

6 TO 12 AUGUST: THE POTUS FRIED TURKEY: TRYING TIMES FOR ILLIBERAL COUNTRIES

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Singapore -0.02% , Luxembourg -0.15% , United States -0.25%
	Bottom 3:	Denmark -4.52% , Austria -4.27% , Italy -3.92%
EMERGING	Top 3:	Hong Kong 2.49% , China "H" 2.32% , China "A" 1.87%
	Bottom 3:	Turkey -21.58% , Brazil -9.74% , Russia -7.51%
FRONTIER	Top 3:	Oman 2.42% , Vietnam 0.97% , Bangladesh 0.23%
	Bottom 3:	Argentina -13.76% , Estonia -3.44% , Nigeria -3.42%

Turkey is experiencing a fully blown currency crisis and financial meltdown. The Turkish economy has been running a substantial twin deficit, faces accelerating inflation and has amassed a significant amount of foreign currency-denominated debt both in the public and private sectors. Structural deficiencies have not been addressed by policymakers and, indeed, were exacerbated by the President forbidding the central bank to respond appropriately by aggressively raising interest rates. Consequently, financial market players have now "thrown in the towel" on Turkish assets, which have already been struggling for a long time.

The final straw for financial markets was when US President Trump announced the imposition of higher tariffs on steel and aluminium imports from Turkey in response to a political issue between the two countries (a US pastor was imprisoned in Turkey, as President Erdogan believed the pastor was connected to the outlawed Kurdistan Workers Party). Existing structural deficiencies were amplified by the POTUS' step, and the Turkish lira depreciated substantially hitting new historical lows. At the end of the week, the POTUS raised tariffs even further claiming that the Turkish lira was weak against the strong US dollar and adding that "US relations with Turkey are not good at this time."

Even though the situation would usually result in substantial tightening on the monetary front, no steps have been taken by the central bank, as it has been captured by President Erdogan, which means that the monetary authority has effectively lost its operational independence and is a casual observer to the collapse of Turkish asset prices. During the week, the Turkish lira plummeted 25.9%, while since the beginning of this year, the currency has lost almost 70% of its value vis-à-vis the US dollar. The 10-year government bond yield exceeded 20.6%. Recent events in Turkey underpin the need for orderly state finances, prudent economic policies and a stable external financing position, especially in emerging economies.

Looking ahead

The US diary for this week contains little of major market significance, as monthly retail sales and industrial production data are unlikely to greatly impact global market sentiment. GDP and inflation data in the Eurozone will provide guidance as to whether the European Central Bank's plan to terminate the asset purchases this December is appropriate. Meanwhile in the UK, CPI and earnings figures will be in the focus.

Asian markets will mostly pay attention to macroeconomic data this week, as China publishes retail sales and industrial production figures. Furthermore, Indian CPI, Malaysian GDP and Taiwanese GDP statistics will also be released. The Indonesia central bank's rate setting meeting will be the only scheduled policy event this week. However, it is likely to be a "non-event", as the policy rate is expected to be stable at 5.25%.

The diary in Latin America is relatively empty. Colombia will release GDP figures, while Argentina published July CPI inflation numbers.

In Africa, Kenya publishes PPI inflation from the second quarter, Nigeria releases July CPI inflation, while South Africa announces mining production performance in June. In the second half of this week, the Egyptian central bank holds a monetary policy meeting.

UNITED STATES

S&P 2,833 **-0.25%**, 10yr Treasury 2.86% **-7.56bps**, HY Credit Index 333 **+5bps**, Vix 14.93 **+1.52Vol**

Tensions with Turkey weighed on US market sentiment. The risk-averse mode led to flight to quality, as the broad DXY index strengthened 1% and US Treasury yields declined, flattening the curve. The 10-year yield fell to 2.88%, compressing the 2s10s spread to 27bp. Stock market performance was rather mixed, as the S&P 500 went sideways, while the NASDAQ Composite rose 0.55% and the Russell 2000 increased 1.09%. Consumer staples, real estate and energy stocks were the greatest underperformers during the week, falling 0.9-1.7%, respectively. In contrast, IT, telecom and consumer discretionary sectors were resilient enough to increase 0.6-1.1%, respectively.

Headline CPI inflation was stable at 2.9% YoY, while core inflation rose to 2.4% YoY in July. The July reading was the strongest since September 2008, and was driven by both transitory and persistent elements. Owner's equivalent rent was one of the most notable drivers of inflation within the category that reflects the persistency of pick-up in inflation. Thus far, tradable goods prices have not exhibited any signs that tariffs exerted significant upside pressure on them.

Details of the July inflation data reaffirm the view that the Federal Reserve has enough room to carry on with the rate hike cycle in 2018 H2, as domestic price pressure gradually build. According to the pricing of the Fed funds futures, the Fed funds will be 50bp higher at the end of this year, at 2.25-2.50%.

