GLOBAL MARKET UPDATE

8TH-13TH NOVEMBER: TOO MANY CHIEFS AND NOT ENOUGH INDIAS

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS		
DEVELOPED	**Top 3:**	United States **3.80%**, Ireland **2.60%**, Switzerland **2.12%**
	Bottom 3:	Portugal **-4.50%**, Spain **-3.99%**, Denmark **-3.66%**
EMERGING	**Top 3:**	China "A" **1.55%**, Egypt **0.75%**, Russia **0.32%**
	Bottom 3:	Mexico **-11.52%**, Brazil **-8.96%**, Colombia **-5.86%**
FRONTIER	**Top 3:**	Venezuela **44.87%**, Saudi Arabia **7.72%**, Kazakhstan **4.75%**
	Bottom 3:	Argentina **-8.05%**, Mongolia **-4.34%**, Slovakia **-3.37%**

Coming into US election week, the S&P 500 had declined for 9 consecutive days – the longest losing streak in 36 years, for a cumulative loss of around 3%. On Monday however, the day after the FBI concluded there was no criminal wrongdoing in their probe of Democrat candidate Clinton's emails, the market rallied back 2.2%. Then, in the early hours of Wednesday, when initial results suggested Donald Trump was set to win the Presidential election, S&P futures fell as much as 5%, Asian markets crumbled (Nikkei down 5.36%) and bonds rallied on a flight to safety.

That over the course of the following 3 trading days, we saw a veritable smorgasbord of asset price reversals (including a new all-time high for the Dow Jones Industrial Average, the highest yields on government bonds since January and the most significant rally in copper since 1980) must go down as one of the most significant about turns in market history.

Our appraisal of the seemingly incongruous market moves over the last month is as follows. With hindsight, we think price action pre and during the election (where declines were positively correlated with an increased probability of a Trump victory) were a sign of uncertainty and risk to the status quo, rather than an assessment of the economic consequences. The developed world is suffering from a structural decline in growth (lower productivity, lower labour force participation, ageing demographics). Over the past 35 years, this has prompted a monetary policy dominated response, which has resulted in a bond (and bond-proxy) market bubble, record leverage, falling inflation and high asset prices. Taking President Trump's promises of a large scale fiscal stimulus at face value, there is now a potential shift in this cycle: government spending could accelerate growth over the medium-term but also, with the impact of import tariffs and a labour market near full employment, promote inflation and interest rate hikes from the FED. That is to say monetary policy could go into reverse – and this is what the market has begun to price with a 37bps increase in yield on the US 10yr and declines in share prices across the high dividend paying utilities, telecoms and consumer staples sectors.

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Realistically, the outlook is more complex. First, whilst Trump has the benefit of the first unified government since 2008 (Republican's control both houses of congress), we need to see to what extent he can and wants to fulfil pre-election promises (recall the headlines of 45% tariffs on Chinese exports, the building of a wall with Mexico, and a drop in corporate tax rates from 35% to 15%). Second, although we think the switch from monetary to fiscal stimulus is intuitively appealing, it is unclear whether it is a sustainable strategy. Certainly the US needs to improve its infrastructure and government investment to GDP is at multi-decade lows (therefore we could anticipate positive multipliers). However, it is unlikely this alone can spur a return to "normalised" growth. Moreover, the risks of unwinding the biggest bull market in history across fixed income are surely not inconsequential. Last, the anti-globalisation, anti-establishment undertones of the Trump victory are slower moving dynamics, but will create volatility.

In summary, we do not change our longer term views. Whatever policy set is pursued, the developed world does not have a sustainable real growth story. Similarly, bonds offer very little reward for enormous risk. Whether by a default/deflation spiral because of policy inaction (most likely in Europe), incremental monetary policy challenging faith in money as a store of value, or indeed the Trump style, deficit funded fiscal approach, the no inflation, no growth, no default paradigm will, at some stage, have to give.

This brings us to what might, in any other week of the year, have been the headline story.

India's government went nuclear in its war on black money, by announcing the withdrawal of bank notes worth 9% of GDP. This forces billions of dollars of undeclared income to be deposited in the banking sector and simultaneously wipes out a chunk of the ill-gotten wealth of India's tax-evading elite. Long term, this reform will do more for India's development than almost any other single policy seen in recent times in emerging markets. Short term, frictions during the transition period will challenge established transaction models and disrupt activity for a number of weeks.

