

GLOBAL MARKET UPDATE



18 - 24 JUNE: GETTING SERIOUS

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Australia 1.93% , Luxembourg 0.87% , Denmark 0.67%
	Bottom 3:	Singapore -3.30% , Germany -2.95% , Sweden -2.48%
EMERGING	Top 3:	Mexico 2.71% , Turkey 2.08% , Greece 1.39%
	Bottom 3:	Philippines -6.26% , Pakistan -6.17% , China "A" -5.69%
FRONTIER	Top 3:	Argentina 3.82% , Tunisia 2.52% , Bangladesh 1.46%
	Bottom 3:	Vietnam -3.48% , Nigeria -2.47% , Kazakhstan -1.64%

In Washington, President Trump upped the ante on trade last week. Currently, USD 50bn of Chinese imports will become subject to 25% tariffs from the 6th July. However, if the EU and China do not reverse their retaliatory actions, the POTUS has now threatened further levies on China of up to USD 400bn and measures specifically targeting non-US automakers of up to USD 360bn. In total such tariffs would amount to 4.1% of US GDP. Therefore, considering also the responses of the US's trade partners, it is fair to say the global trade war just got serious. We would expect Trump's counterparts to make efforts to de-escalate the situation, but with Donald involved there is certainly now a genuine tail risk for the market.

Elsewhere, OPEC agreed to boost production to make up for production shortfalls in Venezuela and Iran. The exact increase in output is not clear, as some members may not be able to meet targets, but should be in the region of 600k-1m barrels per day. Oil prices rose in response.

UNITED STATES

S&P 2,755 **-0.89%**, 10yr Treasury 2.87% **-2.56bps**, HY Credit Index 341 **+6bps**, Vix 15.09 **+1.79Vol**

US equities ended lower despite both the Nasdaq and Russell 2000 hitting all-time highs mid-week. From a sector perspective, yield related sectors (real estate and utilities) outperformed as rates were flat to tighter. Indeed, **the US Treasury curve continues to flatten**, with the differential between the 2 and 10 year bonds now the lowest since 2007 at 34bps.

At the central bank conference in Sintra, Portugal, **FED Chair Jerome Powell continued to make the case for a gradual rise in interest rates**, given low unemployment and inflation that is in the neighbourhood of the 2% target.

Indeed, if Trump's trade war plays out, inflation will certainly spike. Although the FED may look through such a temporary shock, the risk of such price pressures certainly represent a potential flashpoint. Powell also commented that while asset prices are high by historical standards, he does not see signs of excessive borrowing and banks are better capitalised than pre-crisis. This was confirmed by **the results to the FED's quarterly banks stress test; all 35 institutions passed the quantitative evaluation.**

Each crisis is different and in our view it is impaired liquidity in bond markets that could represent the biggest risk to the market this time round.

Economic data disappointed on the week; existing home sales and the Philly Fed coming in lower than expected.

EUROPE

Eurostoxx 3,417 **-1.45%**, German Bund 0.31% **-6.60bps**, Xover Credit Index 311 **-12bps**, USDEUR .860 **-0.36%**

European equities ended lower, with **the “core” (and in particular the German Dax) underperforming the periphery**. This was entirely related to the escalation in trade tensions – German exporters selling off. Indeed, **Daimler issued a profit warning**, stating that, because of trade tariffs, it sees fewer SUV sales and higher costs at its Mercedes-Benz Cars division than previously expected and “this effect cannot be fully compensated by the reallocation of vehicles to other markets”.

More positively, **Greece reached a debt relief deal with its EU creditors** in the form of a further EUR 15bn loan, a 10-year maturity extension of its EFSF loans and a grace period on interest payments relating to almost EUR 100bn of debt. Greek bonds and equities rallied.

Whilst this “extend, pretend and inflate” approach is sort of working for Greece (the country remains locked in a zombie like state), we continue to ponder what will be done when Italy inevitably comes calling. Being generous, the EU has found a way to cover Greece’s debts without many people noticing. However, it never allows Greece to properly recover and Italy would be simply too big to deal with in the same way.

