

GLOBAL MARKET UPDATE



11 - 17 JUNE: YOU CAN GO YOUR OWN WAY

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Italy 2.42% , Germany 0.46% , Switzerland 0.43%
	Bottom 3:	Luxembourg -2.99% , Singapore -2.78% , Portugal -2.24%
EMERGING	Top 3:	Mexico 1.23% , Egypt 1.14% , Abu Dhabi 1.12%
	Bottom 3:	Turkey -6.19% , South Korea -4.37% , Hungary -4.11%
FRONTIER	Top 3:	Bahrain 3.34% , Jordan 1.74% , Nigeria 0.67%
	Bottom 3:	Argentina -12.73% , Serbia -2.99% , Mauritius -2.51%

Last week saw 3 big central bank meetings, which served to reiterate the varying fortunes of the US, Europe and Japan since the crisis.

- In the US, the FED raised rates and upgraded forecasts as they predicted 4 rate hikes for 2018 and a continuation of one of the longest economic cycles in history.
- In Europe, the ECB called an end to QE, but remained accommodative, not believing that sustained and meaningful growth and inflation are yet achievable.
- In Japan, the BOJ held firm with their “super-sized” version of unconventional policy, continuing QE and negative rates indefinitely, acknowledging that there is no sign of price growth despite almost no unemployment.

Relative to our expectations, it was the FED that caused us to pause for thought. After a dovish set of minutes to the previous meeting, the statement and projections were clearly hawkish. We think the difference lies in the time horizon; whilst 2018 could indeed see 2 further hikes, we think the pace of change will slow in 2019.

UNITED STATES

S&P 2,780 **+0.02%**, 10yr Treasury 2.91% **-2.56bps**, HY Credit Index 337 **-11bps**, Vix 13.21 **-20Vol**

In the week in which markets received a barrage of important data, political announcements and monetary policy updates, **equities were surprisingly quiet; recent volatility subsiding and the S&P 500 finishing almost entirely flat.** Meanwhile, having briefly broken 3% yield

after the FOMC meeting, **Treasuries finished modestly tighter as the USD experienced its best week since April.** In truth, the stronger dollar was probably less about the US domestically, and more about a dovish ECB (see more below), risk aversion resulting from Trump's ongoing trade war and weakness in some specific emerging countries (notably Argentina and Turkey).

In terms of the FOMC meeting, **the committee raised interest rates by 25bps to a 1.75-2.00% range** as expected

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- and therefore not of any significance. However, **there were also a number of changes to the statement and guidance that caught the market's attention:**

- Economic activity was upgraded from “neutral” to “solid”
- Household spending was described as having “picked up” from “moderated”
- The overall word count was reduced by 100 words, with the statement no longer including the note that “the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run.”
- The “dot plot” projection for interest rates showed a shift in forecast from some members, resulting in an average expectation of 4 rate hikes for 2018 (2 more).

Despite no real reaction from the bond market, the update was therefore clearly hawkish.

Turning to the POTUS, **the long-awaited summit with North Korea passed in unconventional fashion;** as one observer commented “The summit statement is big on hyperbole and short on substance - it reads like it was written by the North Korean negotiating team.” Trump himself was more bullish “I signed an agreement where we get everything, everything.” A more accurate summary would be that Trump has appeared to diffuse a situation he created but achieved nothing new - high vol, no return politics. Later in the week, **Donald followed through with his threat of USD 50bn in tariffs on Chinese goods.** In response, China's finance ministry said it would impose 25% tariffs on 545 US products including soybeans, beef, whiskey and off-road vehicles. Further measures may be added to target energy exports such as coal and crude oil.

From a data perspective, headline PPI inflation hit a 7 year high in May, but this was mostly due to the rise in the oil price; the core measure was more subdued. Retail sales positively surprise. This week will see the release of the June PMIs.

