

# GLOBAL MARKET UPDATE



## 29 JANUARY TO 4 FEBRUARY: A LONG TIME COMING

### THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Finland <b>1.36%</b> , New Zealand <b>0.74%</b> , Australia <b>-0.51%</b>
	Bottom 3:	Denmark <b>-6.42%</b> , Canada <b>-4.47%</b> , Portugal <b>-4.13%</b>
EMERGING	Top 3:	Egypt <b>1.40%</b> , Malaysia <b>0.56%</b> , Czech Republic <b>0.31%</b>
	Bottom 3:	South Africa <b>-5.94%</b> , Philippines <b>-3.93%</b> , Brazil <b>-3.85%</b>
FRONTIER	Top 3:	Ukraine <b>6.20%</b> , Ghana <b>4.46%</b> , Slovakia <b>4.04%</b>
	Bottom 3:	Venezuela <b>-22.79%</b> , Argentina <b>-6.74%</b> , Lithuania <b>-4.69%</b>

Every week this year, we have written that the nature of the equity market rally has changed – that the acceleration in global growth has started to stimulate higher bond yields and energy prices, thus sowing potential headwinds. In the short run, we saw 3 “canaries” for investors: the US 10 year bond yield, the oil price and wage growth.

Last week, as if like clockwork, equities experienced their heaviest losses in 2 years after all 3 measures broke out of their almost 4 year range. The question now is whether this represents the end of the bull market, or a release of pressure before new highs. We view the latter as more likely. Rising bond yields are rightly highlighting that global monetary policy is starting to tighten. However, aside a single US labour market data print on Friday (see below), core inflation pressures remain lacklustre. Moreover, we would suggest that the US is later cycle than its global peers and has less “slack” – i.e. whilst it is important, it is not fully representative of the global economy (see European inflation data below). Nonetheless, the market has confirmed the 2 big (and related) risk factors; higher bond yields and inflation.



**Chris Wehbe**  
CEO & Chair of Investment Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

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

**Aaron Armstrong**  
Senior Investment Analyst (Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

**Florian Gueritte**  
Investment Analyst (LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

**Temiloyiola**  
Investment Analyst (Africa)

[temi.iyiola@alquity.com](mailto:temi.iyiola@alquity.com)

## UNITED STATES

S&P 2,762 **-3.85%**, 10yr Treasury 2.85% **+18.12bps**, HY Credit Index 316 **+21bps**, Vix 17.31 **+6.23Vol**

### US stocks recorded their 1st weekly loss of 2018, with the S&P 500 Index suffering its worst weekly fall in 2 years.

This prompted the VIX volatility index to touch the highest level since November 2016 (17.60) and included heavy losses for healthcare (after Amazon, Warren Buffett and JP Morgan announced plans to establish a joint health care system for their employees) and Energy (following weak results for both Exxon and Chevron).

From a data perspective, **the January jobs report was a blowout**, with non-farm payrolls registering 200,000 (ahead of consensus), unemployment holding at a 17-year low of 4.1% and, most importantly, average hourly earnings accelerating to 2.9% YOY (the best gain since 2009, with December numbers also revised higher). Other data was also broadly positive; consumer spending increasing 0.4% MOM in December, consumer confidence (both Michigan and Conference Board) at elevated levels and the Case Shiller house price index surging. Interestingly, however, the savings rate fell to a 12-year low and core inflation rose only 1.5%.

The net result of this data deluge, was a rise in bond yields, with the US 10-year moving to 2.83% (from 2.66% at the beginning of the year and 2.40% at the beginning of the year). The market implied probability of a rate hike by the FED on the 21st March is now at 77.5%, which is arguably too low.

*Policy always acts with a lag, and the US is likely to see the impact of higher rates feeding through in the second half of this year. The old saying goes that when the US sneezes, the world catches a cold. Whilst it would be foolhardy to suggest that the US is unimportant to the global economy, we think it does not follow that FED rate hikes spell the end of the global expansion. The business cycle, on this occasion, is not fully synchronous and we view the US as later cycle than almost all the rest of the globe.*

## EUROPE

Eurostoxx 3,523 **-3.17%**, German Bund 0.76% **+13.80bps**, Xover Credit Index 252 **-16bps**, EURUSD 1.245 **-0.21%**

**Data in Europe, painted a different picture, reminiscent of the “Goldilocks” conditions in the US a year ago.** GDP growth for the Eurozone 2017 came in at 2.5% (better than the US or UK), with continued positive momentum signalled by the PMIs (final January number confirmed at 59.6). However, HICP inflation came in way below target, with the core measure at 1%. Recall, unemployment across the Eurozone is still at 8.8% (albeit this masks Germany at 3.6%). As such, there is still spare capacity in the region, which prompted ECB Chief Economist Peter Praet to suggest stimulus needs to remain in place.