The Bank of England voted to hold rates unchanged at its June meeting. However, the bank’s chief economist joined those voting for a hike, which ended in a close call at 6-3. The more hawkish bias is likely related to GBP’s recent depreciation, which will serve to boost inflation in coming months. As a consequence, the market now believes an August move to 0.75% from 0.50% is more likely than not.

Elsewhere in the UK, **prime minister Theresa May claimed a narrow victory in the House of Commons** as MPs voted by 319 to 303 to reject a House of Lords amendment to the EU Withdrawal Bill that would have ensured the Commons would have the chance to block a “no deal” Brexit. This, however, came only after a concession to give a “meaningful vote” on the final deal.

In Turkey, president Erdogan claimed a new 5 year term after winning more than 50% of the vote in yesterday’s election.

Polish nominal wages grew by 7.1% YOY, retail sales volume expanded by 7.6% YOY and industrial production rose by 5.4% YOY in May. All of the figures either matched or surpassed market expectations. Annual retail sales growth rate accelerated compared to April, while growth of nominal wages and industrial production were somewhat slower compared to the previous month.

The deceleration of nominal wages and industrial production of nominal wage and industrial production is not significant. High-frequency data in May strengthened the case that Polish GDP growth dynamics should retain momentum in 2Q18 despite the conjunctural weaknesses in the Euro Area. GDP may grow by more than 4% this year, according to the median market estimate, matching the National Bank of Poland’s GDP growth forecast.

Russian industrial production volumes unexpectedly

accelerated to 3.7% YOY in May vs. the lacklustre pace of 1.3% YOY in April. Not only industrial data reflected improvement in the underlying economic developments, since unemployment rate hit new lows. The jobless rate edged down by 0.2ppt to 4.7% in May.

Both Russian indicators suggest that GDP growth should be firm in 2018 Q2. Market consensus foresees the Russian economy to grow by 1.8% this year.

The National Bank of Hungary kept the policy rate unchanged at 0.9%, as expected. The Monetary Policy Council sent a dovish message to markets again, as the members emphasized their intention to keep current loose monetary conditions intact for a long time. The central bank released the updated macroeconomic projections, which revealed that the staff projects stronger GDP growth rate and faster CPI inflation rate than in the previous publication, 4.4% and 2.8% in 2018, respectively. More importantly, the central bank foresees both headline and core inflation to reach 3.1% in 2019, which is slightly higher than the 3%-inflation target.

The communique by the Monetary Policy Council was rather confusing during the week, which induced additional volatility in the Hungarian FX and bond markets. Ultimately, the Council members stuck to the dovish rhetoric, which in turn pushed the EURHUF exchange rate very close to all-time-highs. As long as the stance of monetary policy remains ultra dovish, the depreciation of the Hungarian forint is very likely to continue against major currencies.

ASIA PACIFIC

HSCEI 11,167 **-4.43%**, Nikkei 22,338.15 **-0.89%**, 10yr JGB 0.03% **0bps**, USDJPY 109.440 **-0.58%**

Asian markets were down last week, on account of rising trade tensions between the US and China.

Following the announcement of tit-for-tat USD 50bn tariffs from both parties, with a further escalation roadmap laid out by the White House, uncertainty over the economic impact on the region pushed Asian equities lower. Chinese A and H shares fell -5.6% and -4.4% respectively, dragging the MSCI Asia Pac ex Japan Index to a finish of -3.3% on the week.

While President Trump’s strategy is strongly linked with domestic US political developments, as well as administrative bandwidth following the conclusion of the North Korean summit and tax cut execution, we see China’s stance as more easy to interpret.

We expect China’s approach to trade tensions to be characterised by three factors: retaliation, insulation and, ultimately, de-escalation.

Firstly, China has no choice but to match the US like-for-like on any and all trade restrictions. Anything less would be an implicit acknowledgement of wrongdoing. With Trump positioning his tariffs as punishment for China’s perceived state-sponsored intellectual property theft from US companies, failure to announce countermeasures would amount to an acceptance of that punishment and admission to breaking WTO rules. This is not an option.