EUROPE

Eurostoxx 3,462 **+0.22%**, German Bund 0.39% **-4.60bps**, Xover Credit Index 299 **-14bps**, USDEUR .862 **+1.42%**

In classic Draghi style, **the ECB delivered a “dovish tightening”** at their meeting on Thursday. The governing council confirmed that they will reduce asset purchases from UER 30bn to EUR 15bn at the end of September, before ending quantitative easing in December. However, they also vowed to wait until at least mid-2019 to raise rates (the main rate is currently at -0.40%). As a consequence, core bond yields declined slightly. **Elsewhere, Italian bond yields fell sharply** after new European Union Affairs Minister Paolo Savona said the euro was “indispensable”. In reality, the market probably decided that, despite the long-term unsustainability, there is no imminent catalyst to unsettle Italy's fiscal position.

Elsewhere, **UK inflation for May came in at 2.4%, below expectations** and therefore bolstering the likelihood of the BOW keeping interest rates unchanged at coming

meetings.

The central bank of Russia kept the policy rate flat at 7.25% in line with expectations. In its statement, the Monetary Policy Council acknowledged upside risks to inflation and downplayed the idea of monetary easing to spur economic growth.

Unless international market sentiment improves and pressure on EM assets ease, the Russian central bank has very limited room - if any - to carry out monetary loosening in any form.

Private consumption boosted Turkish GDP growth in 2018 Q1, as the annual real growth rate accelerated to 7.4% YOY, surpassing market expectations. The demand side was also bolstered by investments (9.7% YOY), while the supply side was primarily driven by services (10% YOY), industry (8.8% YOY), construction (7% YOY) and agriculture (4.6% YOY).

Tighter monetary conditions and intensifying macroeconomic imbalances suggest that real GDP growth rate might decelerate in the coming quarters. Declining confidence indicators also strengthen the case for economic deceleration. The government's official GDP growth target is 5.5% for 2018, while market consensus foresees real GDP to expand by 4.0-4.5% YOY.

The **Turkish current account deficit widened to USD 5.4bn in April**, and overshot median expectations. The widening was primarily due to soaring imports, as they increased by 16.2% YOY, while exports rose by 7.1% YOY. The widening current account gap put further pressure on the **Turkish lira that kept depreciating** vs. major currencies in spite of the tighter domestic monetary conditions. Other CEEMEA currencies struggled last week as well, such as the Hungarian forint, as the Fed has turned more hawkish and the ECB has announced its intention to terminate the asset purchase program by the end of December.

The common feature of Turkey and Hungary is that both countries have high gross external debt to GDP ratios and central banks with questionable credibility. As long as markets do not see guarantee that the two central banks are committed to putting brakes on ex ante inflation, the Turkish and Hungarian currencies are likely to remain under pressure.

ASIA PACIFIC

HSCEI 11,870 **-2.48%**, Nikkei 22,680.33 **-0.30%**, 10yr JGB 0.04% **0bps**, USDJPY 110.490 **+1.00%**

The **Bank of Japan voted 8-1 vote to leave policy unchanged** (short-term rates at -0.10%, JPY 80trn of asset purchases a year and a 0% yield target on the 10 year). Governor Haruhiko Kuroda reiterated that it was too early to discuss policy normalisation given lacklustre inflation.

Trade tensions between China and the US reached new heights this week, with a round of mutual \$50bn tit-for-tat tariffs showing that neither side is willing to soften its stance.

Within hours of Trump announcing tariffs on 818 imports from China, to be followed by a further 284 products

subject to public consultation, **Beijing responded in kind with its own \$50bn salvo**, with American beef, soybeans and off-road vehicles among the casualties.

Rhetoric emanating from Beijing became more hawkish than at any other point during the last year of sabre-rattling, with the Commerce Ministry commenting that “all the economic and trade-related achievements previously reached... will be rendered invalid”.

While Trump’s policies are not due to be implemented until next month, and with China’s countermeasures still yet to be disclosed in full detail, a window remains for the self-styled US dealmaker extraordinaire to turn peacemaker. “I have a wonderful relationship with President Xi ... We’ll all work it out”, the President reassured.