Nonetheless, **European bond yields rose in sympathy with the US; the German Bund yield touching 0.76% (a 2 year high).** As a reminder, on the 4th March, Italy holds a general election, with a hung parliament a strong possibility.

**In the UK, the Manufacturing PMI came in lower for the 2nd consecutive month**, with both new orders and output declining. The BOE meets on Thursday with no change to policy expected.

The NBH in Hungary left rates on hold at 0.90%, continuing to prefer unconventional policy as its main tool (IRS auctions and mortgage bond purchases). The National Bank of Poland and Central Bank of Russia meet this week, when the latter is expected to cut rates give the strengthening rouble.

## ASIA PACIFIC

HSCEI 1,351 **-1.40%**, Nikkei 2,268.00 **-3.02%**, 10yr JGB 0.08% **+0bps**, USDJPY 109.820 **+1.47%**

**In India, the Modi government announced a budget for the upcoming year that contained a number of important nuances for the market.** Whilst the headline deficit figure quelled fears of populism-led fiscal slippage, the imposition of a long term capital gains tax on equity holdings left a somewhat bitter taste in the mouth.

*With the economy still in the early stages of recovery from the dual shocks of GST implementation and demonetisation, in addition to crucial general elections on the horizon for 2019, this was an important budget for India's political and economic future.*

The fiscal deficit target for the upcoming financial year, commencing 1st April 2018, was set at 3.3% of GDP. This is a narrowing versus the deficit expected for the current outgoing year, which is now set to come in at a revised 3.5%.

*The revised 3.5% deficit for the year now ending, up from initial forecasts of 3.2%, had been cause for concern for the market. The Indian 10-year yield has risen 100bps since July 2017 to 7.5%, as investors priced in fiscal slippage and the repercussions for both country risk and inflation. Lower than expected GST revenue, plus a slower than expected economic recovery, led to the deficit expansion. The increase in the oil price exacerbated these trends.*

*In the context of last year's fiscal slippage, nascent economic recovery, and the upcoming general elections, there was a risk that the government would opt for a larger deficit this year, enabling higher spending to woo voters. Instead, the government's return to the path of fiscal consolidation is a long term positive for the investment case for India, by way of reducing country risk and inflationary pressure.*

*Within the overall thrust of consolidation, the government did raise the budget allocation to targeted areas where popular support for the BJP had been showing signs of waning. By focusing on stimulating rural areas, providing tax cuts for SMEs, and healthcare for poorer households, the government concentrated resources in key election battle grounds. State election results this year showed that, whilst Modi's overall popularity remains strong, the opposition Congress party is gaining traction among those areas of society that are yet to see the benefits of the government's reform programmes. By providing support to disaffected areas of the population, Modi hopes to win back*

Chris Wehbe  
CEO & Chair of Investment  
Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

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

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

Florian Gueritte  
Investment Analyst  
(LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

Temí Iyiola  
Investment Analyst  
(Africa)

[temi.iyiola@alquity.com](mailto:temi.iyiola@alquity.com)

ground from Congress ahead of the 2019 election.

Despite these important implications for India's fiscal position and Modi's re-election prospects, media coverage of the budget focused on the imposition of long term capital gains tax on equity investments at a rate of 10%. Despite all existing equity gains being grandfathered in to the scheme, avoiding the draconian scenario of retrospective implementation, the tax imposition was enough to weigh on sentiment, as well as confuse retail investors. The Nifty closed the week down 3.9%, with a number of midcap stocks down considerably more, on account of a retail-dominated investor base.

**Chinese equities gave back some gains this week, with H shares falling -1.4%.** Despite this, the HSCEI remains one of the world's top performing markets year to date, up 15.5%.

In addition to negative global cues, sequentially weaker Chinese PMI data for January dampened sentiment. The NBS Manufacturing PMI fell from 51.6 in December to 51.3 in January, a steeper fall than expected, driven largely by trade-related sub-index contraction. The Caixin Manufacturing PMI figure for January was unchanged month on month at 51.5.

