GLOBAL MARKET UPDATE

26 FEBRUARY TO 4 MARCH: UNCHARTERED WATERS

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS		
DEVELOPED	Top 3:	Luxembourg 0.70%, Austria -0.52%, Ireland -0.76%
	Bottom 3:	Germany -4.52%, Sweden -4.50%, UK -3.87%
EMERGING	Top 3:	Egypt 1.43%, Abu Dhabi 0.34%, Thailand 0.10%
	Bottom 3:	Colombia -5.69%, South Africa -4.79%, China "H" -4.25%
FRONTIER	Top 3:	Ukraine 8.04%, Bosnia 2.66%, Estonia 2.08%
	Bottom 3:	Venezuela -33.91%, Chile -4.96%, Qatar -4.16%

Over the weekend and in the coming week, a number of events could impact the short-term direction of travel for markets:

- Sunday, the SPD in Germany ratified a coalition deal that secured Angela Merkel's 4th term as chancellor and Italy held a general election, with exit polls suggesting a hung parliament.
- Thursday, the ECB may change their forward guidance after their March monetary policy meeting
- Friday, the US employment report for February will confirm whether wage growth in the US has experienced a genuine acceleration and the BOJ in Japan will announce a policy update

Whatever the near term volatility, we continue to see global growth as sufficiently resilient to deal with this period of adjustment for at least the next 6-9 months.

UNITED STATES

S&P 2,691 -2.04%, 10yr Treasury 0.00% +0.37bps, HY Credit Index 4 +14bps, Vix 3.10 -.26Vol

US stocks recorded losses and bond yields finished more or less unchanged as investors continued to pour over every data and news release to settle their conviction in this new market regime.

New FED Chair Jerome Powell spoke publically on 2 occasions. On Tuesday before the House Financial Services Committee he was interpreted as hawkish, stating that economic conditions had improved significantly and that some headwinds (such as fiscal policy) had become tailwinds. As such he and his colleagues were "going to be taking the developments since the December meeting into account and writing down our new rate paths." This prompted the **US 2-year to touch a 9-year high yield of 2.27%** and for investors to question whether the FED could deliver 4, rather than 3, rate hikes this year – something that, later in the week, Bill Dudley of the NY FED said could be consistent with a still gradual normalisation of policy. On Thursday, Powell then appeared before the Senate Banking Committee, when he was seen as more dovish.

Also on Thursday, **Donald Trump declared an intention to impose tariffs amounting to 25% on steel and 10% on aluminium imports** (likely to kick in this week). The direct effects will be minimal; imports of the 2 metals combined only represent 2% of goods imported, however, **markets fell sharply after the announcement on concern this could unleash a raft of "tit-for-tat" anti-trade policies.** Indeed, on Saturday the POTUS said he would increase taxes on European cars if the EU retaliated to his new

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tariff, tweeting: "If the EU wants to further increase their already massive tariffs and barriers on US companies doing business there, we will simply apply a Tax on their Cars which freely pour into the U.S. They make it impossible for our cars (and more) to sell there."

In some ways, nobody should be surprised at the Trump administration's announcement of a protectionist policy; the Republican's campaigned on this basis. An escalating trade war could have a material impact on global growth and therefore the market's reaction was nonetheless understandable. For now it is early days, and this remains a peripheral risk.

From a data perspective, Q4 GDP growth was revised slightly lower and house price data and durable goods were modestly weaker. However, the ISM manufacturing index hit a 14 year high.

EUROPE

Eurostoxx 0 0.00%, German Bund 0.00% -0.50bps, Xover Credit Index- 1 -8bps, EURUSD- 542.200 -1.01%

European equities underperformed their US peers and bond yields declined ahead of the weekend's political events.

In Germany, **66% of the SPD's rank and file membership voted to back a grand coalition with Angela Merkel's CDU,** which helps bring 5 months of political uncertainty to an end.