China’s latest data batch was overall uneventful. Retail sales growth rose sharply, from 8.5% to 9.6% YOY in May, while industrial production growth slightly softened, from 7.0% to 6.8%. Fixed asset investment growth year to date came off, from 7.0% to 6.1%.

India’s current account deficit narrowed last quarter, falling to \$13.0bn in the three months to March, down from \$13.7bn the previous quarter. Foreign reserves rose by \$13.2bn over the period. **Inflation ticked up from 4.58% in April to 4.87% in May**, data which the central bank would have had early access to when deciding to raise interest rates 25bps just a few days prior to the release. **Industrial production growth rose, from 4.5% in March to 4.9% in April.**

With foreign reserves oscillating around all-time highs above \$400bn, and the full year current account deficit for FY18 coming in at 1.9% of GDP, India remains on a much stronger footing than during the last wave of Fed-induced negativity around emerging markets. At the time of the Taper Tantrum in 2013, India’s current account deficit was running above 5%, foreign reserves were 25% lower, and inflation was double digits.

Pakistan’s economic woes continue unabated. On Monday, **a further 5% devaluation of the PKR did little to reassure markets of the country’s economic outlook.** Then, after the Finance Minister’s most recent refusal to engage with the IMF, with any decision now expected to be delayed until a new government can be formed, yields on Pakistan’s \$1bn notes due in April 2019 rose to above 8%, an all-time high since their issuance in 2014. While general elections are slated for July 25th, there is strong potential for an electoral upset and subsequent policy uncertainty, with unknown quantity Imran Khan potentially taking control of a coalition government.

LATIN AMERICA

MSCI Lat Am 2,428 **-1.82%**

Brazil’s IPCA inflation came in at 2.86% YOY in May, accelerating slightly from 2.76% in April. This increase is fully attributed to the impact of food and fuel shortages resulting from the truck drivers’ strike. We expect inflation to continue on a slight upward trend for the coming months. The BRL depreciated nearly 3% reflecting the change in inflationary dynamics and a continuation of

uncertainty related to its October presidential elections.

Peru’s central bank maintained the benchmark interest rate at 2.75%, on the back of low inflation and better activity data. Employment improved with the unemployment rate falling to 6.6% in May, however it was the GDP data for the month of April that surprised with a 7.8% growth rate compared to a year ago.

The new minister of Finance David Tuesta, is making initial steps towards a labour reform, which will become more palatable as the country’s growth accelerates.

Similarly, in Chile, the central bank kept the repo rate at 2.5% principally due to inflation remaining low and a stable currency despite the FED tightening cycle and weaker EM currencies generally. Chile’s Imacec index, a GDP proxy, rose by 4.2% in April compared to a year ago, that is the fastest growth rate in five years.

We would expect stronger activity to reflect a closing of its output gap, while rising employment and industrial utilization to nudge the central bank towards increasing interest rates as the year progresses to contain inflationary pressures.

Argentina’s central bank kept the benchmark rate unchanged at 40%. Inflationary pressures are mounting due to the ARS devaluation and regulated tariff increases. CPI inflation for April came in at 26.3% YOY increasing from 25.5% in March. The monetary policy committee prefers to wait and see where the economic variables settle, following the crisis in May, where they raised rates to 40%, and the announcement of the USD 50bn IMF support package. On Thursday the central bank president Federico Sturzenegger resigned, the market had clearly lost confidence in his ability, with the continued depreciation in the Argentine Peso despite higher rates reflecting this reality. He was replaced by Luis Caputo, the former finance minister, which may raise questions regarding the central bank’s independence. Only time will tell.

Markets seem unconvinced by Argentina’s macroeconomic policies as the ARS has devalued another 11% since the announcement of the IMF agreement. This recent correction has already erased all equities gains in USD since Macri took office back in October 2016.