*In four of the last five years, trade activity has weakened in China during January and February, followed by a rebound in March, on account of Chinese New Year-related disruptions. As such, we read little in to the January data.*

**Taiwan's economic growth rate surprised significantly on the upside in Q4 2017 at 3.3% YOY, a three-year high.** The improvement was broad based, with domestic consumption and net trade both outperforming.

Indonesia's economic growth rate accelerated to a four-year high in Q4 2017. Growth came in at 5.2% YOY, surprising on the upside, up from 5.1% in Q3. Strong export growth and investment activity was enough to offset weak consumption, which is yet to respond to the 300bps of rate cuts delivered over the last three years.

**The State Bank of Pakistan raised interest rates 25bps to 6.0%,** surprising the market, which had been pricing in a pause.

*Whilst policymakers in Pakistan are beginning to come to terms with their situation, raising rates and allowing a modest weakening of the currency, the potential for political chaos this year remains a cause of concern. With the Shariff family's political dominance fading after the impeachment of Prime Minister Nawaz Shariff last year, opposition leader Imran Khan gaining popularity, and early indications suggesting a coalition as the best possible outcome for the ruling PML-N party, the political outlook for Pakistan is currently as clouded as at any other time in the last five years.*

## LATIN AMERICA

MSCI Lat Am 3,139 -3.16%

**Brazil's 2017 current account deficit stood at USD 9.8Bn or 0.5% of GDP,** 59% lower than in 2016 and the smallest value since 2007. The USD 64bn trade surplus in 2017 (vs.

USD 45Bn in 2016) was the main positive contribution. In addition, **Brazil's 2017 consolidated public sector posted a primary deficit of BRL 111Bn (-1.7% of GDP),** outperforming its target of BRL 163Bn by a wide margin thanks to BRL 5Bn better revenue (higher GDP and corporate profits) and BRL 30Bn lower expenditures. Last, **industrial production advanced 4.3% YOY in December,** above the median of market estimates (2.0%). For 2017, industrial production expanded 2.5%, marking the best annual result since 2010, when it soared 10.2% (the credit-led boom, later proved to be unsustainable).

**Mexico's 2017 trade deficit narrowed to USD 10.9Bn (0.2% of GDP) and GDP growth for 4Q17 came in at 1.8% YOY,** beating expectations and better than the 1.5% recorded in 3Q17. However, industrial sectors are still contracting (-0.7%). **The Mexican government achieved all the targets set in the fiscal consolidation plan for 2017,** including the first primary surplus in 9 years and a decrease in the public debt to GDP ratio to 46.6% (which had increased by 30 p.p. between 2007 and 2016).

**Colombia's central bank cut the reference rate by 25bps to 4.50%.** The communique made it clear that this will be the last cut of the easing cycle as it views that it has accommodated enough and the central bank is waiting for clear signals on the inflation front.

**Chile's retail sales advanced by 2.5% YOY during 2017 and have remain resilient all throughout the economic cycle. Chile's fiscal deficit reached 2.8% of GDP in 2017.**

*One would expect the counter-cyclical framework to force some fiscal tightening in 2018, after several years where weak copper prices were offset but a loser fiscal policy.*

**Peru's GDP grew 2.5% in 2017, mostly driven by the 19% YOY increase in public investment** due to important reconstruction projects following floods. **Peru's core inflation dropped to 2.0% YOY in January,** its lowest level in 5 years. Headline annual inflation decelerated to 1.3% YOY from 1.4% a month prior and remained below the midpoint of the BCRP's target range (2%). The negative output gap and the stronger PEN are pushing inflation down.

*A rate cut is now highly likely at the next central bank meeting.*

## AFRICA

MSCI Africa 1,012 -7.24%

**Egypt's foreign reserves rose to another historic high of USD 38.2bn in January from USD 37.0bn in December,** driven by USD 1.5bn foreign currency inflows into the banking system.

*Egypt's Reserves plummeted to as low as USD 13.5bn in March 2013 after years of economic and political turmoil*

Chris Wehbe  
CEO & Chair of Investment  
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[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

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(Africa)

[temu.iyiola@alquity.com](mailto:temu.iyiola@alquity.com)

triggered by the 2011 uprising against former President Hosni Mubarak. However, since the country took the tough decision to implement a raft of economic reforms to secure a USD 12bn loan from the IMF, confidence has returned, the reserves now cover an equivalent of 8 months import. This bodes well for the broader economy, particularly the domestic segment which is still challenged by high inflation.