EUROPE

Eurostoxx 3,406 **-3.25%**, German Bund 0.32% **-9.10bps**, Xover Credit Index 308 **-8bps**, USDEUR .879 **+1.68%**

Lack-lustre economic indicators and risk-averse global market sentiment weighed on European stock prices. As a result, the whole spectrum of European publicly traded equity markets sold off. The movements were amplified by the alleged worries of the European Central Bank that some banks within the Euro Area might have too high exposure to Turkish assets. Stock indices of the big-four economies, i.e. Germany, France, Italy and Spain, plummeted 3-4% in USD terms. The risk-averse sentiment induced flows to safe haven assets. Consequently, both the 10-year German and Swiss bond yields dropped 9-9bp to 0.32% and -0.09%, respectively.

German industrial production shrank 0.9% MoM SA and manufacturing orders fell 0.8% YoY adjusted for working days in June, substantially undershooting the median market estimate of +3.4%. In a monthly comparison, orders plummeted 4%. Now foreign orders fell rapidly, 6% MoM.

The drop in German manufacturing orders suggests that adverse effects of trade tensions have impacted one of the Eurozone's most resilient economies. This is definitely bad news for the Euro Area, since if tariffs can easily debilitate Germany, then the economies of fragile Euro Area members states will struggle even more.

GDP growth in the UK accelerated 0.2ppt to 0.4% QoQ SA in 2018 Q2, due to stronger construction and services output growth. However, industrial activity declined 0.8% QoQ SA. The expenditure side reflected weakness in exports, as net trade contributed negatively to growth, while household consumption, investments and government expenditures lifted headline growth.

Russian headline CPI inflation accelerated to 2.5% YoY in July, 0.1ppt higher than previous month. Inflation remains well-below the central bank's 4%-inflation target.

A document was leaked that allegedly contains **further**

sanctions against Russia that are yet to be passed by the US Senate. According to the bill, US persons would be prohibited from trading with eight Russian financial institutions and US participation in new Russian sovereign debt issuance would also be forbidden. Furthermore, the imposition of sanctions will restrict Russia from purchasing US national security sensitive goods and technology. The sanctions will become effective on 22nd August and can be intensified after three months.

In response to the news, the rouble instantly sold off and then weakened further intraday, about 4% against the USD. In the second half of the week, the extent of the swing was amplified by risk-averse market sentiment induced by the collapse of the Turkish market. As a result, the rouble depreciated about 7% vs. the USD.

Hungarian CPI inflation surprised to the upside by hitting 3.4% YoY in July. Fuel, food and durable goods inflation were among the most prominent items that lifted the headline rate. While headline inflation exceeded that central bank's 3%-inflation target, the core measure remained soft, at 2.4% YoY.

Czech industrial production rose 3.4% YoY or 6.9% YoY in working-day adjusted terms in June. The outlook of the Czech industry remains strong, as new industrial orders expanded 5% YoY. Retail sales rose 2% YoY in June, due to contracting food sales.

The Unemployment rate in the Czech Republic rose 0.2ppt to 3.1% in July, due to seasonal factors that usually prevail in the summer. Job vacancies reached a new high by increasing to 310,000 (vs. 122,000 a year ago).

Headline inflation in the Czech Republic decelerated to 2.3% YoY in July, due to softening food prices inflation. Meanwhile, core CPI inflation accelerated 0.6ppt to 2.4% YoY, as non-tradable core prices soared 4.1% YoY.

The central bank of Romania (NBR) surprised markets with a dovish hold, as investors expected a 25bp hike. Instead, the NBR held the policy rate at 2.5%. The Governor hinted that the upside to the policy rate is limited. Should there be a need for substantial tightening, the NBR will combine policy rate hike(s) with liquidity management to maximize the impact on the real economy without attracting too much capital that could drive the Romanian currency to stronger levels.

ASIA PACIFIC

HSCEI 10,758 +2.32%, Nikkei 21,857.43 -0.55%, 10yr JGB 0.10% +0bps, USDJPY 110.250 -0.46%

Despite the turmoil in Turkey, Asian markets had a good week, as the MSCI Asia Pacific ex. Japan index rose 1.83% in USD terms. Chinese "A" and "H" shares were among the outperformers, as both indices rose more than 2% in USD terms. Stock markets in Malaysia, Pakistan and Vietnam rose as well, each about 1-1.4% in USD. The South Korean market was the greatest laggard, as it shrank around 1.2% in USD.

The Japanese economy rebounded in 2018 Q2, as the annualised quarterly rate of GDP expansion was 1.9%

vs 0.9% contraction in the first quarter. In Q2, household demand and investments rose, while net exports dragged down headline growth.

