

17- 23 SEPTEMBER: ENOUGH WITH THE TRADE TALKS

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	Top 3:	Sweden 4.59% , Italy 4.04% , France 3.56%
	Bottom 3:	Denmark 0.68% , United States 0.85% , Switzerland 1.09%
EMERGING	Top 3:	Brazil 8.90% , South Africa 5.47% , Chile 5.29%
	Bottom 3:	Egypt -9.00% , India -3.70% , Qatar -2.56%
FRONTIER	Top 3:	Argentina 20.62% , Kazakhstan 4.33% , Romania 3.29%
	Bottom 3:	Kenya -5.38% , Sri Lanka -4.92% , Tunisia -1.68%

Although new tariffs levied on Chinese products by the US come into force today (24th September), it was announced that already imposed tariffs will rise from 10% to 25% in 2019 and China responded its own measures in retaliation, markets reacted positively and gained considerably last week. The counter-intuitive response, e.g. the weakness of the broad dollar index (DXY) or the strong bounce of Chinese stocks, is a clear sign that markets have just had enough and lost interest in trade talks. In our interpretation, the positive reaction by markets could have been induced by a combination of various factors:

- the - potential - unwinding of bearish positions in the EM universe as authorities have started to finally address woes in Turkey and Argentina,
- building expectations that trade tensions and imposed tariffs will not weigh on actual economic activity significantly and/or
- recent stability of the RMB, which implies that China will not up the ante.

We are not fully convinced that markets are out of woods just yet, but to upset global market sentiment any further, the POTUS or China would have to strike an even harsher tone. Such an outcome is not likely, in our opinion, as neither the US nor China could reap economic or political benefits from such a scenario. Of course, Trump may think differently...

Looking ahead

All eyes are on the Federal Reserve's monetary policy meeting this week, as the FOMC will almost surely deliver a further 25bp hike to continue the tightening cycle. The rate hike itself will be a non-event, since it has been priced in for a long time. More importantly, **Chair Powell will present the Fed's updated macroeconomic projection, the FOMC's latest 'dot plot' and answer questions in the regular press conference.** In the second half of the week, markets will need to digest the third read of the 2018 Q2 GDP data and the August PCE inflation measure in the US. Relative to the US, Japan, the Euro Area and the UK will only release second-rate data, as the Bank of Japan publishes the minutes

of its last rate setting meeting, several Eurozone member states reveal inflation figures, while the UK posts the final read of the Q2 GDP figure.

The Asian calendar is packed for the week, as the central banks of the Philippines and Indonesia are expected to raise their respective interest rates, while their Taiwanese peer might leave policy unchanged. Even though there is still a week to go until the end of Q3, the Vietnamese statistical office is scheduled to release Q3 GDP data. Latin American countries will release a wide variety of high-frequency indicators for economic activity throughout the week, and at the end of it, the Brazilian central bank will release its Inflation Report, while the Colombian central bank will hold a policy rate decision. In addition, Brazilian political news flow and NAFTA 2.0 talks will attract the attention of market players. African markets will keep a close eye on the Kenyan, Nigerian, Egyptian and Moroccan central banks' monetary policy decisions in addition to Moroccan, Kenyan and Egyptian Q2 GDP releases.

UNITED STATES

S&P 2,930 **+0.85%**, 10yr Treasury 3.08% **+6.69bps**, HY Credit Index 316 **-3bps**, Vix 11.68 **-.39Vol**

Although the S&P 500 was unstoppable and gained 0.85%, the Russell 2000 and the Nasdaq Composite fell 0.55% and 0.29%, respectively during the week. The S&P 500's rally was mainly led by financials, materials and energy, while info tech and utilities were among the laggards. The DXY index lost 0.74% of its value implying that the momentum of the dollar has – temporarily – abated. As oil prices rose, long-dated US Treasury yields increased vis-à-vis elevated inflation expectations. By the end of the week, the US curve bear-steepened bringing the 10-year yield to 3.06%, which implies a 26bp 2s10s spread.