Of course we recognise the near term risks to emerging markets from a stronger USD (the JPMorgan EM Currency index fell 3.4 % last week, the worst in 5 years) and anti-trade and immigration rhetoric. However, it's surely much easier to have conviction on long-term, real domestic growth than on the whims of policymakers.

UNITED STATES

S&P 2,164 +3.80%, 10yr Treasury 2.22% +37.39bps, HY Credit Index 420 -11bps, Vix 14.17 -8.34Vol

As highlighted in the introduction, **the headline 3.80% gain for the S&P 500 masked considerable volatility and differentiation in performance:**

-Financials saw double digit gains from the possibility of rising interest rates and reduced regulation.

-Health Care rallied on the potential for fewer price controls.

-Industrials outperformed and the small-cap Russell 2000 index gained 10.22% on the expectation of higher government spending and protective tariffs.

-High yielding sectors including telecoms, utilities and consumer staples dropped on the possibility of rising interest rates.

Also at the equity level, **the VIX fell a jaw-dropping 8.34 points as risk aversion dissipated**. Meanwhile, inflation expectations ratcheted higher (5y5f inflation swap shifting from 2.14% to 2.45%) and the probability of a December rate hike firmed to 80%. This came after **Stanley Fischer, vice-chair of the FED, said the case for gradual rate rises is "quite strong"**. Janet Yellen speaks this Thursday at the Senate's Joint Economic Committee.

EUROPE

Eurostoxx 3,030 +0.20%, German Bund 0.35% +17.30bps, Xover Credit Index 346 -7bps, EURUSD 1.080 +2.62%

Eurozone government bonds sold off alongside their US peers, with yield curves steepening. In particular, the German 10 year Bund yield rose to its highest level in 8 months, whilst the 10 year French rose above 0.70% for the first time since January.

The read-across from Trump for Europe is interesting. On the political side, the market will now worry about the outcome of the 9 national elections taking place across the Eurozone during the next 12 months. In particular, the upcoming Italian constitutional reform referendum (4th December and on which Prime Minister Renzi has staked his position) and the French Presidential Election in May

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2017. On the 20th of this month the centre-right Republican Party will choose their candidate for these elections, the favourite is current mayor of Bordeaux Alain Juppé, with former leader Nicolas Sarkozy ranked second. On the policy side, there is a risk Europe's unique set-up will return to centre stage; the single currency makes coordinated fiscal policy impossible and Germanic aversion to inflation may continue to restrict the monetary response.

ASIA PACIFIC

HSCEI 9,350 -0.64%, Nikkei 1,767.00 -0.45%,10yr JGB-0.01% +0bps, USDJPY 107.530 +3.42%

Asia as a region was no exception to the rest of the world last week, undergoing a significant bout of volatility as the American presidential election results were digested. Traditional emerging markets within Asia finished the week negatively across the board (China -0.6%, Korea -2.5%, Taiwan -2.7%), whilst the Frontier Markets of 'New Asia' outperformed (Pakistan +2.5%, Vietnam +1.9%, Sri Lanka +0.0%). Investors were happier to hold on to their Frontier Market positions within Asia, due to the tendency of these economies to be more reliant on domestic factors (urbanisation, demographics, structural reforms), in comparison to 'Old Asia' which, in many cases, is a proxy for global trade and has a high degree of export sensitivity.

A Trump presidency will impact Asia in two key ways – foreign policy and trade.

The Obama administration pursued an explicit 'pivot' towards the Asia Pacific region, centred around balancing out the role of China as a regional power player, maintaining freedom of navigation within the South China see and, more recently, a tougher stance on North Korea, with the placement of THAAD missiles in South Korea. Conversely, Trump's election rhetoric called for America's allies in Asia (including South Korea and Japan) to shoulder more of the burden of maintaining stability within the region, in the form of higher military spending.

In a similar vein, the outgoing government's trade policy was geared around opening new bilateral trade agreements and cutting trade barriers and using these policies as a means of wielding 'soft power'. The long-anticipated Trans Pacific Partnership free trade deal personified these efforts. However, it now looks as though the TPP could be one of the first policies to be scrapped under a Trump government, denying signatories freer export access to the US market.

If Trump's campaign messages are to be taken at face value, one can expect concerted efforts to reduce military and trade ties with Asia. Whether Trumps grand vision of thousands of American companies shutting down their low-cost manufacturing bases around the world and bringing millions of jobs back to America (at 2x-5x the average labour cost) will be realised, is still very much uncertain.