The USDCNY exchange rate reversed on Monday, as the Chinese yuan strengthened against the US dollar, due to **the imposition of restrictive measures on short selling the Chinese currency**, i.e. the central bank (PBOC) imposed reserve requirements of 20% on some trading of FX forwards making yuan shorts more expensive. This rule was originally introduced in 2015 aiming to reduce volatility in the Chinese FX market and withdrawn in September 2017, when the depreciation pressure on the yuan softened. The Chinese currency went sideways during the week.

According to a report by Bloomberg, the PBOC held discussions with local banks and urged them to refrain from momentum-chasing "herd behaviour" in the FX market. Bloomberg's report also cited that **the Chinese authorities stand ready to deploy tools in order to stabilise the market and will let the currency to fluctuate in both directions.**

The preliminary current account turned to surplus in 2018 Q2 and amounted to USD 5.8bn vs. a USD 34bn deficit in Q1. Chinese international reserves slightly rose, to USD 3.1tn by the end of July.

The rise of international reserves suggests that the PBOC did not actively intervene in the FX market in July to cushion the yuan's fall and capital flows (both bonds and stocks) to China probably remained relatively strong in spite of the weakening Chinese currency.

Chinese CPI inflation was 2.1% YoY in July, surpassing market expectations of 2.0%. Compared to June, the headline rate accelerated 0.2ppt. Both non-food and food (e.g. pork, vegetables, milk and eggs) components lifted headline inflation. Non-food inflation was spurred by seasonal factors, such as rising prices of air tickets, tourism and hotels. PPI inflation moderated 0.1ppt to 4.6% YoY in July.

Both CPI and PPI inflation face upside risks in Q3-Q4. CPI inflation might be kept being pushed up by pork price inflation that has been unusually fast in recent months, while a weaker currency and higher amount of excess liquidity pose upside risks to PPI inflation. Unless upside risks fade, monetary policy has a limited scope for stimulus in the short-term.

Two of the largest domestic Chinese lenders, lowered interest rates on mortgages for first-time home buyers, 10% below the benchmark rate. Previously, the discount was 5%.

Recent policy steps and macroeconomic developments are in line with our view that the Chinese authorities will retaliate to the tariff's imposed by the US in an equal manner. Following the retaliatory steps, China will continue to insulate its domestic economy by propping up domestic drivers of growth. And, ultimately, tensions should be de-escalated over time.

Malaysian foreign reserves marginally declined, to USD 104.5bn by the end of July. Reserves remain sufficient, as they cover about 7.5 months of imports or ca. 1.1-times of short-term external debt.

The external trade deficit in the Philippines widened to USD 3.35bn in June vs Bloomberg consensus of USD 3bn. The trade deficit substantially widened, more than doubling over a year, as it was USD 1.6bn in June 2017. The widening was due to the fact that exports stagnated on an annual basis, while imports rose 24.2% YoY.

Philippine real GDP growth slowed to 6% YoY in 2018 Q2 vs. 6.6% in Q1, undershooting median Bloomberg estimate of 6.6%. On a quarterly basis, GDP rose 1.3% SA vs 1.5% in SA Q1. The print was the weakest since 2015, due to soaring imports that increased the drag impact of net trade. In addition, inventories weighed on headline growth too. Household consumption increased 5.6% YoY, government expenditures rose 11.9% YoY, while gross fixed capital formation expanded 21.2% YoY.

Philippine headline CPI inflation surged 5.7% YoY in July, exceeding the median market estimate of 5.5% YoY. The headline rate edged up 0.5ppt from June. The acceleration was primarily due to food and non-alcoholic beverage inflation of 7.1% YoY, and partly due to base effects as inflation was 2.4% YoY in June 2017. Alcoholic beverage and tobacco prices rose 21.9% YoY and utilities prices increased 8.2% YoY.

The Philippine central bank raised the policy rate 50bp to 4%, in line with market expectations. The aggressive hike was necessary in order to prevent further acceleration of CPI inflation and to stabilise the FX market. The central bank revised its CPI forecast up to 4.9% and 3.7% in 2018 and 2019, respectively. The Governor reiterated that the Monetary Policy Council (MPC) stands ready to deliver further tightening measures, should the inflation outlook deteriorate.

The 50bp hike and the central bank's hawkish comments were enough to stabilise the FX market in the short-term. However, the tightening cycle should continue in 2018 H2, in our view, in order to keep both the currency and the exchange rate anchored.

The value of imports to Bangladesh rose to USD 51.5bn in FY2017-18, 16.4% up compared to the previous fiscal year. The increase was primarily due to the rise of food grain imports (161.7% YoY), such as rice and wheat, and petroleum imports (32.7% YoY). In contrast with imports, the value of exports totalled USD 36.7bn in FY2017-18, implying 5.8% YoY growth. As a result, the foreign trade deficit widened by USD 5.2bn to USD 14.8bn.