AFRICA

MSCI Africa 866 **-3.66%**

South Africa’s government released an improved version of the hotly contested mining charter, with the following key proposals:

- Raising black ownership at permit-holding mining companies to 30% from 26% within 5 years
- A minimum 50% of the board must be black South Africans, 20% of which must be black women
- A minimum 70% of the mining-goods procurement budget must be spent on South African manufactured goods, with a 60% percent local-content value
- A minimum 80% of the money spent on services

- must be to South African companies
- New mining right holders shall pay a trickle dividend equal to 1% of EBITDA to employees and communities; and
- New mining right applicants must have a minimum of 30% black shareholding before securing the permit, and 10% of that ownership must be granted for free to communities and qualifying employees.

The new draft charter notably concedes on the contentious “once empowered, always empowered” principle. This will be greeted with relief by mining companies who have argued that another round of large empowerment deals would dilute existing shareholders and weigh on investments. However, the requirement for 10% of black ownership target for new mining right applicants to be granted for free will prove contentious. Unlike his predecessor, Mining Minister Gwede Mantashe engaged all stakeholders in drafting the new charter, an indication of the new administration’s approach to businesses and other stakeholders.

Staying in South Africa, business confidence fell in Q2 2018, back to 39 points after surging from 34 to 45 points in Q1, mining production in April declined by 4.3% YOY (expectations -3.6%), however, Fitch affirmed the country’s BB+ rating.

In Kenya, the Treasury Cabinet Secretary made the strongest move yet to repeal interest rate caps. In his budget speech, Henry Rotich proposed repealing the regulation which caps commercial lending rate at 4% above the Central Bank Rate (currently 9.5%) and puts a floor of 70% of the CBR on deposits, on the basis that it has negatively affected financial access and economic growth.

Separately, Mr Rotich proposed a “Robin Hood” tax of 0.05% of any amount of KES 500,000 or more transferred through banks or other financial institutions.

The proposal will be debated in parliament with MPs able to vote on the suggested repeal. The timeline is at this stage unknown and political considerations are likely to impede the repeal.

Lastly, Nigeria’s inflation slowed to the lowest rate in more than two years in May. Annual inflation slowed to 11.6% in May, from 12.5% in April. Food inflation fell to 13.5% from 14.8%. The central bank has kept benchmark rates tight at 14% for more than a year to curb inflation, support the naira and attract foreign investors into its debt market.

The central bank will come under increasing pressure to cut rates to boost lending and growth which remains fragile, particularly in the non-oil economy.

THE WEEK AHEAD

	Date	Consen- sus
UNITED STATES		
US current account balance (Q1) bn USD	20-Jun	-129
US manufacturing PMI (Jun)	22-Jun	56.3
EUROPE		
Russia GDP (Q1) % YOY	18-Jun	1.3
Eurozone consumer confidence (JUN)	21-Jun	0
BoE interest rate %	21-Jun	0.5
France GDP (Q1) % YOY	22-Jun	2.2
Eurozone PMI	22-Jun	53.9
ASIA PACIFIC		
Thailand interest rate %	20-Jun	1.5
Philippinesw interest rate %	20-Jun	3.5
Japan CPI (MAY) % YOY	22-Jun	0.6
LATIN AMERICA		
Argentina GDP (Q1) % YOY	19-Jun	3.5
Brazil interest rate %	20-Jun	6.5
Mexico interest rate %	21-Jun	7.75

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MARKET DATA**

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GLOBAL MARKET DATA (CONTD.)