#### In South Africa, PMI rose to a 9-month high in January.

The Absa PMI rose to 49.9 in January from 44.9 in December driven by recovery in business activity and sales orders. In contrast, consumer confidence remained in the doldrums; the FNB consumer confidence index improved marginally from -9 in 2Q17 to -8 in 4Q17, but made it the third consecutive year of negative consumer confidence reading, the longest streak since 1982.

#### In Kenya, the leader of the opposition, Raila Odinga, inaugurated himself as the people's president and moved to form a parallel government.

This comes after a short period of normalcy (3 months) after a protracted and disputed presidential election. The resistance of Odinga and his party risks making an already polarised country ungovernable.

Elsewhere in Kenya, inflation edged up to 4.8% in January from 4.5% in December, driven by increases in the cost of corn and crude, while new car sales fell 20.8% in 2017 due to slower economic growth which was exacerbated by a combination of political turmoil and a cap on commercial interest rates.

Lastly, **Nigeria's manufacturing PMI remained in the expansionary territory in January at 57.3 points.** This marks the 10-consecutive month of expansion. Non-manufacturing PMI was also positive at 58.5 points and the 9th consecutive month of expansion.

**PLEASE CONTINUE  
FOR MARKET DATA.**

## THE WEEK AHEAD

	Date	Consensus
<b>UNITED STATES</b>		
US trade balance (DEC) Bn USD	Tue/06	-52.1
<b>EUROPE</b>		
Eurozone PMI (JAN)	Mon/05	58.6
Eurozone retail sales (DEC) % YOY	Mon/05	1.9
UK PMI (JAN)	Mon/05	54.9
Poland interest rate %	Tue/06	1.5
BoE interest rates %	Thu/08	0.5
Russia interest rate %	Fri/09	7.5
<b>ASIA PACIFIC</b>		
Indonesia GDP (Q4) % YOY	Mon/05	5.1
Australia interest rate %	Tue/06	2
China FX reserves (JAN) Bn USD	Wed/07	3170
Japan current account (DEC) sa Bn JPY	Thu/08	1660
Philippines interest rate %	Thu/08	3
China trade balance (JAN) Bn USD	Thu/08	54.7
India interest rate %	Wed/07	6.0
Japan M3 (JAN) % YOY	Fri/09	3.1
China CPI (JAN) % YOY	Fri/09	1.5
<b>LATIN AMERICA</b>		
Brazil interest rate %	Wed/07	6.75
Mexico interest rate	Thu/08	7.5
Mexico CPI (JAN) % YOY	Thu/08	5.5
<b>AFRICA</b>		
Egypt CPI (DEC) % YOY	Sun/11	

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[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

**Temu Iyiola**  
Investment Analyst  
(Africa)

[temu.iyiola@alquity.com](mailto:temu.iyiola@alquity.com)