Indonesian GDP growth accelerated to 5.3% YoY in 2018 Q2 from 5.1% YoY in the previous quarter. The Q2 figure exceeded the median market estimate by 0.1ppt thanks to a rebound in government expenditures to 5.3% YoY and strengthening household demand of 5.1% YoY. Investment growth slowed to 5.9% YoY from Q1's 7.9% YoY in Q2.

Indonesian foreign reserves fell for the sixth consecutive month, to USD 118.3bn by the end of July. Reserves shrank USD 13.7bn since the beginning of 2018.

Moody's upgraded Vietnam's credit rating to Ba3 with "stable" outlook. The agency cited that Vietnam has strong growth potential and has been utilising available

labour and capital in a more efficient manner. The upgrade was also supported by the fact that the banking sector's health has improved.

The Vietnamese central bank's FX intervention in the last couple of weeks created a liquidity squeeze on the short-end of the curve. **Short-dated interbank interest rates and Treasury bill yields spiked, while the impact on the back-end of the curve was rather muted.**

The central bank of Thailand kept the policy rate unchanged at 1.5%, in line with expectations. According to the statement released after the meeting, the majority of the Monetary Policy Committee see the current policy stance appropriate as long as inflation remains soft.

Prime Minister-designate Imran Khan's PTI party has made progress with forming a coalition in the Pakistani National Assembly. According to a spokesperson associated with PTI, the party has already secured 174 mandates, and might even increase the number to 180-182. Should there be no hiccups, Khan will be sworn in at the end of August.

The claim of the spokesperson implies that PTI and its coalition partners already possess just enough seats in the National Assembly to be able to pass legislation requiring simple majority of at least 172 votes.

Taiwan's export growth decelerated to 4.7% YoY, while import's soared 20.5% YoY in July. Imports from the US was exceptionally strong, as they grew 43% YoY.

LATIN AMERICA

MSCI Lat Am 2,565 **-6.72%**

The MSCI Latin America index fell 3.55% in USD terms. The Argentinian market was hit the hardest, as the major stock index plummeted almost 15% in USD, followed by Brazil (-5.4% in USD) and Chile (-4.63%).

Both private consumption and gross fixed investment in Mexico grew 0.9% MoM SA in May. In annual comparison, private consumption bounced to 2.6% YoY, while gross fixed investment rose 0.9% YoY.

Mexican CPI inflation stood at 4.81% YoY in July, accelerating from 4.65% YoY in June. Rising inflation was mostly due to non-core components, such as fuel prices and prices of fruits and vegetables. Core inflation was stable at 3.63% YoY.

Industrial production in Mexico virtually stagnated in June, as mining activity contracted 6.6% YoY, while construction rose 1% YoY and manufacturing output expanded 2% YoY.

The monthly index of economic activity in Chile (Imacec) rose 4.9% YoY in June, matching the pace seen in May. Non-mining activity (i.e. commerce and manufacturing) gained strong momentum as it advanced 5% YoY, while the index for mining activity exhibited deceleration, to 3.7% YoY.

Chilean inflation rose to 2.7% YoY in July, while core inflation was stable at 1.9% YoY. While the headline indicator has been gradually converging to the central

bank's 3%-inflation target, the core measure remained below the target band of 2-4%. The headline CPI rate was primarily lifted by energy and transportation prices.

Peruvian mining investments increased 20.6% YoY in June, and 31.4% YoY between January and June, according to the Peruvian Ministry of Energy and Mines.

The Peruvian central bank kept the policy rate at 2.75%, in line with market expectations

In Brazil, The PT party publicly announced the candidacy of Lula, with Haddad as his running mate. Bolsonaro (PSL party) chose a general as his running mate in an attempt to broaden his support base.

Lula (PSL) is unlikely to be allowed to run, as the party's application will most probably be turned down on 15th August, as he is currently in jail. He will be replaced most likely with Haddad by 17th September.

According to the minutes released by the Monetary Policy Council of the Brazilian central bank that **the policy rate of 6.5% is unlikely to be changed in the short-term**, should there be no external shocks hitting the Brazilian financial markets that require tighter liquidity conditions.

S&P reaffirmed BB- with stable outlook.

Colombian inflation surprised to the downside, as the annual rate of CPI inflation was 3.1% in July. Food price and tradable goods inflation were the greatest drags on the headline figure, while regulated prices and prices of non-tradable goods rose sharply.

Ivan Duque was sworn in as Colombia's President for the next four years. The new President's goal is to raise potential GDP growth above 4%. According to President Duque, the new government will implement the "economic reactivation plan," which entails an improvement to the tax system, elimination of wasteful public spending, streamlining and reducing bureaucracy. Furthermore, the new government announced reforms targeting the pension and healthcare systems.

AFRICA

MSCI Africa 838 *-4.75%*

The broad African stock index fell almost 1% in USD, as the South African (-4.39%), Nigerian (-3.42%) and Ghanaian markets (-1.8%) suffered large declines. Egypt and Kenya outperformed, as they rose 0.34% and 0.04% in USD terms, respectively.