11 - 17 JUNE

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	2,779.03	1.62%	2.73%	3.94%	14.19%		92%	
RUSSELL 2000 INDEX	US	1,672.49	1.49%	2.38%	8.92%	18.15%		97%	
NASDAQ COMPOSITE INDEX	US	7,645.51	1.21%	2.73%	10.75%	20.94%		97%	
S&P/TSX COMPOSITE INDEX	Canada	16,202.69	1.01%	0.87%	-3.36%	9.47%	-0.04%	90%	
S&P 500 CONS DISCRET IDX	US	873.51	3.18%	3.90%	11.23%	21.12%		96%	
S&P 500 CONS STAPLES IDX	US	520.11	2.41%	2.38%	-11.45%	-10.59%		90%	
S&P 500 FINANCIALS INDEX	US	465.17	2.18%	3.32%	0.27%	17.85%		90%	
S&P 500 HEALTH CARE IDX	US	982.33	2.04%	3.24%	2.72%	10.56%		96%	
S&P 500 INFO TECH INDEX	US	1,256.13	0.69%	2.67%	13.56%	27.56%		89%	
S&P 500 ENERGY INDEX	US	565.02	0.65%	1.19%	5.93%	19.02%		92%	
S&P 500 ECO SECTORS IDX	US	2,779.03	1.62%	2.73%	3.94%	14.19%		92%	
S&P 500 INDUSTRIALS IDX	US	640.62	1.58%	2.75%	0.44%	10.93%		86%	
S&P 500 MATERIALS INDEX	US	379.64	2.93%	4.52%	0.18%	12.51%		122%	
S&P 500 REAL ESTATE IDX	US	197.36	1.14%	1.55%	-3.19%	0.08%		97%	
S&P 500 TELECOM SERV IDX	US	150.11	3.36%	3.62%	-9.61%	-5.32%		96%	
S&P 500 UTILITIES INDEX	US	244.98	-3.18%	-4.67%	-8.37%	-9.49%		95%	
Europe									
Euro Stoxx 50 Pr	Europe	3,470.32	0.74%	2.08%	-3.65%	1.57%	-1.62%	109%	
CAC 40 INDEX	France	5,467.47	0.64%	1.84%	0.47%	8.71%	2.59%	99%	
DAX INDEX	Germany	12,842.38	1.26%	2.17%	-3.22%	5.44%	-1.17%	97%	
Athex Composite Share Pr	Greece	773.06	0.44%	3.17%	-5.65%	4.20%	-3.65%	48%	
FTSE MIB INDEX	Italy	21,840.93	-2.51%	-1.11%	-4.30%	6.57%	-2.28%	98%	
AEX-Index	Netherlands	562.96	1.08%	2.18%	0.71%	12.32%	2.84%	101%	
PSI All-Share Index GR	Portugal	3,249.25	2.45%	3.02%	7.14%	17.23%	9.40%	100%	
MOEX Russia Index	Russia	2,273.93	-1.68%	-1.64%	-0.85%	10.25%	7.50%	69%	
IBEX 35 INDEX	Spain	9,863.10	2.12%	3.87%	-4.97%	-6.57%	-2.96%	106%	
OMX STOCKHOLM 30 INDEX	Sweden	1,556.93	0.47%	1.64%	-7.37%	-5.34%	-1.34%	90%	
SWISS MARKET INDEX	Switzerland	8,582.91	-1.02%	0.53%	-10.39%	-5.11%	-9.27%	88%	
BIST 100 INDEX	Turkey	95,445.43	-0.49%	-3.27%	-29.59%	-22.81%	-16.87%	97%	
FTSE 100 INDEX	UK	7,712.84	0.19%	0.92%	-0.93%	6.86%	-0.09%	104%	
Asia Pacific									
MSCI AC ASIA x JAPAN	MSCI Asia Ex	722.11	1.23%	1.83%	1.21%	14.55%	1.21%	187%	
S&P/ASX 200 INDEX	Australia	6,045.18	1.39%	1.03%	-3.01%	7.28%	-0.33%	96%	
DSE 30 Index	Bangladesh	1,958.99	-1.57%	-1.57%	-15.63%	-7.31%	-13.36%		
HANG SENG CHINA ENT INDX	China "H"	12,190.66	1.22%	1.55%	3.46%	13.53%	3.90%	91%	
SHANGHAI SE COMPOSITE	China "A"	3,052.78	-0.03%	-0.85%	-5.80%	3.22%	-7.26%	84%	
HANG SENG INDEX	HK	31,101.60	1.53%	1.59%	3.04%	18.05%	3.47%	92%	
Nifty 50	India	10,836.95	-0.22%	0.09%	-3.36%	6.17%	2.25%	85%	
JAKARTA COMPOSITE INDEX	Indonesia	5,993.63	-0.18%	-0.18%	-8.25%	0.05%	-5.70%	99%	
NIKKEI 225	Japan	22,804.04	2.35%	1.51%	2.49%	14.61%	-0.31%	97%	