Following the initial phase of panic early on Wednesday morning (which didn't even last in to the afternoon market session, where Asian markets recovered some of their earlier losses), investors have begun to realise that Donald Trump is highly unlikely to deliver precisely what he talked about during his election. The reality, in all likelihood, will be a far more modest policy set and, subsequently, a far more modest impact on Asian economies than many were fearing early on Wednesday morning. In the event of higher protectionism from the US (the call for which is clear, the ultimate intensity far less so), we would expect the performance trend already established this week to continue – domestically driven Frontier Markets, with their destiny in their own hands, will outperform the export-dependent countries whose growth models rest on a latticework of free trade deals.

Naturally, the American election dominated the headlines last week. Beneath the front pages, however, developments in India this week were nothing short of explosive.

The Indian government announced on Tuesday that INR 500 ($7.50 USD) and INR 1,000 ($15 USD) denomination banknotes were to be withdraw from circulation. Holders of these notes have until 30th December 2016 to deposit them in bank accounts, after which point they will become worthless.

On the surface, this seems like a valiant effort from the government to increase the proportion of Indian household savings which are kept in the formal banking sector. The details, however, show that this policy will play a huge role in Modi's efforts to tear up the fabric of India's shadow economy.

Setting the scene

Currently, national savings in India amount to around $600bn per year, though only $200bn of this makes its way to the banking sector. The rest is either kept under mattresses or invested in some form of hard asset. The majority of this missing $400bn is undeclared for tax purposes.

According to a government study done in 2014, the shadow economy in India is worth the equivalent of 75% of reported GDP. This shadow economy is fuelled by 'black money', in Indian parlance, which refers to income and assets undeclared for tax purposes, and often obtained by illegal means.

Declaring war on black money was one of Modi's key reform promises during his election campaign in 2014. This week's development is the equivalent on dropping an atomic bomb (and, interestingly, was kept to a similar level of secrecy as the Manhattan Project, with even senior cabinet officials unware of the development of the demonetisation plan for over 6 months, to avoid word getting out and a rush to exchange the notes ahead of time).

Before going nuclear, Modi enacted a number of piecemeal legislations to begin tackling the problem.

Up until the first wave of black money legislation was passed by the Modi government, it was possible to purchase property in India with a briefcase full of banknotes, with no questions asked as to the origin of the funds. This is how bribes paid to corrupt politicians or profits from illegal business activities could be spent and

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enjoyed by the corrupt elite.

Under the new legislation enacted in May 2015, any purchase in the Indian economy over INR 200,000 (approximately $2k USD) requires the buyer to provide their PAN number (a tax identifier). This allows the government to track mismatches between expenditure and declared income. This has already had a huge impact on the sectors particularly prone to attract this type of wealth, most notably property, gold and jewellery.

The Practicalities

On the 8th November, the government announced that the INR 500 and INR 1,000 notes would cease to be legal tender from midnight.

They key aspect here is that in order to convert your old notes to new ones or deposit them to your bank account, you must provide your personal identification number. There is also an INR 4,000 ($60 USD) limit on the amount of cash that can be exchanged for new bank notes, with amounts above this only able to be converted in to bank deposits. Any deposits above the equivalent of $2,500 USD are immediately reported to the tax office, which will then be compared with the individual's income tax declaration. Tax evasion, depending on the nature, now carries a maximum 10 year prison sentence.

This essentially forces the declaration of undeclared income and the conversion of cash in to bank deposits (otherwise these bank notes will ultimately become worthless pieces of paper when the window closes on 30th December 2016).

The long term implications for the real economy are resoundingly positive, are manifold, and provide a significant tailwind to long term economic growth. Mobilising hundreds of billions of dollars of savings for lending through the formal banking sector, increasing government tax collection and the reduction in the fiscal deficit, the impact that this declaration will have on the criminal economy (including corrupt politicians, particularly state-level crony governments against which Modi's BJP competes for seats in the upper house of parliament… the list of benefits goes on and will continue to grow as the full ramifications are observed.

In the short term, undoubtedly this introduces frictions. Daily consumption habits will be effected, due to India's huge reliance on cash transactions (the two effected banknotes account for 85% of the physical currency in circulation, which is worth around 11% of GDP in total). Working capital will be stretched for small businesses. Bank branch resources will be devoted to processing the note exchanges, rather than granting new loans to entrepreneurs and households. The logistical challenge of delivering new bank notes across a country with poor transport infrastructure and a population of over a billion people is herculean.