Egyptian foreign debt amounted to USD 88.2bn in FY2017-18 Q3, up from USD 73.9bn in the previous quarter. International reserves amounted to USD 44.3bn at the end of July.

Egypt's core inflation fell 2.4ppt to 8.5% YoY in July.

Manufacturing output in South Africa increased 0.7% YoY in June. Growth slowed compared to May when the volume of manufacturing rose 2% YoY.

South Africa's gross international reserves stagnated at

USD 50.5bn, while net reserves amounted to USD 42.4bn in July.

Tunisian annual inflation slowed to 7.5% YoY in July from June's 7.8% YoY.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
US retail sales (JUL) % MOM	Wed/15	0.1
US industrial production (JUL) % MOM	Wed/15	0.3
Michigan consumer sentiment (AUG)	Fri/17	98.0
EUROPE		
Poland GDP (Q2) % YOY	Tue/14	5.1
Eurozone GDP (Q2) % YOY	Tue/14	2.1
Eurozone industrial production (JUN) % YOY	Tue/14	2.4
UK CPI (JUL) % YOY	Wed/15	2.5
Eurozone CPI (JUL) % YOY	Fri/17	2.1
ASIA PACIFIC		
India CPI (JUL) % YOY	Mon/13	4.5
China industrial production (JUL) % YOY	Tue/14	6.3
China retail sales (JUL) % YOY	Tue/14	9.1
Indonesia interest rate %	Wed/15	5.25
Malaysia GDP (Q2) % YOY	Thu/16	5.3
Taiwan GDP (Q2) % YOY	Fri/17	3.3
LATIN AMERICA		
Peru GDP (JUN) % YOY	Wed/15	3.8
Colombia GDP (Q2) % QOQ	Wed/15	1.5
AFRICA		
Egypt interest rate %	Thu/16	16.75

PLEASE CONTINUE FOR MARKET DATA

GLOBAL MARKET DATA (CONTD.)