KOSPI 200 INDEX	Korea	317.22	0.30%	1.89%	-3.40%	7.36%	-3.01%	101%	
Laos Composite Index	Laos	913.91	1.76%	0.70%	-8.00%	-9.86%	-7.09%	84%	
FTSE Bursa Malaysia KLCI	Malaysia	1,783.34	1.26%	1.97%	0.80%	6.44%	-1.03%	114%	
KARACHI 100 INDEX	Pakistan	44,060.34	2.49%	2.64%	3.62%	-20.30%	8.59%	127%	
PSEI - PHILIPPINE SE IDX	Philippines	7,771.30	0.71%	2.75%	-14.53%	-8.96%	-9.55%	94%	
STRAITS TIMES INDEX STI	Singapore	3,448.84	0.50%	0.55%	1.10%	9.85%	0.98%	111%	
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,354.31	-1.01%	-1.22%	-3.71%	-8.36%	-0.23%	48%	
TAIWAN TAIEX INDEX	Taiwan	11,149.23	1.80%	3.06%	4.17%	10.08%	4.83%	124%	
STOCK EXCH OF THAI INDEX	Thailand	1,722.52	0.07%	-0.23%	-0.20%	16.58%	-1.81%	125%	
HO CHI MINH STOCK INDEX	Vietnam	1,042.38	4.64%	7.02%	5.21%	37.89%	5.56%	89%	
Rest of the World									
MSCI ACWI	MSCI World	519.15	1.24%	2.04%	1.19%	11.12%	1.19%	111%	
MSCI EM	MSCI EM	1,135.39	0.46%	1.31%	-1.99%	11.41%	-1.99%	112%	
MSCI Frontier Market Index	MSCI FM	2,833.38	2.37%	3.23%	-5.18%	3.23%	-5.18%	102%	
DFM GENERAL INDEX	Dubai	3,064.23	2.62%	2.62%	-9.74%	-10.54%	-9.74%	114%	
MSCI EM LATIN AMERICA	Latin America	2,472.74	-3.74%	-3.43%	-12.57%	-2.79%	-12.57%	126%	
ARGENTINA Merval INDEX	Argentina	31,444.08	8.27%	7.82%	-23.55%	-10.08%	4.58%	117%	
MSCI BRAZIL	Brazil	1,681.22	-6.10%	-6.56%	-16.89%	-1.68%	-16.89%	141%	
Santiago Exchange IPSA	Chile	5,523.04	1.19%	1.44%	-3.11%	20.05%	-0.75%	130%	
IGBC GENERAL INDEX	Colombia	12,251.57	-1.19%	0.61%	11.44%	16.23%	6.74%		
S&P/BMV IPC	Mexico	45,939.54	-0.93%	0.38%	-10.51%	-16.81%	-6.92%	59%	
Bolsa de Panama General	Panama	480.30	1.04%	1.09%	8.44%	13.45%	8.44%	160%	
S&P/BVLPeruGeneralTRPEN	Peru	21,203.95	1.12%	2.22%	5.44%	31.57%	6.16%	103%	
MSCI EFM AFRICA	Africa	898.59	-2.29%	0.43%	-11.34%	6.29%	-11.34%	97%	
EGYPT HERMES INDEX	Egypt	1,571.30	-2.80%	-2.80%	7.58%	29.07%	8.01%	43%	
GSE Composite Index	Ghana	3,038.41	-5.35%	-5.07%	12.80%	47.42%	17.75%	28%	
Nairobi SE 20 Share	Kenya	3,352.85	1.13%	1.13%	-7.57%	-1.16%	-9.67%	79%	
MASI Free Float Index	Morocco	12,439.91	2.12%	1.37%	-0.86%	9.25%	0.41%	110%	
NIGERIA STCK EXC ALL SHR	Nigeria	38,669.23	4.60%	1.27%	0.69%	2.22%	1.11%	94%	
FTSE/JSE AFRICA TOP40 IX	South Africa	52,004.48	-1.43%	0.97%	-6.52%	11.98%	-1.24%	91%	
Global Style									
MSCI WORLD GROWTH INDEX	US	2,622.05	1.43%	2.28%	5.81%	16.42%	5.81%	101%	
MSCI WORLD VALUE INDEX	US	2,800.32	1.28%	2.00%	-2.62%	5.74%	-2.62%	103%	
MSCI World Large Cap	US	1,306.21	1.32%	2.15%	1.53%	10.92%	1.53%	100%	
MSCI World Mid-Cap	US	1,412.48	1.49%	2.09%	2.09%	11.94%	2.09%	98%	
Average			0.72%	1.28%	-2.09%	7.25%	-1.11%	98%	
Top 25%			1.78%	2.70%	3.25%	14.37%	3.00%	109%	
Bottom 25%			-0.11%	0.54%	-6.94%	-1.42%	-5.31%	90%	

