70%	2.8
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,414.88	-0.08%	0.46%	24.96%	26.17%	17.79%	2.5
NIKKEI 225	NKY Index	Japan	17,425.02	0.16%	2.11%	4.94%	5.91%	-8.34%	1.7
KOSPI 200 INDEX	KOSPI Index	Korea	255.93	-1.06%	-4.51%	9.62%	2.75%	6.72%	0.9
Laos Composite Index	LSXC Index	Laos	995.21	-0.81%	-0.53%	-15.21%	-20.39%	-15.20%	0.8
FTSE Bursa Malaysia KLCI	FBMVKLI Index	Malaysia	1,673.28	-0.13%	-0.44%	1.34%	3.78%	-1.31%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	40,038.52	-3.41%	-1.94%	21.63%	16.73%	21.50%	1.8
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	7,404.80	-3.64%	-3.33%	3.13%	-0.23%	6.51%	2.4
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,812.43	-0.37%	-3.92%	-0.60%	-5.58%	-2.31%	1.1
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,411.61	-0.66%	-2.35%	-9.05%	-13.24%	-6.81%	1.5
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	9,290.12	0.68%	0.47%	16.20%	11.82%	11.62%	1.7
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,494.90	-0.16%	-0.53%	19.37%	9.50%	16.03%	1.8
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	675.80	-0.46%	-0.62%	18.68%	12.77%	17.83%	1.9
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	410.94	-0.63%	-1.79%	2.90%	-0.10%	2.90%	2.0
MSCI EM	MXEF Index	MSCI EM	903.50	-0.85%	0.00%	13.77%	6.78%	13.77%	1.6
MSCI Frontier Market Index	MXFEM Index	MSCI FM	2,517.06	-0.96%	-0.57%	6.45%	-0.34%	6.45%	1.7
DFM GENERAL INDEX	DFMGI Index	Dubai	3,342.03	-0.66%	-4.49%	5.31%	-5.29%	5.31%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,598.41	-0.05%	9.14%	42.00%	30.62%	42.00%	1.9
ARGENTINA Merval INDEX	MERVAL Index	Argentina	17,869.06	-2.30%	7.67%	30.80%	-8.04%	53.05%	0.6
MSCI BRAZIL	MXBR Index	Brazil	1,859.77	0.00%	12.32%	79.47%	66.38%	79.47%	1.7
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,289.78	3.23%	7.94%	27.11%	18.53%	16.56%	1.5
IGBC GENERAL INDEX	IGBC Index	Colombia	10,069.25	-1.19%	-0.79%	25.81%	7.24%	17.81%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	48,007.20	-1.44%	5.04%	2.85%	-4.58%	11.70%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	403.44	0.05%	-0.92%	0.00%	-0.47%	0.01%	2.0
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	15,100.86	-0.88%	-0.37%	55.73%	39.54%	53.33%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	14,632.55	5.43%	12.89%	-36.81%	-17.46%	0.30%	1.4
MSCI EFM AFRICA	MXFMEAF Index	Africa	780.44	-0.32%	-3.17%	13.50%	-3.30%	13.50%	2.4
EGYPT HERMES INDEX	HERMES Index	Egypt	736.77	0.71%	4.42%	2.70%	-1.43%	16.73%	1.4
GSE Composite Index	GGSECI Index	Ghana	1,710.67	-1.57%	-3.61%	-17.90%	-17.05%	-14.25%	1.5
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,204.67	-0.08%	-1.48%	-20.12%	-17.23%	-20.69%	2.0
MASI Free Float Index	MOSENEW Index	Morocco	10,482.30	1.38%	2.64%	17.87%	15.69%	17.44%	2.5
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	27,294.21	-0.94%	-3.83%	-39.80%	-41.54%	-4.71%	1.3
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	44,181.89	-0.41%	-3.14%	8.35%	-7.39%	-3.25%	1.9
Average				-0.46%	-0.49%	5.83%	0.81%	7.10%	
Top 25%				0.16%	0.10%	12.65%	6.02%	13.57%	
Bottom 25%				-1.18%	-2.32%	-0.92%	-7.32%	-2.54%	

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GLOBAL MARKET DATA (CONTD.)