The US and Canada did not come to an agreement on NAFTA talks by the end of the week. According to reports by Bloomberg, the core issue is the potential levy of tariffs on automotive products produced by Canada exported to the US. Representatives of the Canadian government want guarantees that tariffs will not be levied on autos. A high-level agreement between the two parties is needed if the US wants to stick to the self-imposed deadline of 30th September.

EUROPE

Eurostoxx 3,420 **+3.49%**, German Bund 0.47% **+1.20bps**, Xover Credit Index 267 **-16bps**, USDEUR .851 **-0.87%**

European markets enjoyed the recovery of risk appetite, since stock indices headed north during the week: not only the stock markets of the big four economies gaining, but also their riskier peers on the periphery. During the week the euro gained almost 0.9% vs. the USD, while risk premia on periphery bonds considerably decreased. As a result, the 10-year Italian spread over the German Bund yield of 0.46% compressed about 16bp to 237bp.

Consumer confidence in the Euro Area dropped in August, as consumers are increasingly worried about becoming unemployed. Business confidence figures followed suit, as **the September composite PMI slipped to 54.3**. There was, however, divergence between the two core components of the composite figure, since the index

capturing the outlook for manufacturing declined to 53.3, while the one for services slightly improved, to 54.7.

It is worth noting that manufacturing PMI is exposed to demand stemming from abroad. Consequently, recent weakness in external demand induced by trade tensions weighs on the Euro Area's export-oriented manufacturing prospects. In contrast, services PMI focuses more on the domestic economy. Overall, PMI figures continue to project further expansion of both manufacturing output and services, but also imply that an acceleration of growth is unlikely.

Retail sales growth in the UK exceeded median market expectations, as it expanded 0.3% MoM in August

following a very strong July when overall sales volumes increased 0.9% MoM. Although food and clothing sales volumes were down in August, strong gains in other non-food and household goods more-than-offset.

UK Prime Minister May delivered a speech at the informal EU summit in Austria. **Although the PM strongly argued for the acceptance of her 'Chequers plan,'** which is a proposal for future EU-UK relations, **EU leaders rejected it.**

The rejection has no formal consequence at this point, but it is still an important milestone, as it implies – in our opinion – that a soft Brexit deal is not sealed yet.

ASIA PACIFIC

HSCEI 10,793 **+4.76%**, Nikkei 23,869.93 **+ 2.83%**, 10yr JGB 0.13% **+0bps**, USDJPY 112.570 **+0.51%**

As global market sentiment cleared and appetite for risk assets strengthened, the majority of Asian markets bounced. Consequently, the MSCI Asia Pacific ex. Japan index rose 1.79% in USD led by Chinese 'A' and 'H' shares gaining 4.48% and 4.76% in USD terms, respectively. In contrast, India, Bangladesh and the Philippines lagged behind, since their respective markets edged down in USD: 3.70%, 1.04% and 0.65%, respectively.

In Japan, **incumbent Prime Minister Abe was re-elected as the LDP party's president** for an additional three years. According to the policy pamphlet Mr. Abe presented, the

following issues need to be in economic policymakers' focus going forward: inclusive economic growth, social security reform, constitutional reform and foreign policies that cover the globe.

The current account deficit in the Philippines widened to USD 2.93bn in 2018 Q2, due to a larger foreign trade gap led by import growth of 16% YoY and contracting exports (-1.7% YoY). Primary income fell, as income remittances to foreign firms and interest payments to non-residents declined, while secondary income vis-à-vis remittances rose just enough to offset the decrease in primary income.

Chinese authorities plan to cut the average tariff rates on imports from the majority of its trading partners as soon as October, according to a report by Bloomberg. No details have been released yet.

Lowering tariffs would be beneficial for the Chinese economy on the medium- to long-term, as certain constraints on the economy's growth outlook would soften. Furthermore, from a political point of view, favouring other trade partners' imports over the US' could be a good tool to incentivise the US to reconsider its view on and approach to international trade.