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GLOBAL MARKET DATA (CONTD.)

11 - 17 JUNE

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DX Index	93.38	-0.66%	-0.47%	1.53%	-3.49%
USD-EUR X-RATE	USDEUR Curncy	0.85	-0.90%	-0.88%	2.12%	-4.75%
Russian Ruble SPOT (TOM)	USDRUB Curncy	62.30	0.49%	0.12%	8.42%	9.76%
USD-TRY X-RATE	USDTRY Curncy	4.49	-2.85%	-1.53%	18.07%	26.76%
USD-GBP X-RATE	USDGBP Curncy	0.74	-0.47%	-0.88%	0.84%	-3.52%
Bloomberg JPMorgan Asia Dollar	ADXY Index	109.88	-0.04%	0.10%	0.05%	3.17%
USD-AUD X-RATE	USDAUD Curncy	1.31	-0.45%	-0.48%	2.77%	-0.72%
USD-CNY X-RATE	USDCNY Curncy	6.40	-0.23%	-0.07%	-1.55%	-5.68%
USD-INR X-RATE	USDINR Curncy	67.33	0.89%	0.20%	5.81%	5.13%
USD-JPY X-RATE	USDJPY Curncy	110.01	0.01%	0.70%	-2.74%	-0.54%
USD-KRW X-RATE	USDKRW Curncy	1,074.67	0.26%	-0.57%	0.78%	-4.21%
USD-TWD X-RATE	USD TWD Curncy	29.81	0.09%	-0.46%	0.63%	-0.89%
USD-ARS X-RATE	USDARS Curncy	25.29	2.13%	2.12%	36.80%	59.46%
USD-BRL X-RATE	USDBRL Curncy	3.71	-0.29%	0.50%	13.15%	14.28%
USD-CLP X-RATE	USDCLP Curncy	630.06	-0.24%	-0.19%	2.44%	-5.33%
USD-MXN X-RATE	USDMXN Curncy	20.29	3.02%	2.47%	4.02%	12.50%
USD-EGP X-RATE	USDEGP Curncy	17.86	-0.27%	-0.24%	0.39%	-1.53%
USD-NGN X-RATE	USDNGN Curncy	361.01	0.42%	0.21%	0.42%	14.85%
USD-ZAR X-RATE	USDZAR Curncy	13.04	3.46%	3.21%	5.65%	1.30%
Commodities			Return (USD)			
WTI CRUDE FUTURE Jul18	CLA Comdty	65.45	-0.11%	-1.94%	10.01%	37.73%
BRENT CRUDE FUTR Aug18	COA Comdty	75.93	-0.43%	-1.42%	17.41%	51.98%
Baltic Dry Index	BDIY Comdty	1,391.00	20.33%	27.61%	1.83%	68.81%
Natural Gas Futures	NGI Comdty	2.94	-2.43%	-2.10%	-2.13%	-4.56%
Gold Spot \$/Oz	XAU Curncy	1,297.40	0.20%	-0.29%	-0.62%	1.67%
Silver Spot \$/Oz	XAG Curncy	16.84	1.82%	1.43%	-1.88%	-4.05%
LME COPPER 3MO (\$)	LMCADSO3 Comdty	7,312.00	6.03%	6.71%	0.90%	27.62%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.52	0.03	0.07	0.61	1.18
US Generic Govt 5 Year Yield	USGG5YR Index	2.80	0.04	0.09	0.58	1.04
US Generic Govt 10 Year Yield	USGG10YR Index	2.96	0.04	0.09	0.54	0.76
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.32	0.07	0.08	0.28	0.90
Mexico Generic 10 Year	GMXN10YR Index	7.85	0.00	0.04	0.19	0.74
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.43	0.11	0.16	0.20	0.36
Switzerland Govt Bonds 10 Year	GSWISS10 Index	0.05	0.09	0.09	0.18	0.20
German Government Bonds 2 Yr B	GDBR2 Index	-0.63	-0.02	0.01	-0.02	0.08
German Government Bonds 5 Yr O	GDBR5 Index	-0.17	0.03	0.07	0.01	0.26