This period of adjustment will last for days/weeks rather than months. *The hard-deadline of 30th December brings a natural conclusion, after which point transactions can continue as before with the newly issues notes. What remains to be seen is the one-time hit to the wealth and incomes of those individuals and companies not paying taxes and reliant on black money, and the hit to the incomes of legitimate companies further up the chain. This will become clearer in the coming weeks as high frequency economic data is released. For now, it is too soon to try to quantify.*

Elsewhere in Asia, **Indonesia's economy marginally decelerated in Q3** (5.0% versus 5.2% in Q2), **China's exports were stronger than expected in October** (down only -1.4% YoY versus -1.9% in September), whilst the central banks of both **Thailand and the Philippines left interest rates on hold. The RBNZ in New Zealand cut rates by 0.25% to 1.75% as expected.**

LATIN AMERICA

MSCI Lat Am 2,206 -10.43%

Latin American markets were the most negatively impacted by Trump's election. All Latin American asset classes (excluding commodities) lost ground. To give an idea of the extent of the shock waves, in the 2 days following the US elections, the Mexican Peso lost 10.91% (to an all-time low), the Brazilian Reais 6.51% and the Colombian Peso 5.22%. In the meantime hard currency denominated bonds also sold-off with yields jumping 77.8bps in Mexico, 62.3bps in Argentina, 63.1bps in Colombia and 71.7bps in Brazil.

Looking more closely at the continent, some 80% of Mexican exports are to the US via NAFTA, representing 27% of GDP. However, for all other Latin American countries outside Colombia (33%), exports to the US represent less than 15% of their total exports. Brazil, Argentina, Colombia and Peru are, in fact, relatively closed economies. Contrary to what one might think, they are less reliant on global trade than their Asian and European counterparts. Indeed, as major commodity producers, Chile and Peru outperformed, their currencies (down 0.3% and 0.74% respectively) and equity markets (-0.72% and +5.11% respectively in USD).

A more uncertain global environment, a stronger USD and its potentially inflationary consequences should translate into Latin American central banks being more cautious and postponing and/or slowing their easing cycles. The context is, however, supportive as CPI inflation has been falling rapidly: 2.8% in Chile for September (first time below the 3% target since January 2014) and 3 consecutive months of below consensus readings in Colombia (bringing inflation down by some 2.5% on an annualised basis).

Argentina's central bank cut the benchmark interest rate by 50bps to 26.25% after 6 weeks unchanged.

The Central bank of Argentina is maintaining real rates in positive territory to push inflation lower, attract global investors looking for yield and thus supporting the ARS. The easing cycle is perfectly managed by the central bank so far and is helping the economy in its normalization process.

Brazil retail sales fell 1.0% MOM in September for the third consecutive month keeping the trend unchanged.

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AFRICA

MSCI Africa 718 -5.84%

African markets appear to be one of the most immune regions from US elections. Longer term, the implications of US policies on global trade, commodity prices and geopolitics may impact the continent.

The first USD 2.75 Bn (out of 12) instalment of the IMF loan to Egypt was released last Friday. Egypt met all the conditions imposed by the IMF in the last weeks (EGP float, removal of energy subsidies, introduction of VAT, and raising USD 6Bn from allied countries).

The next steps to watch include the adaptation of the Egyptian economy to this new deal and the monitoring of the process by the IMF. More structural reforms are likely to be the conditions to the release of subsequent tranches.

Egypt will increase food subsidies by 13.6% to EGP 50Bn starting in December, in order to support the basic needs of the population and smooth the pain caused by the devaluation of the EGP. Keeping a "social safety net" and other social measures were demands by President el-Sisi before accepting the IMF's help.

Core inflation reached 15.75% in Egypt in October, according to the CBE.

We reiterate our view that interest rates at 14.75% are too low to curb inflation (headline inflation is even higher, closer to 18% and likely to increase in coming quarters to reflect the EGP devaluation and VAT introduction) and support the currency (foreign flows are less likely to come to Egypt if real rates are negative).

Egypt refinanced part of its debt worth USD 4Bn. This gives an anchor to Egyptian sovereign rates for its next issuance of USD 1.5 to 2Bn in the coming month. Those bonds yield from 4.32% (maturing December 2017) to 7% (November 2024).