The central bank of Thailand kept its policy rate at 1.50%, in line with market expectations. The decision was not unanimous, as two out of the seven MPC members voted for a 25bp hike. Members reiterated the need for rebuilding the policy space for future economic downturns and, in addition, the majority of the MPC called for curbing financial stability risks for long-term sustainability.

It is very likely that the MPC will embark on a monetary tightening cycle in the coming quarters. The timing of the lift off, however, remains dependent on the strength of the baht, since a too strong baht could choke inflation and dampen economic activity.

Bangladeshi GDP expanded 7.86% YoY in FY2017-18 ending in June 2018, surpassing the preliminary estimate of 7.65% YoY. GDP growth in FY2017-18 was mainly driven by industrial and agricultural output growth.

In an attempt to smooth out volatility in the local FX market, Indonesian authorities announced that 50% of export earnings denominated in foreign currency must be converted into Indonesian rupiah and be kept onshore for at least half a year. However, it is unclear how this idea will be implemented and enforced, as no concrete details have been released yet. According to the Indonesian authorities, exporters tend to convert a smaller amount of foreign currency to IDR in times of market stress than in normal times.

This measure could help to a limited extent in the short-term, but will not change the underlying issues the country has to tackle, i.e. high indebtedness to foreign creditors and a current account deficit. Both factors will continue to weigh on the Indonesian rupiah and amplify volatility in times of risk-averse market sentiment.

LATIN AMERICA
MSCI Lat Am 2,547 +4.58%

Improved sentiment in Latin America substantially lifted the majority of the regional indices. The broad MSCI EM Latin America index gained 4.58% in USD led by Argentina and Brazil. The Argentine stock index measured in USD terms skyrocketed almost 21%, while the Brazilian one rose 7.5% in USD. Compared to its regional peers, the Mexican stock index underperformed during the week, as it decreased 0.4% in US.

Annual Mexican GDP growth was 2.6% in 2018 Q2, broadly matching the pace seen the previous quarter. However, in a quarterly comparison, the Mexican economy contracted 0.2% in seasonally adjusted terms. **The contraction compared to Q1 was broad based and mostly due to the weakness in domestic demand**, since government consumption was the only domestic component that pushed headline growth up.

Mexican retail sales growth beat Bloomberg consensus in July, as sales volumes increased 0.6% MoM in seasonally adjusted terms. In an annual comparison, retail sales grew 4.2% YoY SA matching the unadjusted growth rate. As a result, **year-to-date retail sales growth accelerated to 3% YoY**.

The trend of Mexican retail sales suggests that the domestic economy has the potential to recover and contribute to GDP growth in a meaningful manner, in our opinion. We note that the new NAFTA agreement, which remains to be agreed on by all parties, poses downside risks to recovering domestic demand in the short- to medium-term.

The IMF revised up its GDP forecast for Chile from 3.8% to 4% this year citing that the economic recovery would continue due to the sustained improvement in business and consumer confidence. The IMF sees risks broadly balanced, as underlying domestic developments pose upside risks, while the external environment bears downside risks to the Chilean economy.

The latest political polls in Brazil showed that voting intentions for Jair Bolsonaro (PSL) increased to 28%, while his rejection rate moderated. It has become clear that **Fernando Haddad (PT)**, who is the heir of former President Lula's replacement, **will very likely be the other candidate progressing to the second round of elections**, as voting intentions for Mr. Haddad shot up to 16-19%. Voting intention for Geraldo Alckmin (PSDB), the candidate preferred the most by markets, has not improved convincingly yet, and we see the probability of him making it to the second round as very low.

The Brazilian central bank unanimously decided to keep the policy rate stable at 6.50%. According to the statement released by the MPC, future rate decisions will be dependent primarily on inflationary developments and outlook. Members added that unless the inflation outlook warrants tighter financial conditions, the stance of monetary policy will remain supportive.