Germany Generic Govt 10Y Yield	GDBR10 Index	0.48	0.06	0.11	0.02	0.19
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.87	0.11	0.15	0.03	0.17
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.53	0.18	0.10	0.57	-1.35
Italy Generic Govt 10Y Yield	GBTGPR10 Index	2.84	0.44	0.34	1.12	0.95
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.42	0.03	-0.03	-0.10	-0.01
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.99	0.18	0.08	0.11	-0.97
Australia Govt Bonds Generic Y	GACGB10 Index	2.78	0.07	0.11	0.15	0.37
India Govt Bond Generic Bid Yi	GIND10YR Index	7.99	0.10	0.12	0.62	1.42
KCMP South Korea Treasury Bond	GVSK10YR Index	2.71	0.00	0.01	0.24	0.54
Japan Generic Govt 10Y Yield	GJGB10 Index	0.05	0.00	0.01	0.00	-0.02
South Africa Govt Bonds 10 Yea	GSAB10YR Index	8.72				
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/23	ITRXEXE CBIL Curncy	303.93	11.08	2.45	75.56	62.42
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	72.17	6.44	4.93	29.20	13.90
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	84.26	8.57	2.93	45.35	22.55
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	179.40	11.78	-4.94	81.58	26.08
MARKIT CDX.NA.IG.30 06/23	IBOXUMAE CBIL Curncy	66.26	0.84	-0.04	17.45	5.62
MARKIT CDX.NA.HY.30 06/23	IBOXHYE CBIL Curncy	345.04	-0.29	-6.48	39.92	19.06
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	13.45	-0.17	-1.52	-0.21	-0.13
FTSE 100 500 3month ATM	UKX Index	11.05	-0.85	-0.75	1.66	0.17
Hang Seng 3month ATM	HSI Index	15.84	-0.14	-0.46	0.93	3.39
Nikkei 3month ATM	NKY Index	13.50	-0.48	-0.65	-2.03	-1.07
S&P 500 3month ATM	SPX Index	10.97	-0.77	-1.70	1.05	0.99
Volatility (VIX)	VIX Index	12.52	-1.28	-3.25	1.14	2.02
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.43	0.03	0.05	0.10	0.23
UK 5Y5YF Inflation Swap		3.45	0.01	0.04	-0.07	0.12
JPY 5Y5YF Inflation Swap		0.40	0.00	0.00	0.00	0.03
EUR 5Y5YF Inflation Swap		1.74	0.01	0.03	0.02	0.18
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-2.20				
Citi Economic Surprise Index -	CESICNY Index	-6.00				
Citi Economic Surprise Index -	CESIEM Index	-14.90				
Citi Economic Surprise Index -	CESIEUR Index	-100.10				
Citi Economic Surprise Index -	CESIG10 Index	-37.80				
Citi Economic Surprise - Japan	CESIJPY Index	-60.80				
Citi Economic Surprise Index -	CESILTAM Index	-37.90				
Citi Economic Surprise - Unite	CESIUSD Index	10.20				

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