The IMF reported that Kenya's annualised external current account declined to 5.5% as at September 2016, compared to 6.8%in 2015. The improvement was mainly attributed to lower oil prices, improved tea and horticulture exports and higher remittance inflows. However, the IMF notes that the narrowing of the current account deficit has come at a cost of a widening fiscal deficit

The large twin deficits of Kenya are likely to have consequences on the currency in the long-term. The fiscal deficit is close to 9% this year and will increase next year as it is a pre-election year. External factors have help Kenya so far, but structural reforms are lacking and foreign borrowing is piling up. Kenya is increasingly fragile and vulnerable.

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THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
Retail sales (OCT) % MOM	Tue/15	0.6
Industrial production (OCT) % MOM	Wed/16	0.2
Capacity utilization (OCT) %	Wed/16	75.5
CPI (OCT) % YOY	Thu/17	2.2
EUROPE		
Eurozone industrial production (SEP) % YOY	Mon/14	-
Greece GDP (Q3) % YOY	Mon/14	-
Russia GDP (Q3) % YOY	Mon/14	-0.5
Germany GDP (Q3) % QOQ	Tue/15	0.4
Eurozone GDP (Q3) % QOQ	Tue/15	0.3
UK CPI (OCT) % YOY	Tue/15	1.0
Poland GDP (Q3) % YOY	Tue/15	3.0
Eurozone HICP (Q3) % YOY	Thu/17	0.5
UK retail sales (OCT) % YOY	Thu/17	4.8
ASIA PACIFIC		
Japan GDP (Q3) % QOQ saar	Mon/14	0.8
China industrial production (OCT) % YOY	Mon/14	6.2
China retail sales (OCT) % YOY	Mon/14	10.7
India CPI (OCT) % YOY	Mon/14	4.12
Philippines GDP (Q3) % YOY	Thu/17	6.5
Indonesia rate decision %	Thu/17	4.5
LATIN AMERICA		
Mexico rate decision %	Thu/17	5.25
AFRICA		
Egypt rate decision %	Thu/17	14.75
South Africa retail sales (SEP) % YOY	Wed/16	0.0
Zambia rate decision %	Wed/16	14.5
Nigeria inflation (OCT) % YOY	Thu/17	18.3