In Italy, exit polls and initial data suggest a hung parliament with a surge in support for Silvio Berlusconi's centre right "Forza Italia" and the Eurosceptic Five Star and Northern League parties. The incumbent centre-left party of Matto Renzi has therefore suffered a crushing defeat. The precise implications will be unclear for a while, as we await final results and the winning parties jockey for position. However, the extent of division and support for populism is significant for Italy and Europe. The only way to avoid political stalemate is a coalition between the 2 staunchly anti-Europe parties and Berlusconi, but the Five Star Movement and the Northern League have previously ruled this out. In any case, the result will be seen as another vote of no confidence in the EU project. As one Italian newspaper has summarised it this morning "che bordello" ("what a mess").

From a data perspective, HICP inflation for the Eurozone in February came in line with expectations at 1.2% YOY. Meanwhile, in the UK consumer confidence and the manufacturing PMI both declined. This included saving intentions by households reaching the highest level since September 2008.

Central banks in Israel and Hungary left rates unchanged at 0.10% and 0.90% respectively, whilst the NBU in the Ukraine raised rates by 100bps to 17.0%.

ASIA PACIFIC

HSCEI 2,155 -0.20%, Nikkei 6,563.00 -1.15%,10yr JGB 0.02% +0bps, USDJPY- .010 -0.80%

Asian equity markets were down last week with few exceptions, on the back of negative global sentiment and US protectionist concerns. Hong Kong H shares led the way, falling -4.25%.

China's February PMI data offered little in the way of meaningful conclusions, with Chinese New Year seasonality still washing through the system. The official NBS Manufacturing PMI fell to 50.3 from 51.3 in January. Conversely, the unofficial Caixin Manufacturing PMI showed a minor increase month on month, rising from 51.5 to 51.6.

Attention in China now turns to the outcomes of the Chinese People's Political Consultative Conference, which began over the weekend in Beijing. A highly choreographed showpiece with over 2,000 participants, further confirmation of President Xi Jinping's success in consolidating political power and prolonging his Presidential term are the most likely outcomes.

India's economy grew quicker than expected during the final three months of calendar year 2017, expanding at a rate of 7.2% YOY, up from a revised growth rate of 6.5% for the previous quarter. This was the fastest quarterly growth rate recorded since the government's demonetisation programme was implemented in November 2016. Growth in investment was the standout contributor, which accelerated to 13% YOY, up from 9% the previous quarter.

Putting this data point in the context of the recent strength seen in industrial production and manufacturing PMI data, this GDP release adds further weight to the argument that India's economic recovery is now in full swing. As the economy continues to recover from the short-term disruptions of demonetisation and GST implementation, we maintain the view that we have held for the past year of a 'certain but gradual' path back towards an ~8% GDP growth rate.

Bank of Korea left interest rates on hold at 1.50%, in line with expectations. Perhaps more significantly, central bank governor Lee Ju-yeol was reappointed for a second term, the first time a second term has been given to a head of the Korean central bank since the 1970s.

This unexpected move by the President to stick with his predecessor's appointee, favouring policy stability over and above traditional practice, has been interpreted as an outcome of the more pragmatic policy approach that President Moon has pursued since coming to power last year.

Inflation in Indonesia softened slightly in February, printing at 3.2%, down from 3.3% the previous month. Core inflation also contracted slightly, to hit an all-time low of 2.6%. Lower food costs were among the key disinflationary forces.

Despite low inflation, Indonesia's central bank is expected to leave rates unchanged in the short to medium term, while awaiting for the full effects of the eight rounds of interest rate cuts that it has delivered since the beginning of 2016 to take full effect.

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LATIN AMERICA

MSCI Lat Am 3,208 -2.36%

Brazil's 4Q17 GDP growth reached 2.1% YOY, bringing the annual GDP growth to 1.0% YOY in 2017, the best annual pace since 2013.

Mexico's GDP growth slowed down in 2017 to 2% (from 2.9% in 2016). Consumption and industrial production were held back by uncertainty (with NAFTA renegotiation and the forthcoming presidential elections standing out as key risks) and the doubling of inflation (lowering real wages).

The declaration trend worsened as the year advanced with:

- **Monthly GDP proxy (IGAE) growing only 1.1% YOY in December,** with growth for 4Q17 posting 1.5%.
- **Retail sales ending 2017 on a poor footing,** as inflation climbed again in the last months of the year and consumer credit slowed down (mainly due to higher domestic interest rates). The retail sales monthly indicator fell 2% YOY in December 2017 and 2016 (1.3%, from 8.7%).