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29 JANUARY TO 4 FEBRUARY

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	2,762.13	-3.85%	-2.18%	3.31%	21.10%		3.4
RUSSELL 2000 INDEX	RTY Index	US	1,547.27	-3.78%	-1.76%	0.77%	13.99%		2.4
NASDAQ COMPOSITE INDEX	CCMP Index	US	7,240.95	-3.53%	-2.30%	4.89%	28.47%		3.6
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,606.03	-4.47%	-2.77%	-2.69%	6.51%		1.8
S&P 500 FINANCIALS INDEX	S5FINL Index	US	487.21	-2.81%	-1.26%	5.02%	26.39%		1.6
S&P 500 CONS DISCRET IDX	S5COND Index	US	841.07	-3.10%	-1.96%	7.10%	24.93%		5.6
S&P 500 INFO TECH INDEX	S5INFT Index	US	1,154.30	-4.12%	-2.99%	4.35%	35.87%		5.8
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	1,005.73	-5.06%	-1.31%	5.17%	22.52%		4.1
S&P 500 ENERGY INDEX	S5ENRS Index	US	536.43	-6.42%	-3.08%	0.57%	0.56%		2.0
S&P 500 ECO SECTORS IDX	S5ECON Index	US	2,762.13	-3.85%	-2.18%	3.31%	21.10%		3.4
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	656.51	-3.28%	-2.21%	2.93%	20.86%		4.9
S&P 500 CONS STAPLES IDX	S5CONS Index	US	582.45	-3.77%	-2.22%	-0.84%	7.72%		5.4
S&P 500 UTILITIES INDEX	S5UTIL Index	US	253.14	-2.31%	-2.29%	-5.32%	2.13%		1.9
S&P 500 MATERIALS INDEX	s5MATR Index	US	378.94	-5.64%	-3.94%	0.00%	16.02%		2.9
S&P 500 TELECOM SERV IDX	S5TELS Index	US	164.75	-1.28%	-0.15%	-0.79%	-1.41%		2.3
Europe									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,523.28	-3.17%	-1.96%	4.29%	25.16%	0.55%	1.7
CAC 40 INDEX	CAC Index	France	5,364.98	-2.74%	-1.71%	4.74%	29.34%	0.99%	1.6
DAX INDEX	DAX Index	Germany	12,785.16	-3.93%	-2.64%	2.65%	27.08%	-1.03%	1.9
Athex Composite Share Pr	ASE Index	Greece	875.38	-0.06%	0.04%	13.16%	62.39%	9.10%	0.7
FTSE MIB INDEX	FTSEMIB Index	Italy	23,202.66	-2.51%	-0.87%	10.12%	41.98%	6.17%	1.3
AEX-Index	AEX Index	Netherlands	550.08	-2.71%	-1.44%	4.77%	31.86%	1.01%	1.9
PSI All-Share Index GR	BVLX Index	Portugal	3,012.65	-3.55%	-1.43%	5.22%	41.01%	1.45%	1.5
MOEX Russia Index	INDEXCF Index	Russia	2,263.82	-1.01%	-0.54%	10.43%	8.06%	8.16%	0.8
IBEX 35 INDEX	IBEX Index	Spain	10,211.20	-3.39%	-1.87%	5.45%	25.47%	1.67%	1.5
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,569.64	-2.13%	-0.71%	4.11%	12.87%	0.50%	2.2
SWISS MARKET INDEX	SMI Index	Switzerland	9,220.69	-2.53%	-0.90%	2.92%	18.76%	-1.72%	2.5
BIST 100 INDEX	XUI00 Index	Turkey	117,732.20	-2.31%	-1.17%	3.17%	34.28%	2.42%	1.4
FTSE 100 INDEX	UKX Index	UK	7,443.43	-3.14%	-1.39%	1.35%	17.50%	-3.18%	1.9
Asia Pacific									
MSCI AC ASIA x JAPAN	MXASJ Index	MSCI Asia Ex	753.51	-2.92%	-1.79%	5.61%	37.45%	5.61%	1.9
S&P/ASX 200 INDEX	AS51 Index	Australia	6,026.23	-0.21%	0.09%	2.71%	12.42%	0.93%	2.1
DSE 30 INDEX	DS30 Index	Bangladesh	2,182.09	-3.72%	-0.71%	-3.40%	8.37%	-2.42%	-
HANG SENG CHINA ENT IND	HSCEI Index	China "H"	13,514.97	-1.40%	-0.16%	15.49%	38.53%	15.62%	1.2
SHANGHAI SE COMPOSITE	SHCOMP Index	China "A"	3,487.50	-2.35%	-0.76%	8.10%	19.64%	4.68%	1.9
HANG SENG INDEX	HSI Index	HK	32,313.24	-1.72%	-0.86%	8.84%	39.51%	8.97%	1.5
Nifty 50	NIFTY Index	India	10,664.95	-3.82%	-3.10%	1.73%	29.11%	2.18%	3.2