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GLOBAL MARKET DATA

Date 7th-13th November

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	2,164.45	3.80%	1.80%	5.90%	5.79%		2.8
RUSSELL 2000 INDEX	RTY Index	US	1,282.39	10.22%	7.64%	12.90%	11.05%		2.1
NASDAQ COMPOSITE INDEX	CCMP Index	US	5,237.11	3.78%	0.92%	4.59%	4.64%		3.5
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	14,555.41	-0.32%	-2.27%	14.59%	9.29%		1.8
S&P 500 FINANCIALS INDEX	S5FINL Index	US	359.43	11.33%	9.67%	11.72%	10.86%		1.2
S&P 500 CONS DISCRET IDX	S5COND Index	US	633.21	3.99%	2.05%	1.96%	0.04%		4.5
S&P 500 INFO TECH INDEX	S5INFT Index	US	788.69	1.41%	-1.49%	9.32%	8.35%		4.3
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	813.91	5.82%	4.51%	-2.32%	1.09%		3.5
S&P 500 ENERGY INDEX	S5ENRS Index	US	511.21	2.31%	1.25%	14.00%	5.10%		1.9
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	2,164.45	3.80%	1.80%	5.90%	5.79%		2.8
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	526.73	7.96%	6.53%	13.63%	12.67%		4.2
S&P 500 CONS STAPLES IDX	S5CONS Index	US	517.80	-2.12%	-4.34%	-0.12%	4.65%		5.1
S&P 500 UTILITIES INDEX	S5UTIL Index	US	233.27	-4.08%	-7.00%	6.03%	8.18%		1.7
S&P 500 MATERIALS INDEX	s5MATR Index	US	301.58	3.58%	2.84%	10.21%	9.62%		3.6
S&P 500 TELECOM SERV IDX	S5TELS Index	US	154.10	-0.10%	-2.34%	2.80%	6.67%		2.6
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,030.02	0.20%	-1.76%	-7.32%	-9.89%	-7.27%	1.5
CAC 40 INDEX	CAC Index	France	4,489.27	0.20%	-1.38%	-3.24%	-6.87%	-3.19%	1.4
DAX INDEX	DAX Index	Germany	10,667.95	1.60%	-0.91%	-1.16%	-0.32%	-0.70%	1.7
Athex Composite Share Pr	ASE Index	Greece	582.59	-0.82%	-2.37%	-7.77%	-10.95%	-7.72%	0.5
FTSE MIB INDEX	FTSEMIB Index	Italy	16,812.37	0.66%	-2.75%	-21.87%	-22.51%	-21.50%	0.9
AEX-Index	AEX Index	Netherlands	445.41	-1.21%	-2.51%	0.76%	-2.41%	0.81%	1.6
PSI All-Share Index GR	BVLX Index	Portugal	2,335.91	-5.22%	-7.65%	-7.52%	-2.18%	-7.47%	1.3
MICEX INDEX	INDEXCF Index	Russia	2,040.49	0.32%	-1.58%	28.81%	18.22%	15.36%	0.9
IBEX 35 INDEX	IBEX Index	Spain	8,639.20	-3.99%	-6.40%	-9.53%	-14.19%	-9.48%	1.2
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,451.53	1.94%	-0.19%	-6.86%	-7.09%	0.33%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	7,880.29	2.12%	1.09%	-10.28%	-9.25%	-10.63%	2.4
BIST 100 INDEX	XU100 Index	Turkey	74,741.44	-1.18%	-8.55%	-5.64%	-18.97%	4.81%	1.1
FTSE 100 INDEX	UKX Index	UK	6,730.43	1.37%	-0.27%	-7.79%	-9.76%	7.82%	1.8
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	521.82	-2.16%	-3.80%	4.38%	1.28%	4.38%	1.4
S&P/ASX 200 INDEX	AS51 Index	Australia	5,345.73	2.05%	0.32%	5.13%	11.29%	1.41%	1.9
DSE 30 Index	DS30 Index	Bangladesh	1,745.90	-0.16%	1.17%	0.27%	5.31%	0.43%	-
HANG SENG CHINA ENT INDX	HSCEI Index	China "H"	9,350.31	-0.64%	-1.36%	-2.46%	-9.47%	-2.36%	0.9
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,210.37	1.55%	2.52%	-13.92%	-17.61%	-9.70%	1.8
HANG SENG INDEX	HSI Index	HK	22,238.16	-0.52%	-1.80%	2.71%	-1.67%	2.81%	1.1