On the positive front, Mexico's current account deficit (CAD) narrowed significantly in 2017 to USD 18. bn (1.6% of GDP), from USD 22.8bn (2.1% of GDP) in 2016, given a record-high non-energy trade surplus (driven by the pick-up of the US economy), a smaller net income deficit (reflecting lower profit remittances from foreign firms operating in Mexico), and solid remittances (supported by stronger U.S. economy and a weaker MXN).

Peru's GDP growth also weakened in 2017 to 2.5% YOY (from 4% in 2016), battered by idiosyncratic shocks such as El Niño (affecting natural resource sectors and inflation causing a negative wealth effect) and corruption scandals. Despite the potential lingering on of the political stalemate, Peru is expected to resume its growth trajectory towards 4% (long-term potential GDP growth rate).

Fiscal and current accounts remain well under control:

- Given robust export volumes and higher metal prices, **Peru's current account deficit (CAD) improved between 2016 (2.7% of GDP) and 2017 (1.3% of GDP).**
- The nominal **fiscal deficit widened to 3.2% of GDP in 2017** (from 2.6% of GDP in 2016), implying that the fiscal deficit cap for last year (3% of GDP) was breached for the first time since the inception of the fiscal rule in 2013. Nothing worrying though, as this slippage was exceptional (due to El Nino) and the net government debt stands are 9.5% of GDP in 2017, one of the lowest in the world.

Peru's CPI growth slowed to 1.2% YOY in February (1.3% in January), standing close to the lower limit of the target range (1.0% - 3.0%) for the first time since May 2010. This print came in below expectations for a 6th consecutive month, amid a negative output gap and a normalisation process of food prices (after last year's El Niño) that has not fully run its course yet.

The disinflationary trend and still large output gap leaves the door wide open for a rate cut. An easy monetary policy would help offset the uncertainty and subdued domestic economic activity.

Colombia's 2017 current account deficit reached USD 10.36bn in 2017, its lowest annual level since 2011. The CAD decreased from 4.3% of GDP in 2016 to 3.3% last year, a minimum not observed since 2013, the year before the oil price collapsed. Higher commodity prices, a gradual recovery in activity of Colombia's main trading partners boosted exports, while sluggish domestic demand tamed imports. Net FDI inflows of USD 14.5bn fully covered the CAD last year for the first time since 2012. The freely-floating currency played its role fully during this period and the economy is now towards the end of the adjustment process.

AFRICA

MSCI Africa 1,018 -4.79%

South African president, Cyril Ramaphosa, made sweeping changes to his cabinet this week. The key offices of treasury, public enterprises and mining will be occupied by well-respected and trusted hands; Nhlanhla Nene returns as finance minister, more than two years after his firing rocked the rand, Pravin Gordan, a former finance minister, was appointed to public enterprises to manage the sensitive SOES, and Gwede Mantashe, the former secretary general of national union of mine workers, heads the ministry of mines.

A few acolytes of former president Jacob Zuma remain in the cabinet, albeit with a reduced mandate, and driven by need to keep the party united. Nonetheless, Ramaphosa has so far weathered the constraints of his marginal victory to make decisions that should be positive for the economy. We expect Moody's to retain the country's investment rating later this month.

Moving to data prints:

- South Africa's Absa PMI rose to its best reading in a year, 50.8 in February from 49.9 in January, driven by an improved outlook for the local economy.
- January PPI moderated to 5.1% YOY from 5.2% in December, supported by easing inflationary pressures and a firmer ZAR. On a MOM basis, January PPI fell to 0.3% from 0.6% in December
- Trade balance swung into a deficit of R27.7bn in January. Exports fell 22.6% to R80.5bn on MOM basis while imports rose 21.9% to R108.2bn
- Credit growth fell to 5.54% YOY in January from 6.72% in December

The Nigerian economy grew 1.92% in Q4 2017 compared to 1.40% growth in the previous quarter and 1.73% in Q4 2016. The growth was driven by an 8.4% YOY recovery in the oil economy with oil production averaging 1.91mbpd in Q4, compared with 2.03mbpd the previous quarter and 1.76mbpd in Q4 2016. Non-oil economy also came out of recession, expanding 1.45% YOY from 0.76%

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contraction in the previous quarter, driven by a 4.2% YOY growth in agriculture from 3.1% in Q3. On a full year basis, the Nigerian economy grew 0.83% in 2017 from 1.58% contraction in 2016.