6 TO 12 AUGUST

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	2,833.28	-0.25%	0.60%	5.97%	16.20%		78%
RUSSELL 2000 INDEX	US	1,686.80	0.80%	0.96%	9.85%	22.90%		91%
NASDAQ COMPOSITE INDEX	US	7,839.11	0.35%	2.18%	13.55%	26.09%		94%
S&P/TSX COMPOSITE INDEX	Canada	16,326.51	-1.78%	-1.64%	-3.97%	4.85%	0.72%	100%
S&P 500 CONS DISCRET IDX	US	896.78	0.79%	1.31%	14.19%	26.13%		75%
S&P 500 CONS STAPLES IDX	US	546.42	-1.92%	-0.58%	-6.97%	-3.50%		71%
S&P 500 FINANCIALS INDEX	US	463.85	-0.57%	0.00%	-0.02%	12.67%		72%
S&P 500 HEALTH CARE IDX	US	1,036.36	-0.20%	0.77%	8.37%	14.47%		84%
S&P 500 INFO TECH INDEX	US	1,281.29	0.33%	3.04%	15.83%	31.73%		79%
S&P 500 ENERGY INDEX	US	554.18	-0.34%	-2.63%	3.89%	17.21%		109%
S&P 500 ECO SECTORS IDX	US	2,833.28	-0.25%	0.60%	5.97%	16.20%		78%
S&P 500 INDUSTRIALS IDX	US	630.79	-0.97%	-2.32%	-1.10%	9.08%		71%
S&P 500 MATERIALS INDEX	US	367.96	-0.89%	-1.71%	-2.90%	9.68%		78%
S&P 500 REAL ESTATE IDX	US	203.05	-1.85%	-0.43%	-0.40%	2.32%		65%
S&P 500 TELECOM SERV IDX	US	152.21	0.69%	1.74%	-8.35%	-4.29%		66%
S&P 500 UTILITIES INDEX	US	268.35	-0.63%	0.09%	0.37%	-1.98%		69%
Europe								
Euro Stoxx 50 Pr	Europe	3,405.63	-3.25%	-5.33%	-7.26%	-3.22%	-2.22%	85%
CAC 40 INDEX	France	5,393.60	-2.82%	-4.30%	-3.33%	2.66%	1.92%	81%
DAX INDEX	Germany	12,345.20	-3.16%	-5.49%	-8.78%	0.29%	-3.82%	85%
Athex Composite Share Pr	Greece	742.06	-3.98%	-4.83%	-12.09%	-13.49%	-7.31%	37%
FTSE MIB INDEX	Italy	20,922.97	-3.92%	-7.52%	-8.47%	-5.66%	-3.49%	72%
AEX-Index	Netherlands	560.66	-3.26%	-4.50%	-1.95%	4.27%	3.38%	82%
PSI All-Share Index GR	Portugal	3,260.01	-1.27%	-2.37%	5.47%	10.16%	11.20%	53%
MOEX Russia Index	Russia	2,281.08	-7.51%	-9.77%	-8.31%	2.94%	7.84%	129%
IBEX 35 INDEX	Spain	9,520.40	-3.05%	-5.24%	-9.33%	-10.89%	-4.40%	79%
OMX STOCKHOLM 30 INDEX	Sweden	1,609.18	-2.31%	-3.75%	-8.21%	-7.24%	2.53%	61%
SWISS MARKET INDEX	Switzerland	8,975.79	-1.65%	-2.13%	-5.84%	-2.28%	-3.74%	75%
BIST 100 INDEX	Turkey	92,575.98	-21.58%	-25.24%	-51.51%	-51.62%	-17.68%	145%
FTSE 100 INDEX	UK	7,625.23	-1.98%	-3.90%	-5.99%	1.92%	-0.27%	80%
Asia Pacific								
MSCI AC ASIA x JAPAN	MSCI Asia Ex	668.14	0.97%	-0.94%	-6.35%	2.98%	-6.35%	106%
S&P/ASX 200 INDEX	Australia	6,252.17	-0.77%	-1.90%	-3.29%	0.86%	3.52%	90%
DSE 30 Index	Bangladesh	1,884.36	-0.21%	0.81%	-19.02%	-14.77%	-17.08%	
HANG SENG CHINA ENT INDX	China "H"	10,758.46	2.32%	-0.75%	-6.99%	1.08%	-6.54%	77%
SHANGHAI SE COMPOSITE	China "A"	2,785.87	1.87%	-3.33%	-19.81%	-16.86%	-15.48%	103%
HANG SENG INDEX	HK	27,948.88	2.49%	-0.77%	-5.64%	2.94%	-5.19%	77%
Nifty 50	India	11,396.50	-0.23%	-0.32%	0.27%	7.97%	8.54%	107%
JAKARTA COMPOSITE INDEX	Indonesia	5,876.77	0.63%	1.30%	-10.72%	-4.11%	-4.38%	97%
NIKKEI 225	Japan	21,857.43	-0.55%	-0.17%	-0.41%	11.57%	-2.05%	94%