Nifty 50	NIFTY Index	India	8,296.30	-2.87%	-5.04%	2.20%	3.77%	4.40%	2.6
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,127.37	-4.23%	-5.95%	18.17%	19.60%	13.91%	2.3
NIKKEI 225	NKY Index	Japan	17,672.62	-0.45%	-1.74%	3.34%	1.64%	-8.72%	1.7
KOSPI 200 INDEX	KOSPI2 Index	Korea	250.01	-2.25%	-3.13%	6.06%	2.40%	4.83%	0.9
Laos Composite Index	LSXC Index	Laos	999.79	-0.12%	-0.50%	-15.62%	-21.62%	-15.57%	0.8
FTSE Bursa Malaysia KLCI	FBMKLCI index	Malaysia	1,618.93	-4.37%	-6.00%	-4.79%	-1.34%	-3.45%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	42,627.11	2.51%	7.52%	30.80%	25.92%	30.57%	1.9
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	6,871.48	-4.20%	-6.61%	-3.69%	-2.90%	0.33%	2.2
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,789.26	-0.99%	-1.30%	-1.90%	-4.17%	-2.36%	1.1
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,415.59	0.02%	0.23%	-9.12%	-11.97%	-6.95%	1.5
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	8,940.40	-2.34%	-4.44%	11.17%	9.39%	7.43%	1.6
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,477.34	-0.65%	-1.13%	18.19%	9.35%	16.03%	1.8
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	674.24	1.88%	0.50%	18.14%	12.54%	17.30%	1.9
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	409.47	1.58%	-0.37%	2.53%	1.58%	2.53%	2.0
MSCI EM	MXEF Index	MSCI EM	849.10	-3.52%	-6.19%	6.92%	1.84%	6.92%	1.4
MSCI Fronter Market Index	MXFEM Index	MSCI FM	2,405.07	-1.60%	-4.13%	1.72%	-2.16%	1.72%	1.6
DFM GENERAL INDEX	DFMGI Index	Dubai	3,234.57	-0.74%	-1.75%	3.90%	0.26%	3.91%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	2,205.99	-10.43%	-15.56%	20.56%	9.94%	20.56%	1.6
ARGENTINA MERVAL INDEX	MERVAL Index	Argentina	15,659.74	-8.05%	-11.93%	13.79%	-25.35%	34.13%	0.6
MSCI BRAZIL	MXBR Index	Brazil	1,552.20	-11.05%	-17.54%	49.79%	32.04%	49.79%	1.5
CHILE STOCK MKT SELECT	IPSA Index	Chile	4,150.39	-3.07%	-5.72%	19.85%	15.06%	12.78%	1.4
IGBC GENERAL INDEX	IGBC Index	Colombia	9,627.74	-6.09%	-8.54%	13.94%	4.28%	12.64%	-
MEXICO IPC INDEX	MEXBOL Index	Mexico	44,978.25	-11.52%	-14.46%	-12.72%	-17.33%	4.66%	2.5
Bolsa de Panama General	BVPSBVPS Index	Panama	410.42	0.25%	1.73%	1.70%	0.76%	1.74%	2.1
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	15,516.45	1.87%	1.21%	58.15%	44.76%	57.55%	1.6
VENEZUELA STOCK MKT INDX	IBVC Index	Venezuela	24,164.60	44.87%	64.49%	4.36%	21.36%	65.64%	2.3
MSCI EFM AFRICA	MXFMEAF Index	Africa	717.98	-5.84%	-10.15%	4.41%	-6.59%	4.41%	2.2
EGYPT HERMES INDEX	HERMES Index	Egypt	953.59	0.75%	-31.43%	-28.81%	-27.04%	48.37%	1.8
GSE Composite Index	GGSECI Index	Ghana	1,679.41	-1.89%	-3.21%	-19.82%	-18.99%	-15.82%	1.5
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,264.26	0.32%	0.82%	-18.80%	-16.22%	-19.22%	2.0
MASI Free Float Index	MOSENEW Index	Morocco	10,551.43	-1.15%	-0.78%	18.04%	14.50%	18.21%	2.5
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	26,170.88	-3.00%	-5.07%	-42.24%	-42.62%	-8.63%	1.2
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	44,137.41	-3.49%	-5.63%	4.04%	-5.91%	-3.93%	1.9