Growth is welcome but much more is needed. With a 2.5% annual population growth, GDP/capita is still contracting, and the people are therefore getting poorer. The country needs major and targeted economic reforms to develop real industries (i.e. in agriculture leveraging the countries 30+ million hectares of arable land) and growth in the 5+ percent range for real economic transformation.

Kenya's inflation moderated to 4.46% YOY in February from 4.83% in January, remaining within the central banks' preferred inflation band of 2.5% - 7.5%. On a MOM basis, CPI increased by 1.36% in February vs. 1.32% in January.

Staying in Kenya, per the National Treasury's latest Quarterly Economic and Budgetary Review Report:

- Kenya's public debt stood at KES4.6tn (USD 45bn, ~52.8% of GDP) as at Dec 2017, up 19% from KES3.8tn in Dec 2016. The public debt balance comprises of 51.5% foreign loans vs. 48.5% domestic loans.
- Foreign interest payments amounted to KES40.2bn, 59.5% higher than the same period of FY16/17, while domestic interest payments totaled KES114.6bn, 14.5% higher than the corresponding period of FY16/17.
- Current account deficit widened to 7.0% of GDP in December 2017 from 5.2% of GDP in December 2016.
- Fiscal deficit widened to 9.1% of GDP in FY2016/17 and is projected to decline to 7.2% of GDP in FY17/18, 6.0% in FY18/19.
- GDP expansion is projected at 5.9% in 2018-19, 6.3% in 2019-20, 6.8% in 2020-21, 6.9% in 2021-22

Lastly, **Egypt foreign reserves surged USD4.31bn to another historic high in February.** Egypt's foreign reserves rose to USD42.52bn in February from USD38.21bn in January, helped by a USD4bn dollar-denominated Eurobond sale.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
US trade balance (JAN) bn USD	Wed/07	-52.6
non-farm payroll (FEB) th	Fri/09	200
EUROPE		
Eurozone PMI	Mon/05	57.5
Eurozone retail sales (JAN) % YOY	Mon/05	2.0
UK PMI (FEB)	Mon/05	
Turkey interest rate %	Wed/07	8.0
Eurozone GDP (4Q) % QOQ	Thu/08	0.6
Germany industrial production (JAN) % YOY	Fri/09	6.0
UK trade balance (JAN) bn GBP	Fri/09	-2.9
UK industrial production (JAN) % YOY	Fri/09	1.5
ASIA PACIFIC		
Australia interest rate %	Tue/06	1.5
Australia GDP (Q4) % YOY	Wed/07	2.0
China FX reserves (FEB) bn USD	Wed/07	3150
Japan GDP (Q4) % YOY saar	Thu/08	1.0
Japan current account (JAN) bn JPY sa	Thu/08	1765
Chian trade balance (FEB) bn USD	Thu/08	-8.5
Japan M3 (FEB) % YOY	Fri/09	2.8
China CPI (FEB) % YOY	Fri/09	2.4
LATIN AMERICA		
Brazil inflation (FEB) % YOY	Fri/09	2.80
Mexico CPI (FEB) % YOY	Thu/08	5.4
Peru interest rate %	Thu/08	2.8
AFRICA		
South Africa GDP (Q4) % YOY	Tue/06	1.3
Egypt CPI (FEB) % YOY	Thu/08	

PLEASE CONTINUE FOR MARKET DATA.

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GLOBAL MARKET DATA
26 FEBRUARY TO 4 MARCH