KOSPI 200 INDEX	Korea	289.85	-1.40%	-3.01%	-14.40%	-3.70%	-9.58%	81%
Laos Composite Index	Laos	873.22	-0.83%	-2.92%	-14.25%	-16.08%	-12.54%	31%
FTSE Bursa Malaysia KLCI	Malaysia	1,783.52	1.37%	0.20%	-0.09%	6.70%	0.50%	71%
KARACHI 100 INDEX	Pakistan	42,694.15	0.97%	-0.68%	-5.66%	-20.15%	5.86%	110%
PSEI - PHILIPPINE SE IDX	Philippines	7,635.27	-0.50%	1.32%	-14.35%	-6.27%	-8.80%	97%
STRAITS TIMES INDEX STI	Singapore	3,248.25	-0.02%	-1.93%	-6.02%	-1.83%	-3.47%	99%
SRI LANKA COLOMBO ALL SH	Sri Lanka	6,117.31	-0.09%	-0.24%	-7.42%	-9.67%	-3.58%	67%
TAIWAN TAIEX INDEX	Taiwan	10,748.92	-0.81%	-1.39%	-0.45%	4.98%	3.20%	82%
STOCK EXCH OF THAI INDEX	Thailand	1,705.96	-0.50%	-0.12%	-4.83%	8.39%	-2.72%	84%
HO CHI MINH STOCK INDEX	Vietnam	978.04	0.97%	1.22%	-4.06%	22.19%	-1.60%	106%
Rest of the World								
MSCI ACWI	MSCI World	515.61	-0.75%	-0.81%	0.50%	9.11%	0.50%	116%
MSCI EM	MSCI EM	1,062.37	-1.02%	-2.31%	-8.29%	0.58%	-8.29%	120%
MSCI Frontier Market Index	MSCI FM	2,708.11	-1.68%	-1.10%	-9.38%	-1.22%	-9.38%	83%
DFM GENERAL INDEX	Dubai	2,857.95	-1.81%	-1.21%	-13.35%	-19.94%	-13.35%	74%
MSCI EM LATIN AMERICA	Latin America	2,564.97	-6.72%	-5.08%	-9.31%	-6.89%	-9.31%	77%
ARGENTINA MERVAL INDEX	Argentina	26,856.15	-13.76%	-13.87%	-42.91%	-22.69%	-10.67%	71%
MSCI BRAZIL	Brazil	1,733.11	-9.05%	-5.80%	-14.33%	-8.37%	-14.33%	89%
S&P/CLX IPSA (CLP) TR	Chile	5,267.25	-4.34%	-5.69%	-11.03%	3.10%	-5.34%	79%
IGBC GENERAL INDEX	Colombia	12,023.83	-2.32%	-2.76%	6.39%	13.46%	4.75%	
S&P/BMV IPC	Mexico	48,383.59	-3.86%	-4.28%	1.85%	-10.08%	-1.97%	81%
Bolsa de Panama General	Panama	478.06	-0.53%	-0.54%	7.93%	13.06%	7.93%	19%
S&P/BVLPeruGeneralTRPEN	Peru	20,124.06	-1.13%	-2.03%	-0.43%	17.76%	0.75%	51%
MSCI EFM AFRICA	Africa	838.13	-4.75%	-6.50%	-17.31%	-4.21%	-17.31%	58%
EGYPT HERMES INDEX	Egypt	1,521.88	0.34%	1.35%	6.15%	24.75%	6.71%	105%
GSE Composite Index	Ghana	2,867.50	-1.85%	-0.75%	3.73%	14.81%	11.16%	47%
Nairobi SE 20 Share	Kenya	3,314.92	-0.06%	0.50%	-8.34%	-12.16%	-10.70%	51%
MASI Free Float Index	Morocco	11,702.66	-1.17%	-1.51%	-7.70%	-5.24%	-5.54%	21%
NIGERIA STCK EXC ALL SHR	Nigeria	35,446.47	-3.42%	-4.35%	-7.95%	-5.50%	-7.31%	61%
FTSE/JSE AFRICA TOP40 IX	South Africa	51,645.25	-4.37%	-6.38%	-13.50%	-0.19%	-1.82%	81%
Global Style								
MSCI WORLD GROWTH INDEX	US	2,635.30	-0.39%	0.24%	6.34%	16.76%	6.34%	90%
MSCI WORLD VALUE INDEX	US	2,791.20	-1.07%	-1.50%	-2.94%	3.85%	-2.94%	80%
MSCI World Large Cap	US	1,312.64	-0.70%	-0.52%	2.04%	10.48%	2.04%	83%
MSCI World Mid-Cap	US	1,387.65	-0.83%	-1.07%	0.29%	9.38%	0.29%	83%
Average			-1.84%	-2.37%	-5.25%	1.55%	-3.40%	80%
Top 25%			-0.15%	-0.06%	0.13%	9.92%	1.04%	94%
Bottom 25%			-2.57%	-4.09%	-9.04%	-5.58%	-8.42%	71%