Secondly, China will insulate its economy from any adverse impact. As we saw in the aftermath of the global financial crisis in 2008 and the spectre of a hard-landing in late 2015 and early 2016, China will not allow its economic growth rate to slow materially below the rate specified in the prevailing five-year plan. At present, that means that any economic wobble which threatens a GDP growth rate of around 6%-7% will be met with as much fiscal and monetary stimulus as is needed. As we have seen multiple times in the past, any long term objectives around economic reforms or de-leveraging are happily put on pause in such instances of pressure on economic growth such as to compromise one of the central tenants of a state planned economy.

Lastly, de-escalation. As we saw at Davos in 2017, President Xi has taken up the mantle as global promoter of free trade and greater economic integration. This is an important PR exercise for China, and now represents a strategic opportunity to cosy-up to leaders of other disaffected world powers, particularly in Europe, that have also fallen foul of President Trump's aggressive trade position. As such, we expect Xi to manage any conflict in the context of the broader objective of establishing China as an important global advocate of free trade. From a diplomatic perspective, at least, China will continue to advocate global free trade, and attempt to ultimately de-escalate the skirmish as quickly as possible.

The meeting minutes from India's latest central bank meeting, where rates were hiked 25bps, **reassured markets that the RBI's stance going forward is likely to remain neutral.** Notably, MPC members were buoyed by the lack of a pre-monsoon spike in food price inflation that typically occurs this time of year.

The Philippines raised rates another 25bps last week to 3.5%. With negative real interest rates and a twin deficits in a strong-dollar environment, we suspect the BSP still has work to do in the second half of this year.

Bank of Thailand left rates on hold at 1.50%, though one voter dissented, calling for a 25bps hike, leaving the final vote tally at 5:1.

Pakistan equities dived another 6% this week after Moody's cut their outlook from 'stable' to 'negative' on the country's B3-rated local currency notes. With an uncontrollable current account deficit and ever-shrinking stock of foreign reserves, we don't blame them.

LATIN AMERICA

MSCI Lat Am 2,440 +0.49%

Ivan Duque is the new President of Colombia. The business-friendly and socially conservative candidate won with 54% of the votes against left-wing candidate Petro. The 42-year-old lawyer will become the youngest President in Colombia's history. Ivan Duque will succeed Juan Manuel Santos, whose landmark reforms were the peace deal with the FARC in November 2016 and the tax reform passed in December 2016. Duque benefitted from the support of former President Uribe, popular for taking a tough stance against guerrillas and drug traffickers during his 2002-10

presidency.

Colombia's activity indicators are indicating strong growth, in line with the gradual recovery in confidence. Retail sales expanded 6.3% YOY in April (5.5% in March) and industrial production grew 10.5% YOY (-1.2% in March). Even after adjusting for calendar and seasonal effects, activity was solid. Consumer confidence in May came in at its highest level since mid-2015.

A pro-business government committed to strengthening Colombia's institutions, executing on the 4G infrastructure plan and implementing pro-business reforms is another positive development for Colombia. The economy has been adjusting over the past 4 years to lower oil prices, a devalued currency and a new fiscal situation. Leading economic indicators are on the rise, boosted by low inflation, lower interest rates and higher oil price. Colombia is at the cusp of a private sector and investment-led cyclical recovery. With political uncertainty behind us, Colombia should go back to its long-term potential growth rate of 3.5-4% soon.

Argentina will be upgraded to Emerging Market status in June 2019, according to an MSCI announcement.

Argentina meets the technical requirements and passed the necessary reforms in the areas of capital market, social security and taxes. MSCI may reconsider this reclassification in case of capital controls.

Despite this announcement, Argentina continues to underperform as uncertainties over monetary and fiscal policies remain following a series of changes in the cabinet and new central bank regulations. The banking and energy sectors fell most.

During the past week, **President Macri changed the Governor of the central bank** and hawkish members of the MPC (monetary policy committee), replacing him by former finance minister Caputo. The first actions taken by the new Governor were to start daily USD auctions and increase banks' reserve requirement by 5 percentage points. These measures open the door to "deficit monetization" and cast a doubt over the independence of the central bank. The latter may start using FX reserves to "defend the currency" and to try to artificially prop up GDP growth instead of implementing its mandate of inflation targeting.