Market Summary Data: Last Calendar Week

Equities			Return (USD)				YTD	Volume
Name	Country	Price	1 Week	MTD	YTD	1Y	(Local)	1wk/3mo
North America								
S&P 500 INDEX	US	2,691.25	-2.04%	-0.83%	0.66%	12.99%		107%
RUSSELL 2000 INDEX	US	1,533.17	-1.03%	1.37%	-0.15%	9.85%		107%
NASDAQ COMPOSITE INDEX	US	7,257.87	-1.08%	-0.21%	5.13%	23.83%		106%
S&P/TSX COMPOSITE INDEX	Canada	15,384.59	-3.45%	-1.06%	-7.83%	2.81%	-5.09%	104%
S&P 500 CONS DISCRET IDX	US	819.61	-2.67%	-0.94%	4.36%	18.25%		114%
S&P 500 CONS STAPLES IDX	US	551.55	-1.30%	0.47%	-6.10%	-2.87%		115%
S&P 500 FINANCIALS INDEX	US	471.44	-2.28%	-1.55%	1.62%	14.48%		104%
S&P 500 HEALTH CARE IDX	US	966.50	-1.99%	-0.55%	1.06%	10.89%		105%
S&P 500 INFO TECH INDEX	US	1,179.69	-0.83%	-0.75%	6.65%	32.39%		105%
S&P 500 ENERGY INDEX	US	491.86	-2.72%	0.24%	-7.79%	-6.47%		106%
S&P 500 ECO SECTORS IDX	US	2,691.25	-2.04%	-0.83%	0.66%	12.99%		107%
S&P 500 INDUSTRIALS IDX	US	629.89	-3.33%	-2.00%	-1.24%	10.95%		108%
S&P 500 MATERIALS INDEX	US	368.11	-4.03%	-1.29%	-2.86%	11.35%		98%
S&P 500 REAL ESTATE IDX	US	184.29	-2.71%	-0.91%	-9.60%	-6.55%		112%
S&P 500 TELECOM SERV IDX	US	154.10	-0.73%	0.48%	-7.21%	-9.69%		106%
S&P 500 UTILITIES INDEX	US	246.95	-2.93%	-0.30%	-7.64%	-5.36%		102%
Europe								
Euro Stoxx 50 Pr	Europe	3,324.75	-3.34%	-2.51%	-2.83%	15.11%	-5.11%	92%
CAC 40 INDEX	France	5,136.58	-3.35%	-2.64%	-0.98%	21.27%	-3.31%	110%
DAX INDEX	Germany	11,913.71	-4.52%	-3.39%	-5.55%	15.77%	-7.77%	99%
Athex Composite Share Pr	Greece	813.09	-3.63%	-1.88%	3.78%	45.24%	1.34%	67%
FTSE MIB INDEX	Italy	21,912.14	-3.31%	-2.26%	2.69%	32.09%	0.27%	100%
AEX-Index	Netherlands	518.72	-2.83%	-2.33%	-2.45%	20.66%	-4.75%	99%
PSI All-Share Index GR	Portugal	2,910.13	-3.23%	-1.92%	0.36%	32.56%	-2.00%	149%
IMOEX Russia Index	Russia	2,306.37	-2.76%	-1.58%	9.69%	15.29%	8.49%	203%
IBEX 35 INDEX	Spain	9,531.10	-2.92%	-2.33%	-2.82%	14.96%	-5.11%	84%
OMX STOCKHOLM 30 INDEX	Sweden	1,526.46	-4.50%	-3.55%	-4.24%	6.03%	-3.20%	90%
SWISS MARKET INDEX	Switzerland	8,628.51	-3.87%	-2.47%	-4.54%	7.64%	-8.03%	92%
BIST 100 INDEX	Turkey	116,765.70	-1.12%	-2.07%	0.72%	26.89%	1.32%	88%
FTSE 100 INDEX	UK	7,069.90	-3.87%	-2.33%	-6.35%	7.53%	-8.04%	108%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	721.10	-2.13%	-1.02%	1.07%	27.74%	1.07%	98%
S&P/ASX 200 INDEX	Australia	5,895.03	-2.22%	-1.94%	-3.00%	5.20%	-2.25%	119%
DSE 30 Index	Bangladesh	2,155.20	-0.20%	0.83%	-5.91%	1.04%	-5.00%	
HANG SENG CHINA ENT INDX	China "H"	11,979.76	-4.25%	-1.49%	3.98%	18.07%	4.22%	90%
SHANGHAI SE COMPOSITE	China "A"	3,256.93	-1.19%	-0.37%	0.91%	9.38%	-1.59%	90%
HANG SENG INDEX	HK	29,921.95	-2.27%	-0.90%	1.99%	27.77%	2.22%	93%
Nifty 50	India	10,334.15	-0.82%	-0.40%	-2.78%	20.39%	-0.69%	99%
JAKARTA COMPOSITE INDEX	Indonesia	6,563.44	-1.15%	-0.14%	2.31%	18.29%	3.57%	112%