24 to 30 October 2016

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	USD Index	98.50	-0.35%	3.02%	-0.29%	1.10%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.91	-0.93%	2.34%	-1.16%	-0.09%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	63.17	0.84%	0.05%	-12.51%	-2.32%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.11	0.83%	3.62%	6.48%	5.77%
USD-GBP X-RATE	USDGBP Curncy	UK	0.82	0.35%	6.49%	20.91%	25.61%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	105.85	-0.14%	-1.53%	-0.71%	-2.30%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.31	0.13%	0.80%	-4.09%	-6.92%
USD-CNY X-RATE	USDCNY Curncy	China	6.77	0.20%	1.65%	4.32%	6.60%
USD-INR X-RATE	USDINR Curncy	India	66.78	-0.22%	0.33%	0.85%	2.06%
USD-JPY X-RATE	USDJPY Curncy	Japan	104.96	0.86%	3.36%	-12.77%	-13.54%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,143.57	1.01%	4.15%	-2.44%	0.48%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	31.55	-0.54%	1.16%	-3.61%	-2.70%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.18	0.08%	-1.14%	17.42%	59.48%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.21	1.76%	-1.68%	-19.04%	-16.73%
USD-CLP X-RATE	USDCLP Curncy	Chile	654.03	-1.73%	-0.55%	-7.72%	-5.05%
USD-MXN X-RATE	USDMXN Curncy	Mexico	18.96	2.16%	-2.03%	10.41%	14.20%
USD-EGP X-RATE	USDEGP Curncy	Egypt	8.89	-0.22%	-0.14%	13.27%	10.48%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	315.25	0.00%	0.16%	58.30%	58.54%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	13.74	-1.13%	0.73%	-10.66%	-0.50%
Commodities				Return (USD)			
WTI CRUDE FUTURE Dec16	CLA Comdty	US	48.59	-4.23%	-0.25%	11.11%	-5.89%
BRENT CRUDE FUTR Dec16	COA Comdty	UK	49.53	-4.00%	-0.96%	11.96%	-11.34%
BALTIC DRY INDEX	BDIY Comdty		834.00	-0.95%	-4.69%	74.48%	14.56%
Natural Gas Futures	NGI Comdty		3.11	3.74%	6.85%	32.86%	37.57%
Gold Spot \$/Oz	XAU Curncy		1,274.57	0.73%	-3.06%	20.17%	11.31%
Silver Spot \$/Oz	XAG Curncy		17.86	1.19%	-7.42%	28.12%	13.89%
LME COPPER 3MO (\$)	LMCADS03 Comdty		4,843.00	4.49%	-0.45%	2.93%	-5.59%
Government Bond Yields %				Change (Bps)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	0.85	0.03	0.09	-0.20	0.13
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.32	0.08	0.18	-0.44	-0.21
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	1.85	0.11	0.25	-0.42	-0.33
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.23	0.10	0.23	-0.17	-0.32
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	6.27	0.20	0.21	-0.01	0.29
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.25	0.17	0.51	-0.70	-0.66
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.39	0.10	0.16	-0.33	-0.12
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.62	0.04	0.07	-0.27	-0.29
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.40	0.11	0.18	-0.35	-0.32
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.16	0.16	0.29	-0.46	-0.36
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.46	0.18	0.28	-0.52	-0.41
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	8.24	-0.06	0.11	0.23	0.49
Italy Generic Govt 10Y Yield	GBTGPR10 Index	Italy 10yr	1.65	0.21	0.40	-0.01	0.11
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.23	0.12	0.35	-0.54	-0.41
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	3.34	0.15	0.01	0.82	0.84
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.35	0.09	0.47	-0.50	-0.20
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.79	0.03	-0.02	-0.97	-0.83
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	1.72	0.09	0.30	-0.36	-0.33
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	-0.05	0.01	0.05	-0.31	-0.34
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.78	0.05	0.21	-0.92	0.48
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	ITRXEXE CBIL Curncy	EUR XOVER	331.26	8.92	-4.00	13.88	29.22
MARKIT ITRX EUROPE 12/21	ITRXEBE CBIL Curncy	EUR MAIN	73.25	1.42	-0.08	-4.76	1.55
MARKIT ITRX EUR SNR FIN 12/21	ITRXESE CBIL Curncy	EUR SNR FIN	97.03	1.91	-6.01	18.94	26.17
MARKIT ITRX EUR SUB FIN 12/21	ITRXEUE CBIL Curncy	EUR SUB FIN	222.50	5.12	-20.75	66.83	74.35
MARKIT CDX.NA.IG.27 12/21	IBOXUMAE CBIL Curncy	US IG	77.19	1.79	0.87	-12.33	-2.69
MARKIT CDX.NA.HY.27 12/21	IBOXHYSE CBIL Curncy	US HY	415.24	11.90	10.31	-59.74	-17.58
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	18.73	0.08	-1.33	-4.75	-1.13
FTSE 100 500 3month ATM	UKX Index	UK	14.10	0.90	0.18	-2.10	-0.09
Hang Seng 3month ATM	HSI Index	HK	17.45	-1.47	-0.91	-0.56	-2.06
Nikkei 3month ATM	NKY Index	Japan	17.01	-0.33	-2.34	-1.15	0.64
S&P 500 3month ATM	SPX Index	US	14.21	1.18	1.20	-1.98	0.12
Volatility (VIX)	VIX Index	US	16.31	2.85	2.90	-2.02	1.58
Inflation (Long term inflation expectation proxy) %				Change (Bps)			
US 5Y5YF Inflation Swap		USD	2.16	0.08	0.14	-0.03	0.05
UK 5Y5YF Inflation Swap		GBP	3.59	0.06	0.27	0.26	0.28
JPY 5Y5YF Inflation Swap		JPY	0.12	0.06	0.06	-0.59	-0.70
EUR 5Y5YF Inflation Swap		EUR	1.48	0.02	0.12	-0.21	-0.25
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	-10.60				
Citi Economic Surprise Index -	CESICNY Index	China	-15.80				
Citi Economic Surprise Index -	CESIEM Index	EM	-14.10				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	43.50				
Citi Economic Surprise Index -	CESIG10 Index	G10	15.50				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	25.80				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	-10.70				
Citi Economic Surprise - Unite	CESIUSD Index	US	-9.10				

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

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