Macri also replaced the energy minister and speculations are mounting around revisions of the pace of tariffs increase. This would either negatively impact the fiscal situation, as maintaining energy subsidies is incompatible with commitments in the IMF agreement, or repel much-needed investment in the energy sector. The government already postponed payments due to utilities and the ARS devaluation creating mounting pressure on the budget.

Balancing the electoral cycle (presidential election in the fall 2019) and commitments to the business community (foreign and domestic, public and private investors) is becoming more and more complicated.

Peru's GDP grew 7.8% YOY in April. This beat consensus by a wide margin, even though analysts expected a strong rebound because of disrupted economic activity during El Nino floods in April 2017. Both primary (+11.5%) and non-primary (+7%, the highest in 5 years) sectors posted very

strong growth.

Now that political uncertainty is out of the way, Peru should continue to post good growth numbers driven by investment, while consumption should benefit from low inflation and interest rates.

Brazil's central bank maintained the SELIC interest rate on hold at 6.5%, as the coming spike in inflation caused by the truckers' strike is likely to be temporary and the BRL devaluation pass-through is historically low (relatively closed economy).

Mexico's central bank increased its benchmark interest rate by 25bps to 7.75%, as a deterioration in external conditions (mainly MXN devaluation and oil price) tilts the balance of risk of inflation to the upside.

AFRICA

MSCI Africa 858 **-0.87%**

South Africa's headline consumer inflation slowed to 4.4% YOY in May from 4.5% in April. On a MOM basis, inflation slowed to 0.2% in May from 0.8% in April. Core inflation, fell to 4.4% YOY from 4.5%, while on a MOM basis it slowed to 0.0% from 0.6% previously.

Inflation was expected to come in around 4.6% on the back of a higher value-added tax rate and recent fuel price hikes, however soft demand conditions saw food inflation fall to 3.4% in May from 3.9% in April and offset rising inflation.

Staying in South Africa:

- The Finance Minister Nhlanhla Nene said restructuring state-run power firm Eskom is top of the agenda. The country suffered power outages early this month after a strike over pay at Eskom by South Africa's National Union of Mineworkers and two other unions.

Addressing Eskom's bloated wage bill and debt burden is essential to relieving the country's fiscal malaise and setting it back on path to build fiscal buffers to be able to withstand any external shocks.

- The Minister of Health Aaron Motsoaledi released two healthcare bills which if implemented will see the creation of a new system for medical aid and a universal, state-run healthcare system. Co-payments will be abolished, and in its place a single fund will be introduced. Contribution from working South Africans will be mandatory and the system will see higher earners subsidise those who are paid less.

Healthcare reform was always on the cards given the disparity in access to quality healthcare across the country and an upcoming general election in 2019. Only an estimated 10% of South Africa's population can afford expensive private health care, while a majority of its people queue at understaffed public hospitals that lack critical equipment. No detailed costing has been made at this stage and given the failings of several SOEs, it's doubtful that the government has the capacity to run the healthcare system.

Morocco's consumer price inflation slowed to 2.6% YOY in May, down from 2.7% in April. YOY food inflation slowed to 3.4% in May compared to 3.7% in April, while non-food price inflation rose to 1.9% from 1.7%. On a MOM basis, CPI rose 0.5% in May from 0.3% in April, driven by a 1% increase in food price inflation and 1.3% increase fuel prices.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
GDP (Q1) % QOQ annualized	Thu/28	2.2
Michigan consumer sentiment (JUN)	Fri/29	99.2
EUROPE		
Eurozone consumer confidence (JUN)	Tue/26	0.5
Eurozone CPI (JUN) % YOY	Fri/29	2.0
ASIA PACIFIC		
Indonesia interest rate %	Thu/28	5.0
Japan industrial production (MAY) % MOM	Fri/29	-1.0
LATIN AMERICA		
Colombia interest rate %	Fri/29	4.25
AFRICA		
Egypt interest rate %	Thu/28	16.75

GLOBAL MARKET DATA (CONTD.)