NIKKEI 225	Japan	21,042.09	-2.35%	-2.97%	-0.79%	17.41%	-6.95%	97%
KOSPI 200 INDEX	Korea	304.58	-2.97%	-1.27%	-5.86%	20.31%	-5.05%	84%
Laos Composite Index	Laos	914.70	-1.99%	-0.37%	-6.39%	-13.11%	-6.42%	171%
FTSE Bursa Malaysia KLCI	Malaysia	1,841.53	-0.63%	-0.19%	6.74%	22.46%	3.30%	108%
KARACHI 100 INDEX	Pakistan	43,717.12	1.16%	1.08%	7.83%	-16.61%	8.08%	75%
PSEi - PHILIPPINE SE IDX	Philippines	8,386.17	-0.43%	0.11%	-4.81%	13.52%	-1.17%	100%
STRAITS TIMES INDEX STI	Singapore	3,432.24	-1.55%	-0.86%	3.53%	18.73%	2.24%	126%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,551.83	-0.31%	-0.04%	1.80%	4.24%	2.95%	111%
TAIWAN TAIEX INDEX	Taiwan	10,642.90	-0.96%	-1.09%	1.83%	16.61%	0.52%	92%
STOCK EXCH OF THAI INDEX	Thailand	1,798.56	0.10%	-0.90%	7.03%	28.68%	3.32%	98%
HO CHI MINH STOCK INDEX	Vietnam	1,121.03	1.55%	-0.06%	13.71%	58.97%	13.92%	91%
Rest of the World								
MSCI ACWI	MSCI World	511.34	-2.44%	-1.30%	-0.33%	14.47%	-0.33%	180%
MSCI EM	MSCI EM	1,182.06	-2.83%	-1.10%	2.04%	26.24%	2.04%	189%
MSCI Fronter Market Index	MSCI FM	3,020.65	-1.00%	-0.46%	1.08%	18.49%	1.08%	96%
DFM GENERAL INDEX	Dubai	3,208.08	-2.36%	-1.08%	-4.78%	-10.47%	-4.78%	53%
MSCI EM LATIN AMERICA	Latin America	3,065.75	-3.04%	-0.06%	8.40%	18.71%	8.40%	101%
ARGENTINA MERVAL INDEX	Argentina	31,900.70	-4.04%	-4.15%	-2.55%	27.74%	6.10%	84%
MSCI BRAZIL	Brazil	2,300.22	-2.35%	0.16%	13.71%	21.71%	13.71%	126%
CHILE STOCK MKT SELECT	Chile	5,545.48	-4.96%	-1.75%	2.42%	37.29%	-0.34%	80%
IGBC GENERAL INDEX	Colombia	11,268.14	-6.02%	-1.30%	2.30%	18.61%	-1.83%	
S&P/BMV IPC	Mexico	47,548.11	-3.80%	-0.02%	0.64%	6.63%	-3.66%	107%
Bolsa de Panama General	Panama	457.37	0.20%	0.10%	3.26%	10.35%	3.26%	135%
S&P/BVLPeruGeneralTRPEN	Peru	20,832.77	0.15%	0.31%	3.79%	31.69%	4.30%	68%
MSCI EFM AFRICA	Africa	1,018.43	-4.79%	-2.12%	0.48%	25.73%	0.48%	85%
EGYPT HERMES INDEX	Egypt	1,527.93	1.43%	-0.03%	7.03%	26.75%	6.20%	98%
GSE Composite Index	Ghana	3,309.93	-0.41%	-0.05%	31.42%	90.32%	28.31%	131%
Nairobi SE 20 Share	Kenya	3,755.95	1.71%	0.43%	2.98%	28.31%	1.19%	151%
MASI Free Float Index	Morocco	13,167.08	-0.35%	0.72%	7.71%	21.13%	6.28%	121%
NIGERIA STCK EXC ALL SHR	Nigeria	42,876.23	1.00%	-0.91%	12.27%	51.43%	12.11%	62%
FTSE/JSE AFRICA TOP40 IX	South Africa	50,561.36	-4.79%	-2.32%	0.43%	24.83%	-3.25%	82%
Global Style								
MSCI WORLD GROWTH INDEX	US	2,510.37	-2.28%	-1.36%	1.30%	19.34%	1.30%	114%
MSCI WORLD VALUE INDEX	US	2,800.00	-2.49%	-1.29%	-2.63%	6.96%	-2.63%	107%
MSCI World Large Cap	US	1,279.31	-2.38%	-1.38%	-0.56%	12.90%	-0.56%	107%
MSCI World Mid-Cap	US	1,368.62	-2.43%	-1.09%	-1.08%	13.66%	-1.08%	111%
Average			-2.09%	-1.00%	1.09%	17.61%	1.05%	106%
Top 25%			-0.90%	-0.06%	3.65%	25.98%	3.38%	111%
Bottom 25%			-3.32%	-1.90%	-2.84%	9.62%	-3.40%	92%