According to local Argentine media reports, **the IMF is expected to increase the size of the package to USD 65-70bn**. In addition, the originally negotiated amount could be disbursed in a front-loaded manner. These pieces of news helped the restoration of market sentiment and spurred Argentine asset prices.

Argentine GDP fell 4.2% YoY in 2018 Q2 vs. 3.9% expansion in Q1. Domestic demand significantly weakened in Q2, as investments rose only 3.1% YoY, while private consumption virtually stagnated in an annual comparison. Net exports weighed on growth as well, as imports grew 2.7% YoY, while exports plummeted 7.5% YoY.

It will get worse before it gets better for the Argentine economy. Due to the extremely tight financial conditions, rampant inflation and the high level of uncertainty regarding future economic policy steps, Argentina is unlikely to emerge from the current recession in Q3.

AFRICA

MSCI Africa 799 +4.31%

Although the improved global market sentiment drove the broad MSCI EFM Africa index up 4.31% (in USD) during the week, the performance of various African markets was mixed. The Egyptian stock market was dealt a blow, as the index fell 9% in USD. South Africa and Nigeria outperformed their African peers rising 5.47% and 1.07% (all in USD), respectively.

CPI inflation in South Africa unexpectedly slowed to 4.9% YoY in August, vs. 5.1% YoY in July. The core measure slowed as well, since it reflected an annual increase of 4.2% in core prices. One of the major drags on inflation was food prices that deflated 0.3% in a monthly comparison. Both measures of inflation remain well-within the central bank's inflation target band of 3-6%.

Underlying inflationary tendencies suggest that domestic demand has been rather weak. However, rising global oil prices and the recent depreciation of the South African rand suggest that inflation will likely accelerate in the coming months.

The South African central bank delivered a hawkish hold, as a small majority of four MPC members outvoted three other decisionmakers, who favoured a rate hike. The decision was in line with the Bloomberg consensus. The statement released by the MPC noted that the rand may be undervalued, which might lead to additional price pressures within the economy. The central bank sees inflation edging closer to the upper band of the inflation target range of 3-6% over the coming quarters.

The assessment released by the MPC was rather pessimistic, as members are on the view that the South African domestic economy is so frail that its weakness will more-or-less offset the price pressures stemming from the devalued currency.

In November, the MPC holds its last rate setting meeting this year. Currently, it is too close to call whether the Council delivers a rate hike. Most likely, the outcome will be data dependent, i.e. should the adverse global market sentiment persist and the ZAR depreciate, the MPC will most likely tighten financial conditions.

President Ramaphosa rolled out a plan to revive the ailing South African economy. According to the President's plan, a new infrastructure fund will be set up worth ZAR 50bn (ca. USD 3.5bn or 1.1% of GDP). The reforms also include new regulations for the mining sector and a review of costs

and administration for doing business.

Egypt cancelled a treasury bond auction, as the country's Finance Ministry deemed the required yield by the market unreasonably high. The size of the issue would have been around EGP 3.5bn (ca. USD 196mn).

Elevated yield requirements by market players are due to the recent EM sell off rather than any idiosyncratic problems. The size of the issue would have been very small relative to the whole year's funding needs (ca. EGP 715bn). In our view, the Finance Ministry tested the market's appetite with a small amount to avoid upsetting further markets players in case of a failure.

Shortly after the Kenyan President rejected the Finance Bill for 2018, he proposed amendments to it so that the fiscal deficit remains contained in FY2018-19. The proposal by President Kenyatta includes excise duty hikes on phone services, mobile data services, money transfers and other financial services. Instead of scrapping the 16% VAT on fuel, the President proposed to reduce it to 8%. **The proposed adjustments to the budget were passed by Parliament.** According to the Budget Appropriations Committee Report, the fiscal deficit may amount to 6% of GDP in FY2018-19.