18 - 24 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	2,754.88	-0.89%	1.83%	3.04%	13.16%		114%
RUSSELL 2000 INDEX	US	1,685.58	0.10%	3.18%	9.77%	20.01%		168%
NASDAQ COMPOSITE INDEX	US	7,692.82	-0.69%	3.37%	11.44%	23.35%		145%
S&P/TSX COMPOSITE INDEX	Canada	16,450.14	-0.20%	-0.37%	-4.55%	7.43%	1.49%	102%
S&P 500 CONS DISCRET IDX	US	886.81	-0.71%	5.48%	12.92%	24.20%		120%
S&P 500 CONS STAPLES IDX	US	530.40	0.05%	4.41%	-9.70%	-7.38%		112%
S&P 500 FINANCIALS INDEX	US	449.85	-1.42%	-0.09%	-3.04%	12.88%		110%
S&P 500 HEALTH CARE IDX	US	983.37	-0.66%	3.35%	2.83%	5.49%		110%
S&P 500 INFO TECH INDEX	US	1,245.94	-1.31%	1.84%	12.63%	29.55%		109%
S&P 500 ENERGY INDEX	US	555.82	1.52%	-0.45%	4.20%	17.94%		116%
S&P 500 ECO SECTORS IDX	US	2,754.88	-0.89%	1.83%	3.04%	13.16%		114%
S&P 500 INDUSTRIALS IDX	US	610.32	-3.39%	-2.11%	-4.31%	5.09%		108%
S&P 500 MATERIALS INDEX	US	366.59	-2.10%	0.93%	-3.26%	8.80%		109%
S&P 500 REAL ESTATE IDX	US	199.79	2.46%	2.80%	-2.00%	-0.23%		122%
S&P 500 TELECOM SERV IDX	US	146.39	-0.52%	1.05%	-11.85%	-6.18%		161%
S&P 500 UTILITIES INDEX	US	257.51	2.50%	0.21%	-3.69%	-5.02%		117%
Europe								
Euro Stoxx 50 Pr	Europe	3,416.75	-1.45%	0.83%	-4.84%	1.06%	-1.78%	80%
CAC 40 INDEX	France	5,354.04	-1.72%	-0.40%	-1.75%	6.49%	1.41%	100%
DAX INDEX	Germany	12,468.64	-2.95%	-0.40%	-5.65%	2.66%	-2.62%	92%
Athex Composite Share Pr	Greece	771.18	1.39%	1.83%	-6.88%	-1.18%	-3.89%	71%
FTSE MIB INDEX	Italy	21,602.27	-1.00%	0.28%	-2.96%	9.19%	0.16%	79%
AEX-Index	Netherlands	557.43	0.13%	1.16%	-0.31%	12.64%	2.89%	101%
PSI All-Share Index GR	Portugal	3,235.21	0.69%	1.65%	5.71%	17.53%	9.11%	88%
MOEX Russia Index	Russia	2,243.91	0.81%	-3.27%	-2.50%	14.82%	6.63%	104%
IBEX 35 INDEX	Spain	9,693.90	-0.23%	3.25%	-5.54%	-4.54%	-2.51%	73%
OMX STOCKHOLM 30 INDEX	Sweden	1,546.84	-2.48%	-0.93%	-9.70%	-7.44%	-1.74%	104%
SWISS MARKET INDEX	Switzerland	8,537.00	0.46%	1.43%	-9.59%	-6.44%	-8.16%	100%
BIST 100 INDEX	Turkey	98,370.86	2.08%	-7.37%	-32.58%	-28.02%	-16.89%	78%
FTSE 100 INDEX	UK	7,638.00	0.40%	-0.25%	-2.07%	8.04%	-0.07%	91%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	688.69	-2.92%	-2.88%	-3.47%	9.90%	-3.47%	168%
S&P/ASX 200 INDEX	Australia	6,210.41	1.93%	1.73%	-2.34%	7.50%	2.64%	112%
DSE 30 Index	Bangladesh	1,990.70	1.23%	-1.21%	-15.32%	-8.72%	-13.20%	
HANG SENG CHINA ENT INDX	China "H"	11,166.98	-4.43%	-5.36%	-3.58%	8.35%	-3.16%	133%
SHANGHAI SE COMPOSITE	China "A"	2,859.34	-5.69%	-8.11%	-12.70%	-3.85%	-12.62%	111%
HANG SENG INDEX	HK	28,960.48	-3.17%	-3.74%	-2.37%	13.58%	-1.94%	131%
Nifty 50	India	10,802.45	0.51%	0.13%	-3.32%	6.97%	2.76%	92%
JAKARTA COMPOSITE INDEX	Indonesia	5,836.72	-3.76%	-3.93%	-11.70%	-5.61%	-8.40%	92%
NIKKEI 225	Japan	22,338.15	-0.89%	0.30%	1.28%	13.36%	-1.09%	107%