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GLOBAL MARKET DATA (CONTD.)

26 FEBRUARY TO 4 MARCH

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
LLAR INDEX S	DXY Index	90.15	0.06%	-0.75%	-2.38%	-12.00%
SD-EUR X-RA	USDEUR Curncy	0.81	-0.18%	-1.01%	-2.55%	-14.71%
n Ruble SPOT	USDRUB Curncy	57.17	1.22%	0.82%	-1.52%	-3.47%
SD-TRY X-RA	USDTRY Curncy	3.82	0.49%	0.22%	0.25%	2.14%
SD-GBP X-RA	USDGBP Curncy	0.73	1.19%	-0.30%	-2.11%	-11.11%
rg JPMorgan A	ADXY Index	111.06	-0.24%	0.05%	1.13%	6.20%
SD-AUD X-RA	USDAUD Curncy	1.29	1.03%	0.02%	0.59%	-2.42%
SD-CNY X-RA	USDCNY Curncy	6.34	0.13%	0.23%	-2.48%	-7.90%
SD-INR X-RAT	USDINR Curncy	65.08	0.68%	-0.01%	2.03%	-2.31%
SD-JPY X-RA	USDJPY Curncy	105.37	-1.07%	-0.87%	-6.16%	-7.57%
SD-KRW X-RA	USDKRW Curncy	1,082.00	0.14%	-0.23%	1.22%	-5.36%
SD-TWD X-RA	USDTWD Curncy	29.29	0.02%	-0.03%	-1.55%	-4.93%
SD-ARS X-RA	USDARS Curncy	20.28	1.54%	0.83%	8.91%	31.66%
SD-BRL X-RA	USDBRL Curncy	3.25	0.44%	0.18%	-1.79%	3.16%
SD-CLP X-RA	USDCLP Curncy	599.16	1.32%	0.82%	-2.64%	-8.49%
SD-MXN X-RA	USDMXN Curncy	18.91	1.44%	-0.08%	-4.26%	-5.88%
SD-EGP X-RA	USDEGP Curncy	17.62	-0.28%	0.04%	-0.77%	8.11%
SD-NGN X-RA	USDNGN Curncy	360.07	0.00%	-0.05%	0.02%	14.22%
SD-ZAR X-RA	USDZAR Curncy	12.02	3.15%	1.08%	-3.71%	-9.37%
Commodities			Return (USD)			
RUDE FUTURE	CLA Comdty	61.38	-3.62%	-0.63%	1.41%	13.20%
CRUDE FUTR	COA Comdty	64.50	-3.98%	-0.56%	-2.60%	15.67%
LTIC DRY IND	BDIY Comdty	1,207.00	1.86%	1.26%	-11.64%	33.52%
tural Gas Futu	NG1 Comdty	2.68	2.67%	1.05%	-8.74%	-3.89%
old Spot $/O	XAU Curncy	1,326.77	-0.45%	0.34%	1.53%	7.17%
ilver Spot $/O	XAG Curncy	16.54	-0.06%	0.66%	-2.45%	-7.02%
COPPER 3M	LMCADS03 Comdty	6,898.00	-2.78%	-0.48%	-4.82%	16.32%
Government Bond Yields %			Change (percentage points)			
eric Govt 2 Ye	USGG2YR Index	2.21	0.00	-0.01	0.36	0.93
eric Govt 5 Ye	USGG5YR Index	2.59	0.01	-0.01	0.42	0.61
eric Govt 10 Ye	USGG10YR Index	2.82	0.00	0.00	0.46	0.39
Govt Bonds 10	GCAN10YR Index	2.20	-0.05	-0.03	0.16	0.51
co Generic 10	GMXN10YR Index	7.61	-0.02	-0.02	-0.04	0.18
Bonds 10 Year	GUKG10 Index	1.47	-0.05	-0.03	0.28	0.26
nd Govt Bond	GSWISS10 Index	0.06	-0.04	-0.02	0.23	0.25
overnment Bo	GDBR2 Index	-0.57	-0.02	-0.01	0.08	0.28