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GLOBAL MARKET DATA (CONTD.)

6 TO 12 AUGUST

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXY Index	96.51	1.26%	1.91%	4.59%	3.16%
USD-EUR X-RATE	USDEUR Curncy	0.88	1.68%	2.66%	5.42%	3.09%
Russian Ruble SPOT (TOM)	USDRUB Curncy	68.19	7.04%	8.63%	17.60%	12.74%
USD-TRY X-RATE	USDTRY Curncy	6.80	26.63%	30.98%	69.78%	82.03%
USD-GBP X-RATE	USDGBP Curncy	0.78	2.12%	2.95%	6.06%	1.78%
Bloomberg JPMorgan Asia Dollar	ADXY Index	104.73	-0.37%	-0.81%	-4.40%	-2.09%
USD-AUD X-RATE	USDAUD Curncy	1.37	1.47%	1.91%	7.05%	8.07%
USD-CNY X-RATE	USDCNY Curncy	6.88	0.13%	0.52%	5.40%	3.08%
USD-INR X-RATE	USDINR Curncy	69.53	0.83%	0.96%	8.24%	7.80%
USD-JPY X-RATE	USDJPY Curncy	110.25	-0.46%	-0.97%	-1.65%	1.30%
USD-KRW X-RATE	USDKRW Curncy	1,133.33	0.75%	1.78%	6.03%	-1.12%
USD-TWD X-RATE	USDTWD Curncy	30.83	0.55%	0.74%	3.67%	1.29%
USD-ARS X-RATE	USDARS Curncy	29.25	6.59%	6.47%	56.45%	64.38%
USD-BRL X-RATE	USDBRL Curncy	3.86	4.10%	2.88%	16.42%	22.25%
USD-CLP X-RATE	USDCLP Curncy	654.18	1.86%	2.77%	6.39%	1.03%
USD-MXN X-RATE	USDMXN Curncy	19.37	2.07%	1.71%	-3.75%	5.69%
USD-EGP X-RATE	USDEGP Curncy	17.90	-0.04%	-0.03%	0.48%	0.41%
USD-NGN X-RATE	USDNGN Curncy	362.00	0.55%	0.11%	0.69%	-1.56%
USD-ZAR X-RATE	USDZAR Curncy	14.49	5.77%	7.36%	13.50%	4.82%
Commodities			Return (USD)			
WTI CRUDE FUTURE Sep18	CLA Comdty	67.43	-1.26%	-1.64%	14.49%	37.32%
BRENT CRUDE FUTR Oct18	COA Comdty	72.60	-0.55%	-1.89%	13.08%	39.56%
Baltic Dry Index	BDIY Comdty	1,691.00	-4.62%	-3.21%	23.79%	54.85%
Natural Gas Futures	NGI Comdty	2.92	3.19%	5.82%	-0.30%	-1.37%
Gold Spot \$/Oz	XAU Curncy	1,205.30	-0.34%	-1.17%	-7.23%	-5.65%
Silver Spot \$/Oz	XAG Curncy	15.24	-1.00%	-1.69%	-10.28%	-10.42%
LME COPPER 3MO (\$)	LMCADS03 Comdty	6,190.00	-0.26%	-1.75%	-14.59%	-3.63%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.59	-0.04	-0.07	0.72	1.28
US Generic Govt 5 Year Yield	USGG5YR Index	2.73	-0.07	-0.10	0.54	0.97
US Generic Govt 10 Year Yield	USGG10YR Index	2.86	-0.08	-0.09	0.47	0.68
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.30	-0.05	-0.01	0.26	0.45
Mexico Generic 10 Year	GMXN10YR Index	7.76	0.03	-0.01	0.10	0.88
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.25	-0.09	-0.09	0.05	0.16
Switzerland Govt Bonds 10 Year	GSWISS10 Index	-0.11	-0.09	-0.09	0.05	0.04
German Government Bonds 2 Yr B	GDBR2 Index	-0.64	-0.05	-0.07	-0.01	0.06
German Government Bonds 5 Yr O	GDBR5 Index	-0.25	-0.09	-0.12	-0.05	0.02
German Government Bonds 10 Yr	GDBR10 Index	0.32	-0.09	-0.13	-0.11	-0.10
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.68	-0.07	-0.06	-0.11	-0.04
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.21	0.13	0.25	0.11	-1.28
Italy Generic Govt 10Y Yield	GBTGRI10 Index	3.06	0.07	0.27	0.98	0.96
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.43	-0.01	0.01	-0.16	-0.05
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.82	0.00	0.04	-0.17	-1.09
Australia Govt Bonds Generic Y	GACGB10 Index	2.58	-0.14	-0.06	-0.04	-0.07
India Govt Bond Generic Bid Yi	GIND10YR Index	7.79	-0.01	-0.02	0.43	1.26
KCMP South Korea Treasury Bond	GVSK10YR Index	2.50	-0.08	-0.07	0.03	0.18
Japan Generic Govt 10Y Yield	GJGB10 Index	0.10	-0.01	0.04	0.05	0.04
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	308.35	8.31	18.99	69.52	56.32
MARKIT ITRX EUROPE 06/23	ITRXEBE CBIL Curncy	69.59	3.31	6.39	22.34	10.34
MARKIT ITRX EUR SNR FIN 06/23	ITRXESE CBIL Curncy	88.88	6.20	10.50	40.58	29.49
MARKIT ITRX EUR SUB FIN 06/23	ITRXEUE CBIL Curncy	183.83	11.83	17.34	70.39	51.59
MARKIT CDX.NA.IG.30 06/23	IBOXUMAE CBIL Curncy	61.52	1.42	2.72	11.86	-0.42
MARKIT CDX.NA.HY.30 06/23	IBOXHYSE CBIL Curncy	333.12	5.42	5.41	29.00	-5.79
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	13.54	0.88	1.78	-0.12	-2.03
FTSE 100 500 3month ATM	UKX Index	11.57	0.89	0.95	2.19	0.24
Hang Seng 3month ATM	HSI Index	16.34	-0.82	0.39	1.43	1.71
Nikkei 3month ATM	NKY Index	14.07	0.78	0.95	-1.46	1.41
S&P 500 3month ATM	SPX Index	11.32	0.79	0.37	1.40	-1.26
Volatility (VIX)	VIX Index	14.93	1.52	0.33	2.12	-2.88
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.42	-0.04	-0.03	0.07	0.13
UK 5Y5YF Inflation Swap		3.45	-0.01	-0.01	-0.06	0.08
JPY 5Y5YF Inflation Swap		0.16	-0.13	-0.24	-0.24	-0.15
EUR 5Y5YF Inflation Swap		1.72	0.00	-0.02	0.00	0.11
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-10.30				
Citi Economic Surprise Index -	CESICNY Index	-27.60				
Citi Economic Surprise Index -	CESIEM Index	-2.70				
Citi Economic Surprise Index -	CESIEUR Index	-32.90				
Citi Economic Surprise Index -	CESIGIO Index	-11.10				
Citi Economic Surprise - Japan	CESIJPY Index	5.70				
Citi Economic Surprise Index -	CESILTAM Index	36.40				
Citi Economic Surprise - Unite	CESIUSD Index	-11.90				

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

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