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	6,587.87	-1.80%	-0.51%	4.99%	22.37%	4.30%	2.7
NIKKEI 225	NIKY Index	Japan	22,682.08	-3.02%	0.04%	4.49%	25.96%	2.24%	1.9
KOSPI 200 INDEX	KOSPI2 Index	Korea	323.29	-4.35%	-3.54%	-0.81%	27.91%	0.70%	1.1
Laos Composite Index	LSXC Index	Laos	950.60	-1.32%	-0.85%	-4.80%	-11.32%	-5.06%	0.8
FTSE Bursa Malaysia KLCI	FBMVKLCI index	Malaysia	1,856.41	0.56%	0.45%	8.77%	27.21%	4.10%	1.7
KARACHI 100 INDEX	KSE100 Index	Pakistan	44,301.20	-0.58%	0.59%	9.33%	-15.43%	9.46%	1.6
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	8,616.00	-3.93%	-0.21%	-0.46%	17.21%	2.95%	2.5
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	3,489.12	-1.84%	-0.54%	5.25%	24.07%	3.73%	1.3
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	6,520.46	0.64%	0.50%	1.88%	3.62%	2.37%	1.4
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	10,946.25	-0.81%	-0.28%	5.78%	24.85%	4.54%	1.8
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,810.44	-0.35%	-0.25%	7.97%	29.65%	4.20%	2.1
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	1,048.71	-0.94%	-0.47%	12.28%	56.61%	12.27%	3.0
Rest of the World									
MSCI ACWI	MXWD Index	MSCI World	531.46	-3.43%	-1.88%	3.59%	22.45%	3.59%	2.4
MSCI EM	MXEF Index	MSCI EM	1,230.84	-3.32%	-1.89%	6.25%	34.49%	6.25%	1.9
MSCI Frontier Market Index	MXFEM Index	MSCI FM	3,099.00	-2.79%	-0.91%	3.71%	20.37%	3.71%	2.1
DFM GENERAL INDEX	DFMGI Index	Dubai	3,383.45	-1.63%	0.53%	1.25%	-5.84%	1.25%	1.2
MSCI EM LATIN AMERICA	MXLA Index	Latin America	3,139.05	-3.16%	-1.84%	10.99%	23.81%	10.99%	2.1
ARGENTINA Merval INDEX	MERVAL Index	Argentina	32,614.77	-6.74%	-5.90%	3.72%	35.47%	8.48%	2.3
MSCI BRAZIL	MXBR Index	Brazil	2,295.77	-4.08%	-2.79%	13.49%	23.64%	13.49%	2.0
CHILE STOCK MKT SELECT	IPSA Index	Chile	5,825.99	-0.71%	-0.45%	6.86%	46.92%	4.70%	1.9
IGBC GENERAL INDEX	IGBC Index	Colombia	12,145.72	-2.71%	-0.15%	11.23%	20.68%	5.82%	-
S&P/BMV IPC	MEXBOL Index	Mexico	50,395.84	-1.23%	0.53%	8.68%	18.71%	2.11%	2.7
Bolsa de Panama General	BVPSBVPS Index	Panama	453.51	0.32%	0.12%	2.39%	10.19%	2.39%	2.0
S&P/BVLPeruGeneralTRPEN	SPBLPGPT Index	Peru	20,720.94	-3.17%	-1.68%	4.48%	30.46%	3.74%	1.8
ENEZUELA STOCK MKT IND	IBVC Index	Venezuela	2,827.56	-22.79%	-22.91%	123.85%	9928.58%	123.85%	50.0
MSCI EFM AFRICA	MXFMEAF Index	Africa	1,011.70	-7.24%	-3.09%	-0.18%	26.77%	-0.18%	2.7
EGYPT HERMES INDEX	HERMES Index	Egypt	1,483.26	1.40%	0.46%	5.21%	39.96%	4.44%	2.0
GSE Composite Index	GGSECI Index	Ghana	3,147.19	4.46%	2.62%	23.03%	71.50%	22.00%	2.9
Nairobi SE 20 Share	KNSMIDX Index	Kenya	3,758.18	1.35%	0.91%	2.69%	35.33%	1.25%	2.4
MASI Free Float Index	MOSENEW Index	Morocco	13,280.76	2.15%	1.85%	9.50%	19.45%	7.20%	3.1
NIGERIA STCK EXC ALL SHR	NGSEINDX Index	Nigeria	44,639.99	1.70%	0.81%	16.56%	45.49%	16.73%	1.9
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	51,113.05	-5.94%	-2.43%	1.84%	25.82%	-1.19%	2.2
<b>Average</b>				-2.72%	-1.49%	6.76%	171.86%	6.69%	
<b>Top 25%</b>				-1.25%	-0.18%	8.03%	33.07%	6.49%	
<b>Bottom 25%</b>				-3.77%	-2.18%	2.13%	17.35%	1.19%	