KOSPI 200 INDEX	Korea	303.37	-2.46%	-5.00%	-9.94%	0.53%	-6.48%	95%
Laos Composite Index	Laos	900.88	-1.17%	-1.71%	-10.20%	-11.97%	-8.98%	193%
FTSE Bursa Malaysia KLCI	Malaysia	1,688.59	-4.39%	-3.36%	-4.47%	2.02%	-5.71%	101%
KARACHI 100 INDEX	Pakistan	41,163.22	-6.17%	-7.52%	-6.63%	-22.55%	2.88%	114%
PSEI - PHILIPPINE SE IDX	Philippines	6,986.88	-6.26%	-6.92%	-22.57%	-15.06%	-17.47%	119%
STRAITS TIMES INDEX STI	Singapore	3,258.34	-3.30%	-5.47%	-4.95%	4.63%	-3.39%	103%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,226.57	-1.22%	-3.12%	-5.56%	-10.60%	-2.22%	67%
TAIWAN TAIEX INDEX	Taiwan	10,786.46	-2.16%	-0.78%	0.29%	5.21%	2.41%	117%
STOCK EXCH OF THAI INDEX	Thailand	1,636.91	-4.83%	-7.79%	-7.76%	6.74%	-6.77%	102%
HO CHI MINH STOCK INDEX	Vietnam	991.72	-3.48%	0.92%	-0.78%	27.52%	-0.11%	87%
Rest of the World								
MSCI ACWI	MSCI World	511.68	-1.07%	0.57%	-0.26%	9.78%	-0.26%	120%
MSCI EM	MSCI EM	1,088.00	-2.31%	-2.92%	-6.08%	7.85%	-6.08%	122%
MSCI Frontier Market Index	MSCI FM	2,675.83	-2.42%	-2.51%	-10.46%	-0.68%	-10.46%	94%
DFM GENERAL INDEX	Dubai	2,901.15	-3.63%	-1.22%	-13.12%	-13.94%	-13.11%	107%
MSCI EM LATIN AMERICA	Latin America	2,439.63	0.49%	-4.72%	-13.74%	-1.82%	-13.74%	88%
ARGENTINA MERVAL INDEX	Argentina	30,210.61	3.82%	-2.32%	-30.74%	-13.72%	0.48%	129%
MSCI BRAZIL	Brazil	1,633.70	0.31%	-9.20%	-19.24%	-0.75%	-19.24%	97%
Santiago Exchange IPSA	Chile	5,375.12	-2.16%	-2.27%	-6.66%	17.77%	-3.41%	92%
IGBC GENERAL INDEX	Colombia	12,019.93	-2.34%	-3.23%	7.19%	16.82%	4.72%	
S&P/BMV IPC	Mexico	46,737.64	2.71%	4.38%	-6.95%	-13.83%	-5.30%	83%
Bolsa de Panama General	Panama	479.05	0.37%	0.83%	8.16%	13.50%	8.15%	321%
S&P/BVLPeruGeneralTRPEN	Peru	20,325.83	-1.55%	-2.08%	1.01%	27.08%	1.76%	92%
MSCI EFM AFRICA	Africa	858.16	-0.87%	-4.09%	-15.33%	3.60%	-15.33%	94%
EGYPT HERMES INDEX	Egypt	1,584.75	0.84%	-0.86%	9.72%	32.37%	10.27%	58%
GSE Composite Index	Ghana	2,890.06	-4.48%	-10.51%	6.34%	37.94%	12.03%	122%
Nairobi SE 20 Share	Kenya	3,309.43	-0.86%	-0.13%	-8.72%	-5.93%	-10.84%	81%
MASI Free Float Index	Morocco	12,233.63	-0.65%	-0.97%	-3.14%	5.57%	-1.25%	73%
NIGERIA STCK EXC ALL SHR	Nigeria	37,862.53	-2.47%	-0.57%	-1.13%	0.55%	-1.00%	80%
FTSE/JSE AFRICA TOP40 IX	South Africa	50,301.88	-1.53%	-3.86%	-10.99%	8.71%	-3.64%	152%
Global Style								
MSCI WORLD GROWTH INDEX	US	2,600.99	-1.10%	1.46%	4.96%	15.87%	4.96%	99%
MSCI WORLD VALUE INDEX	US	2,762.66	-0.69%	0.63%	-3.93%	4.25%	-3.93%	101%
MSCI World Large Cap	US	1,292.34	-0.87%	1.07%	0.46%	9.85%	0.46%	100%
MSCI World Mid-Cap	US	1,396.94	-1.07%	0.97%	0.97%	11.07%	0.97%	99%
Average			-1.20%	-1.26%	-4.50%	5.16%	-3.20%	110%
Top 25%			0.34%	0.99%	-0.29%	13.16%	1.43%	117%
Bottom 25%			-2.47%	-3.25%	-9.64%	-4.20%	-7.12%	92%