THE WEEK AHEAD

	Date	Consensus
UNITED STATES		
US Markit manufacturing PMI (SEP)	Fri/21	55.0
US Markit services PMI (SEP)	Fri/21	55.0
EUROPE		
Eurozone CPI (AUG) % YOY	Mon/17	2.0
UK CPI (AUG) % YOY	Wed/19	2.4
France GDP (Q2) % YOY	Fri/21	1.7
Eurozone Markit PMI (SEP)	Fri/21	54.5
ASIA PACIFIC		
Thailand interest rate %	Wed/19	1.5
Japan CPI (AUG) % YOY	Fri/21	1.1
LATIN AMERICA		
Brazil interest rate %	Wed/19	6.50
Argentina GDP (Q2) % YOY	Wed/19	-4.2
AFRICA		
South Africa interest rate %	Thu/20	6.50

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GLOBAL MARKET DATA (CONTD.)

17 TO 23 SEPTEMBER

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	2,929.67	0.85%	0.97%	9.58%	17.16%		152%	
RUSSELL 2000 INDEX	US	1,712.32	-0.55%	-1.63%	11.51%	18.57%		163%	
NASDAQ COMPOSITE INDEX	US	7,986.96	-0.29%	-1.51%	15.70%	24.36%		150%	
S&P/TSX COMPOSITE INDEX	Canada	16,224.13	2.29%	0.87%	-2.93%	0.20%	0.09%	153%	
S&P 500 CONS DISCRET IDX	US	932.39	0.39%	0.34%	18.73%	31.02%		153%	
S&P 500 CONS STAPLES IDX	US	567.05	1.18%	2.82%	-3.46%	1.81%		139%	
S&P 500 FINANCIALS INDEX	US	477.54	2.26%	1.75%	2.93%	12.96%		156%	
S&P 500 HEALTH CARE IDX	US	1,091.93	1.21%	1.92%	14.18%	15.65%		144%	
S&P 500 INFO TECH INDEX	US	1,311.17	-0.06%	-1.21%	18.53%	30.14%		152%	
S&P 500 ENERGY INDEX	US	556.34	1.92%	1.60%	4.30%	12.44%		151%	
S&P 500 ECO SECTORS IDX	US	2,929.67	0.85%	0.97%	9.58%	17.16%		152%	
S&P 500 INDUSTRIALS IDX	US	670.54	1.31%	3.84%	5.13%	11.48%		150%	
S&P 500 MATERIALS INDEX	US	380.16	2.30%	2.30%	0.32%	6.82%		166%	
S&P 500 REAL ESTATE IDX	US	205.41	-0.39%	-1.46%	0.76%	2.56%		117%	
S&P 500 COMM SVC	US	158.86	0.20%	3.16%	-4.34%	-0.36%		205%	
S&P 500 UTILITIES INDEX	US	269.20	-1.53%	-0.19%	0.68%	-1.10%		161%	
Europe									
Euro Stoxx 50 Pr	Europe	3,420.01	3.49%	2.40%	-4.37%	-4.62%	-2.09%	147%	
CAC 40 INDEX	France	5,482.71	3.56%	2.90%	1.01%	2.64%	3.42%	147%	
DAX INDEX	Germany	12,389.49	3.44%	1.82%	-6.01%	-2.92%	-3.77%	165%	
Athex Composite Share Pr	Greece	698.74	3.42%	-3.02%	-14.94%	-10.24%	-12.92%	118%	
FTSE MIB INDEX	Italy	21,451.79	4.04%	7.60%	-3.74%	-5.78%	-1.45%	129%	
AEX-Index	Netherlands	549.36	2.62%	-0.30%	-1.39%	2.37%	0.96%	133%	
PSI All-Share Index GR	Portugal	3,155.57	2.04%	-0.49%	3.69%	5.03%	6.16%	139%	
MOEX Russia Index	Russia	2,429.64	5.27%	4.99%	-0.45%	2.43%	15.03%	123%	