overnment Bo	GDBR5 Index	-0.02	-0.01	-0.01	0.22	0.49
Generic Govt	GDBR10 Index	0.60	0.00	-0.01	0.22	0.33
Generic Govt 1	GTFRF10Y Govt	0.88	-0.01	0.00	0.14	-0.01
Generic Govt 1	GTGRD10Y Govt	4.32	-0.03	-0.06	0.25	-2.60
eneric Govt 10	GBTPGR10 Index	2.02	-0.10	0.00	-0.05	-0.17
eneric Govt 10	GSPG10YR Index	1.56	-0.05	0.01	-0.02	-0.15
Generic Govt	GSPT10YR Index	2.03	-0.05	0.00	0.04	-1.96
Govt Bonds G	GACGB10 Index	2.74	-0.11	-0.07	0.10	-0.05
vt Bond Gener	GIND10YR Index	7.75	0.07	0.01	0.42	0.90
uth Korea Trea	GVSK10YR Index	2.76	-0.04	0.02	0.29	0.53
Generic Govt 10	GJGB10 Index	0.04	0.02	0.02	0.02	0.00
rica Govt Bond	GSAB10YR Index	8.72				
Corporate Credit Indices			Change (Bps) +ive = Widening			
ITRX EUR XOV	ITRXEXE CBIL Curncy	277.45	-0.64	8.35	40.10	-4.49
T ITRX EUROP	ITRXEBE CBIL Curncy	55.85	-1.21	1.88	9.40	-15.74
TRX EUR SNR	ITRXESE CBIL Curncy	57.54	-2.15	2.04	11.20	-31.75
TRX EUR SUB	ITRXEUE CBIL Curncy	122.13	-1.88	5.55	13.41	-81.88
T CDX.NA.IG.2	IBOXUMAE CBIL Curncy	56.36	-0.78	2.26	7.75	-3.43
T CDX.NA.HY.2	IBOXHYSE CBIL Curncy	337.22	4.22	13.82	34.84	34.38
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
stoxx 3month	SX5E Index	17.20	2.93	2.98	3.54	-1.09
00 500 3mont	UKX Index	14.08	2.31	2.27	4.69	0.36
Seng 3month	HSI Index	19.63	0.66	-0.11	4.72	4.95
kkei 3month A	NKY Index	21.20	3.23	3.14	5.67	2.38
500 3month /	SPX Index	15.65	2.49	0.78	5.73	3.49
Volatility (VIX)	VIX Index	19.59	3.10	-0.26	8.55	7.78
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
Y5YF Inflation Swap		2.40	0.03	0.01	0.11	0.02
Y5YF Inflation Swap		3.35	0.00	0.03	-0.03	-0.02
Y5YF Inflation Swap		0.39	0.01	0.00	-0.01	-0.10
Y5YF Inflation Swap		1.71	-0.01	0.00	0.00	0.00
Economic Data Surprise (+ive/-ive = above/below expectations)						
onomic Surpris	CESIAPAC Index	16.30				
nomic Surprise	CESICNY Index	5.30				
nomic Surprise	CESIEM Index	9.90				
nomic Surprise	CESIEUR Index	-0.50				
nomic Surprise	CESIG10 Index	12.30				
nomic Surprise	CESIJPY Index	-10.60				
nomic Surprise	CESILTAM Index	-15.90				
nomic Surprise	CESIUSD Index	39.10				

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

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