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GLOBAL MARKET DATA (CONTD.)

18 - 24 JUNE

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DX Index	94.67	-0.28%	0.58%	2.60%	-3.15%
USD-EUR X-RATE	USDEUR Curncy	0.86	-0.36%	0.18%	3.20%	-4.23%
Russian Ruble SPOT (TOM)	USDRUB Curncy	63.03	-0.26%	1.00%	9.36%	5.34%
USD-TRY X-RATE	USDTRY Curncy	4.59	-1.39%	2.81%	23.27%	33.07%
USD-GBP X-RATE	USDGBP Curncy	0.76	0.24%	0.31%	2.04%	-4.42%
Bloomberg JPMorgan Asia Dollar	ADXY Index	107.76	-0.62%	-1.39%	-1.44%	2.17%
USD-AUD X-RATE	USDAUD Curncy	1.35	0.20%	1.76%	5.09%	1.49%
USD-CNY X-RATE	USDCNY Curncy	6.54	1.40%	1.59%	0.09%	-4.51%
USD-INR X-RATE	USDINR Curncy	68.17	-0.47%	0.67%	6.30%	5.05%
USD-JPY X-RATE	USDJPY Curncy	109.44	-0.58%	1.11%	-2.34%	-1.23%
USD-KRW X-RATE	USDKRW Curncy	1,117.53	0.85%	2.82%	4.22%	-2.39%
USD-TWD X-RATE	USD TWD Curncy	30.39	0.47%	1.01%	2.11%	-0.38%
USD-ARS X-RATE	USDARS Curncy	27.02	-3.47%	8.29%	45.08%	66.75%
USD-BRL X-RATE	USDBRL Curncy	3.79	0.55%	0.92%	13.62%	13.10%
USD-CLP X-RATE	USDCLP Curncy	637.66	0.43%	0.82%	3.49%	-4.06%
USD-MXN X-RATE	USDMXN Curncy	20.08	-3.06%	0.26%	1.77%	10.65%
USD-EGP X-RATE	USDEGP Curncy	17.88	0.11%	-0.14%	0.49%	-1.51%
USD-NGN X-RATE	USDNGN Curncy	361.10	-0.28%	-0.07%	0.14%	14.35%
USD-ZAR X-RATE	USDZAR Curncy	13.50	0.16%	5.77%	8.27%	3.61%
Commodities			Return (USD)			
WTI CRUDE FUTURE Aug18	CLA Comdty	68.44	5.75%	2.50%	15.42%	51.36%
BRENT CRUDE FUTR Aug18	COA Comdty	74.29	2.87%	-2.59%	16.02%	57.10%
Baltic Dry Index	BDIY Comdty	1,341.00	-7.20%	23.03%	-1.83%	56.84%
Natural Gas Futures	NGI Comdty	2.92	-2.55%	-0.24%	-0.27%	1.76%
Gold Spot \$/Oz	XAU Curncy	1,266.33	-0.62%	-2.55%	-2.87%	1.43%
Silver Spot \$/Oz	XAG Curncy	16.34	-0.76%	-0.59%	-3.84%	-1.13%
LME COPPER 3MO (\$)	LMCADSO3 Comdty	6,789.00	-3.29%	-0.92%	-6.32%	18.23%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.52	-0.01	0.11	0.66	1.20
US Generic Govt 5 Year Yield	USGG5YR Index	2.74	-0.03	0.07	0.56	1.01
US Generic Govt 10 Year Yield	USGG10YR Index	2.87	-0.03	0.04	0.49	0.75
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.13	-0.09	-0.12	0.08	0.63
Mexico Generic 10 Year	GMXN10YR Index	7.77	-0.24	-0.04	0.12	0.94
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.28	-0.01	0.09	0.13	0.30
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.04	-0.01	0.03	0.11	0.12
German Government Bonds 2 Yr B	GDBR2 Index	-0.67	-0.05	-0.01	-0.04	-0.04