IBEX 35 INDEX	Spain	9,572.90	3.32%	3.33%	-6.74%	-8.35%	-4.52%	129%	
OMX STOCKHOLM 30 INDEX	Sweden	1,658.33	4.59%	4.36%	-1.92%	-5.43%	5.41%	116%	
SWISS MARKET INDEX	Switzerland	8,986.81	1.09%	1.39%	-2.67%	-0.29%	-4.12%	145%	
BIST 100 INDEX	Turkey	98,269.43	1.48%	11.01%	-48.71%	-47.34%	-15.04%	120%	
FTSE 100 INDEX	UK	7,483.25	2.63%	1.74%	-5.75%	-0.61%	-2.57%	121%	
Asia Pacific									
MSCI AC ASIA x JAPAN	MSCI Asia Ex	660.06	1.79%	-0.90%	-7.48%	-2.51%	-7.48%	108%	
S&P/ASX 200 INDEX	Australia	6,186.90	2.14%	-0.69%	-4.81%	0.52%	2.13%	129%	
DSE 30 Index	Bangladesh	1,890.13	-1.04%	-2.99%	-18.17%	-15.42%	-16.74%		
HANG SENG CHINA ENT INDX	China "H"	10,793.49	4.76%	1.90%	-5.80%	-1.59%	-5.83%	95%	
SHANGHAI SE COMPOSITE	China "A"	2,797.49	4.48%	2.29%	-19.80%	-20.29%	-15.41%	99%	
HANG SENG INDEX	HK	27,489.37	2.93%	0.73%	-6.54%	-0.62%	-6.57%	101%	
Nifty 50	India	10,999.75	-3.70%	-6.49%	-6.54%	-1.14%	5.82%	133%	
JAKARTA COMPOSITE INDEX	Indonesia	5,891.01	0.12%	-1.08%	-14.23%	-9.85%	-6.26%	117%	
NIKKEI 225	Japan	23,869.93	2.83%	2.99%	4.84%	17.14%	4.85%	143%	
KOSPI 200 INDEX	Korea	300.81	1.75%	0.42%	-11.02%	-4.02%	-7.37%	111%	
Laos Composite Index	Laos	850.21	-2.58%	-0.39%	-13.98%	-16.55%	-11.88%	253%	
FTSE Bursa Malaysia KLCI	Malaysia	1,798.25	0.51%	-0.92%	-0.99%	3.83%	0.77%	133%	
KARACHI 100 INDEX	Pakistan	41,221.30	0.28%	-1.96%	-9.23%	-18.03%	2.10%	89%	
PSEI - PHILIPPINE SE IDX	Philippines	7,433.61	-0.65%	-7.05%	-20.46%	-16.23%	-13.73%	106%	
STRAITS TIMES INDEX STI	Singapore	3,223.92	2.44%	0.68%	-7.41%	-0.97%	-5.44%	95%	
SRI LANKA COLOMBO ALL SH	Sri Lanka	5,904.90	-4.92%	-7.01%	-15.59%	-17.06%	-7.29%	98%	
TAIWAN TAIEX INDEX	Taiwan	10,972.41	1.45%	-0.63%	-0.18%	2.21%	3.10%	96%	
STOCK EXCH OF THAI INDEX	Thailand	1,755.66	2.64%	3.06%	0.48%	7.21%	0.14%	162%	
HO CHI MINH STOCK INDEX	Vietnam	1,009.44	0.77%	1.18%	-0.81%	21.51%	1.90%	125%	
Rest of the World									
MSCI ACWI	MSCI World	527.86	1.62%	0.95%	2.89%	8.60%	2.89%	120%	
MSCI EM	MSCI EM	1,051.44	2.23%	-0.43%	-9.24%	-5.12%	-9.24%	119%	
MSCI Frontier Market Index	MSCI FM	2,616.93	1.91%	-1.14%	-12.43%	-8.61%	-12.43%	146%	
DFM GENERAL INDEX	Dubai	2,755.82	-1.62%	-2.67%	-17.97%	-23.90%	-17.97%	144%	
MSCI EM LATIN AMERICA	Latin America	2,546.94	4.58%	3.37%	-9.94%	-14.50%	-9.94%	162%	