Chris Wehbe  
CEO & Chair of Investment  
Committee

Aaron Armstrong  
Senior Investment Analyst  
(Asia)

Florian Gueritte  
Investment Analyst  
(LatAm)

Temu Iyiola  
Investment Analyst  
(Africa)

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

[temu.iyiola@alquity.com](mailto:temu.iyiola@alquity.com)

Twitter: @cswehbe

# GLOBAL MARKET DATA (CONTD.)

29 JANUARY TO 4 FEBRUARY

FX (vs USD)				Return +ive=USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXYS Index	USD Index	89.24	0.14%	0.07%	-3.18%	-10.62%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.80	-0.21%	-0.35%	-3.61%	-13.63%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	56.63	0.54%	0.59%	-1.96%	-4.88%
USD-TRY X-RATE	USDTRY Curncy	Turkey	3.77	0.53%	0.37%	-0.60%	0.87%
USD-GBP X-RATE	USDGBP Curncy	UK	0.71	0.21%	0.48%	-4.36%	-11.30%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	111.51	-0.22%	-0.25%	1.72%	6.50%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.26	2.34%	1.65%	-1.44%	-3.38%
USD-CNY X-RATE	USDCNY Curncy	China	6.29	-0.19%	0.23%	-3.13%	-7.79%
USD-INR X-RATE	USDINR Curncy	India	64.12	0.97%	0.87%	0.59%	-4.55%
USD-JPY X-RATE	USDJPY Curncy	Japan	109.82	1.47%	0.89%	-2.25%	-2.34%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,091.05	2.43%	1.88%	2.16%	-4.71%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	29.36	0.88%	0.61%	-1.03%	-5.35%
USD-ARS X-RATE	USDARS Curncy	Argentina	19.46	-0.42%	-0.88%	4.62%	24.22%
USD-BRL X-RATE	USDBRL Curncy	Brazil	3.22	2.13%	0.99%	-2.84%	3.03%
USD-CLP X-RATE	USDCLP Curncy	Chile	602.98	0.12%	-0.06%	-2.11%	-6.23%
USD-MXN X-RATE	USDMXN Curncy	Mexico	18.61	0.56%	-0.02%	-5.37%	-9.54%
USD-EGP X-RATE	USDEGP Curncy	Egypt	17.68	-0.16%	-0.14%	-0.64%	-3.95%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	360.00	0.28%	-0.14%	0.14%	18.29%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	12.08	1.91%	2.01%	-2.34%	-9.75%
Commodities				Return (USD)			
WTI CRUDE FUTURE Mar18	CLA Comdty	US	64.92	-1.04%	1.11%	8.29%	16.88%
BRENT CRUDE FUTR Apr18	COA Comdty	UK	68.02	-2.24%	-0.45%	3.22%	20.15%
BALTIC DRY INDEX	BDIY Comdty		1,095.00	-10.17%	-4.95%	-19.84%	42.21%
Natural Gas Futures	NG1 Comdty		2.87	-18.80%	-4.97%	-3.62%	-10.70%
Gold Spot \$/Oz	XAU Curncy		1,333.81	-1.24%	-0.91%	2.29%	9.64%
Silver Spot \$/Oz	XAG Curncy		16.74	-4.63%	-4.28%	-2.01%	-5.05%
LME COPPER 3MO (\$)	LMCADS03 Comdty		####	-0.56%	-1.03%	-2.79%	19.69%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	US 2yr	2.14	0.03	0.00	0.26	0.94
US Generic Govt 5 Year Yield	USGG5YR Index	US 5yr	2.59	0.12	0.07	0.38	0.67
US Generic Govt 10 Year Yield	USGG10YR Index	US 10yr	2.86	0.18	0.14	0.44	0.37
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	2.36	0.10	0.07	0.32	0.60
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	7.61	0.05	-0.02	-0.05	0.19
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	UK 10yr	1.57	0.13	0.07	0.39	0.19
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	0.17	0.09	0.06	0.32	0.21
German Government Bonds 2 Yr B	GDBR2 Index	German 2yr	-0.55	0.00	-0.01	0.09	0.19
German Government Bonds 5 Yr O	GDBR5 Index	German 5yr	0.12	0.16	0.02	0.33	0.46
Germany Generic Govt 10Y Yield	GDBR10 Index	German 10yr	0.76	0.14	0.07	0.34	0.34
French Generic Govt 10Y Yield	GFRF10Y Govt	French 10yr	1.01	0.11	0.05	0.24	-0.03
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	3.65	0.02	-0.06	-0.42	-3.82