German Government Bonds 5 Yr O	GDBR5 Index	-0.32	-0.07	-0.03	-0.10	0.08
Germany Generic Govt 10Y Yield	GDBR10 Index	0.31	-0.07	0.00	-0.09	0.09
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.69	-0.02	0.04	-0.07	0.11
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.13	-0.34	-0.43	0.04	-1.40
Italy Generic Govt 10Y Yield	GBTGRI10 Index	2.80	0.09	-0.10	0.68	0.79
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.37	0.06	-0.15	-0.21	-0.03
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.85	0.00	-0.16	-0.12	-1.14
Australia Govt Bonds Generic Y	GACGB10 Index	2.63	-0.04	-0.02	0.02	0.27
India Govt Bond Generic Bid Yi	GIND10YR Index	7.86	-0.07	-0.01	0.49	1.36
KCMP South Korea Treasury Bond	GVS10YR Index	2.61	-0.06	-0.08	0.15	0.48
Japan Generic Govt 10Y Yield	GJGB10 Index	0.03	0.00	-0.01	-0.01	-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	310.50	11.67	0.57	73.67	72.14
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	72.31	5.09	1.65	25.93	16.58
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	85.42	5.67	-4.02	38.39	26.70
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	172.36	11.12	-22.58	63.94	29.35
MARKIT CDX.NA.SUB 06/23	IBOXUMAE CBIL Curncy	64.56	2.98	-2.17	15.31	3.00
MARKIT CDX.NA.HY.30 06/23	IBOXHYE CBIL Curncy	341.13	5.54	-11.47	34.93	-1.67
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	13.31	1.33	-1.67	-0.35	-0.26
FTSE 100 500 3month ATM	UKX Index	10.94	0.03	-0.86	1.55	0.27
Hang Seng 3month ATM	HSI Index	16.13	1.00	-0.17	1.22	3.65
Nikkei 3month ATM	NKY Index	14.65	1.36	0.50	-0.88	1.29
S&P 500 3month ATM	SPX Index	11.94	0.92	-0.74	2.02	2.03
Volatility (VIX)	VIX Index	15.09	1.79	-1.66	2.73	3.29
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.45	0.00	0.05	0.10	0.27
UK 5Y5YF Inflation Swap		3.41	-0.01	0.01	-0.09	0.07
JPY 5Y5YF Inflation Swap		0.40	0.00	0.00	0.00	0.06
EUR 5Y5YF Inflation Swap		1.74	0.00	0.02	0.02	0.23
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-17.20				
Citi Economic Surprise Index -	CESICNY Index	-50.20				
Citi Economic Surprise Index -	CESIEM Index	-18.30				
Citi Economic Surprise Index -	CESIEUR Index	-68.10				
Citi Economic Surprise Index -	CESIG10 Index	-30.90				
Citi Economic Surprise - Japan	CESIJPY Index	-39.10				
Citi Economic Surprise Index -	CESILTAM Index	-17.20				
Citi Economic Surprise - Unite	CESIUSD Index	3.20				

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