	1 Week	MTD	YTD	1Y	YTD (Local)	Price/Book
Average	0.11%	-1.77%	3.31%	0.35%	6.04%	
Top 25%	1.73%	0.87%	11.44%	9.32%	12.67%	
Bottom 25%	-2.60%	-5.35%	-5.22%	-8.17%	-4.69%	

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GLOBAL MARKET DATA (CONTD.)

Date: 7th-13th November

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	USD Index	99.50	2.06%	0.62%	0.43%	0.42%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.93	2.62%	1.14%	0.01%	-0.40%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	65.85	2.16%	3.86%	-9.22%	-1.28%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.27	2.91%	5.00%	11.37%	13.39%
USD-GBP X-RATE	USDGBP Curncy	UK	0.80	-0.64%	-2.84%	16.96%	20.90%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	104.46	-1.20%	-1.11%	-1.72%	-2.70%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.32	1.66%	0.81%	-3.45%	-5.59%
USD-CNY X-RATE	USDCNY Curncy	China	6.83	0.82%	0.53%	4.90%	6.96%
USD-INR X-RATE	USDINR Curncy	India	67.25	0.81%	0.70%	1.65%	1.41%
USD-JPY X-RATE	USDJPY Curncy	Japan	107.53	3.42%	1.75%	-11.29%	-13.02%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,171.59	1.85%	1.83%	-0.89%	0.55%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	31.96	1.32%	0.97%	-3.04%	-2.60%
USD-ARS X-RATE	USDARS Curncy	Argentina	15.30	1.65%	0.96%	18.32%	59.13%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.40	5.13%	6.53%	-14.10%	-9.78%
USD-CLP X-RATE	USDCLP Curncy	Chile	669.35	1.81%	2.47%	-5.54%	-4.63%
USD-MXN X-RATE	USDMXN Curncy	Mexico	20.88	9.58%	10.52%	21.16%	24.56%
USD-EGP X-RATE	USDEGP Curncy	Egypt	15.46	7.58%	86.21%	111.35%	111.27%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	316.37	-0.21%	1.48%	58.29%	58.49%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	14.39	5.54%	6.39%	-7.33%	0.17%
Commodities				Return (USD)			
WTI CRUDE FUTURE Dec16	CLA Comdty	US	43.36	-1.50%	-7.36%	-0.96%	-10.86%
BRENT CRUDE FUTR Jan17	COA Comdty	UK	44.79	-1.82%	-7.94%	-0.47%	-15.26%
BALTIC DRY INDEX	BDIY Comdty		1,045.00	22.22%	21.94%	118.62%	80.48%
Natural Gas Futures	NG1 Comdty		2.67	-5.35%	-13.45%	12.07%	15.88%
Gold Spot $/Oz	XAU Curncy		1,224.76	-5.93%	-3.88%	15.70%	13.13%
Silver Spot $/Oz	XAG Curncy		17.40	-5.75%	-3.03%	25.42%	21.44%
LME COPPER 3MO ($)	LMCADS03 Comdty		5,549.00	11.18%	14.34%	17.94%	15.04%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	0.97	0.13	0.07	-0.13	0.04
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	1.65	0.33	0.25	-0.20	-0.16
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.23	0.37	0.32	-0.12	-0.16
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	1.43	0.27	0.23	0.03	-0.27
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.26	0.94	0.99	0.98	1.13
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.36	0.23	0.12	-0.60	-0.64
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.16	0.18	0.22	-0.11	0.10
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.59	0.04	0.02	-0.26	-0.24
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	-0.31	0.10	0.07	-0.29	-0.25
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.35	0.17	0.15	-0.32	-0.30
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.80	0.28	0.28	-0.24	-0.18
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	7.24	-0.60	-1.12	-0.98	-0.10
Italy Generic Govt 10Y Yield	GBTPGR10 Index	Italy 10yr	2.08	0.27	0.36	0.42	0.41
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.53	0.21	0.28	-0.30	-0.36
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	3.53	0.19	0.17	0.97	0.70
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.66	0.24	0.22	-0.31	-0.38
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	6.73	-0.12	-0.07	-1.04	-0.96
KCMP South Korea Treasury Bond	GVSK10YR Index	Korea 10yr	1.95	0.24	0.27	-0.14	-0.38
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	-0.01	0.04	0.03	-0.29	-0.32
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	9.26	0.48	0.46	-0.62	0.58
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/21	ITRXEXE CBIL Curncy	EUR XOVER	346.29	6.56	15.41	30.51	40.88
MARKIT ITRX EUROPE 12/21	ITRXEBE CBIL Curncy	EUR MAIN	77.79	1.01	4.14	-0.17	4.56
MARKIT ITRX EUR SNR FIN 12/21	ITRXESE CBIL Curncy	EUR SNR FIN	99.47	-1.68	1.66	21.72	25.68
MARKIT ITRX EUR SUB FIN 12/21	ITRXEUE CBIL Curncy	EUR SUB FIN	231.59	-4.25	4.20	73.74	73.08
MARKIT CDX.NA.IG.27 12/21	IBOXUMAE CBIL Curncy	US IG	75.98	-4.46	-2.10	-12.40	-6.46
MARKIT CDX.NA.HY.27 12/21	IBOXHYSE CBIL Curncy	US HY	420.38	-11.20	0.13	-51.79	-36.88
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	19.98	-1.49	0.33	-3.50	-0.91
FTSE 100 500 3month ATM	UKX Index	UK	15.75	-1.16	0.83	-0.45	0.36
Hang Seng 3month ATM	HSI Index	HK	17.30	-1.45	0.06	-0.71	-2.04
Nikkei 3month ATM	NKY Index	Japan	19.97	-0.86	2.57	1.81	-1.39
S&P 500 3month ATM	SPX Index	US	13.38	-3.33	-1.11	-2.81	-3.05
Volatility (VIX)	VIX Index	US	14.17	-8.34	-2.89	-4.04	-4.20
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.45	0.32	0.29	0.26	0.28
UK 5Y5YF Inflation Swap		GBP	3.57	0.06	-0.03	0.21	0.14
JPY 5Y5YF Inflation Swap		JPY	0.12	0.00	0.00	-0.58	-0.69
EUR 5Y5YF Inflation Swap		EUR	1.55	0.10	0.08	-0.13	-0.22
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	6.60				
Citi Economic Surprise Index -	CESICNY Index	China	20.50				
Citi Economic Surprise Index -	CESIEM Index	EM	-4.60				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	34.60				
Citi Economic Surprise Index -	CESIG10 Index	G10	13.30				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	9.20				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	-7.40				
Citi Economic Surprise - Unite	CESIUSD Index	US	-7.90				

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

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