Italy Generic Govt 10Y Yield	GBTGRI0 Index	Italy 10yr	2.07	0.04	0.02	0.03	-0.18
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	1.49	0.06	0.04	-0.10	-0.17
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	2.02	0.07	0.05	0.07	-2.11
Australia Govt Bonds Generic Y	GACGB10 Index	Aus 10yr	2.94	-0.02	0.02	0.20	0.06
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	7.59	0.26	0.13	0.24	1.16
KCMP South Korea Treasury Bond	GVS10YR Index	Korea 10yr	2.75	0.07	-0.02	0.29	0.59
Japan Generic Govt 10Y Yield	GJGB10 Index	Japan 10yr	0.08	0.01	0.00	0.04	-0.03
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.72				
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/22	ITRXEXE CBIL Curncy	EUR XOVER	252.45	16.24	9.42	14.66	-49.69
MARKIT ITRX EUROPE 12/22	ITRXEBE CBIL Curncy	EUR MAIN	46.33	2.12	1.39	0.19	-27.09
MARKIT ITRX EUR SNR FIN 12/22	ITRXESE CBIL Curncy	EUR SNR FIN	45.30	2.72	1.61	-0.11	-45.11
MARKIT ITRX EUR SUB FIN 12/22	ITRXEUE CBIL Curncy	EUR SUB FIN	100.37	5.22	2.63	-5.69	-110.42
MARKIT CDX.NA.IG.29 12/22	BOXUMAE CBIL Curncy	US IG	50.21	3.51	2.01	-0.09	-16.48
MARKIT CDX.NA.HY.29 12/22	IBOXHYSE CBIL Curncy	US HY	315.87	21.34	13.95	7.78	-31.69
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	15.00	2.90	1.52	1.34	-0.76
FTSE 100 500 3month ATM	UKX Index	UK	11.33	1.92	0.59	1.95	-0.18
Hang Seng 3month ATM	HSI Index	HK	16.99	-0.43	-0.48	2.08	2.92
Nikkei 3month ATM	NKY Index	Japan	12.05	-3.83	0.51	-3.48	-6.95
S&P 500 3month ATM	SPX Index	US	11.80	1.20	-0.11	1.88	0.32
Volatility (VIX)	VIX Index	US	17.31	6.23	3.77	6.27	5.38
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	2.47	0.06	-0.01	0.12	0.05
UK 5Y5YF Inflation Swap		GBP	3.54	0.01	0.05	0.04	-0.11
JPY 5Y5YF Inflation Swap		JPY	0.40	0.01	0.00	0.01	-0.26
EUR 5Y5YF Inflation Swap		EUR	1.75	0.02	0.02	0.03	-0.03
Economic Data Surprise (+ive = above expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	-2.50				
Citi Economic Surprise Index -	CESICNY Index	China	19.20				
Citi Economic Surprise Index -	CESIEM Index	EM	1.00				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	34.10				
Citi Economic Surprise Index -	CESIGIO Index	G10	36.00				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	19.90				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	4.10				
Citi Economic Surprise - Unite	CESIUSD Index	US	44.50				

Chris Wehbe  
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Aaron Armstrong  
Senior Investment Analyst  
(Asia)

Florian Gueritte  
Investment Analyst  
(LatAm)

Temu Iyiola  
Investment Analyst  
(Africa)

chris.wehbe@alquity.com

aaron.armstrong@alquity.com

florian.gueritte@alquity.com

temu.iyiola@alquity.com

Twitter: @cswehbe

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

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*Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.*

*Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.*

**Chris Wehbe**  
CEO & Chair of Investment  
Committee

[chris.wehbe@alquity.com](mailto:chris.wehbe@alquity.com)

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

**Aaron Armstrong**  
Senior Investment Analyst  
(Asia)

[aaron.armstrong@alquity.com](mailto:aaron.armstrong@alquity.com)

**Florian Gueritte**  
Investment Analyst  
(LatAm)

[florian.gueritte@alquity.com](mailto:florian.gueritte@alquity.com)

**Temí Iyiola**  
Investment Analyst  
(Africa)

[temi.iyiola@alquity.com](mailto:temi.iyiola@alquity.com)