ARGENTINA MERVAL INDEX	Argentina	34,327.12	20.62%	17.54%	-43.26%	-35.69%	14.17%	158%	
MSCI BRAZIL	Brazil	1,693.35	7.50%	4.58%	-16.29%	-20.63%	-16.29%	108%	
S&P/CLX IPSA (CLP) TR	Chile	5,461.82	5.29%	6.20%	-9.18%	-3.00%	-1.85%	226%	
IGBC GENERAL INDEX	Colombia	12,235.71	0.32%	1.35%	6.05%	7.22%	6.60%		
S&P/BMV IPC	Mexico	49,344.29	-0.40%	1.55%	4.49%	-7.55%	-0.02%	139%	
Bolsa de Panama General	Panama	461.73	-0.14%	-1.85%	4.25%	6.88%	4.24%	202%	
S&P/BVLPeruGeneralTRPEN	Peru	19,609.61	4.22%	1.31%	-3.28%	7.04%	-1.83%	154%	
MSCI EFM AFRICA	Africa	799.00	4.31%	-1.66%	-21.17%	-8.64%	-21.17%	167%	
EGYPT HERMES INDEX	Egypt	1,353.28	-9.00%	-13.68%	-7.83%	4.62%	-7.12%	130%	
GSE Composite Index	Ghana	2,773.79	-2.43%	-2.98%	-1.46%	8.08%	7.52%	26%	
Nairobi SE 20 Share	Kenya	2,832.48	-5.38%	-11.80%	-21.99%	-23.26%	-23.69%	136%	
MASI Free Float Index	Morocco	11,196.39	0.43%	-2.62%	-9.99%	-9.86%	-9.63%	71%	
NIGERIA STCK EXC ALL SHR	Nigeria	32,540.17	1.07%	-6.77%	-15.50%	-8.23%	-14.91%	91%	
FTSE/JSE AFRICA TOP40 IX	South Africa	50,987.15	5.47%	-0.23%	-16.00%	-4.77%	-2.94%	164%	
Global Style									
MSCI WORLD GROWTH INDEX	US	2,703.37	0.78%	-0.03%	9.09%	16.45%	9.09%	136%	
MSCI WORLD VALUE INDEX	US	2,876.44	2.36%	2.36%	0.03%	4.63%	0.03%	129%	
MSCI World Large Cap	US	1,350.74	1.63%	1.25%	5.00%	10.84%	5.00%	131%	
MSCI World Mid-Cap	US	1,420.60	1.11%	0.52%	2.68%	9.07%	2.68%	130%	
Average			1.63%	0.40%	-5.17%	-1.13%	-4.08%	136%	
Top 25%			3.12%	2.30%	0.89%	6.96%	2.11%	153%	
Bottom 25%			0.16%	-1.34%	-10.51%	-8.48%	-9.70%	117%	

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GLOBAL MARKET DATA (CONTD.)

17 TO 23 SEPTEMBER

FX (vs USD)			Return +ive=USD Stronger			
Name	BBG Code	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DX Index	94.23	-0.74%	-0.97%	2.28%	2.13%
USD-EUR X-RATE	USDEUR Curncy	0.85	-0.87%	-1.29%	2.37%	1.62%
Russian Ruble SPOT (TOM)	USDRUB Curncy	66.06	-2.32%	-1.47%	15.55%	14.99%
USD-TRY X-RATE	USDTRY Curncy	6.27	1.90%	-4.81%	65.65%	78.91%
USD-GBP X-RATE	USDGBP Curncy	0.76	-0.09%	-0.97%	3.34%	3.73%
Bloomberg JPMorgan Asia Dollar	ADXY Index	104.77	0.35%	-0.18%	-4.45%	-2.94%
USD-AUD X-RATE	USDAUD Curncy	1.38	-1.62%	-1.29%	7.29%	9.00%
USD-CNY X-RATE	USDCNY Curncy	6.86	-0.15%	0.35%	5.47%	4.52%
USD-INR X-RATE	USDINR Curncy	72.61	0.49%	2.02%	13.22%	11.36%
USD-JPY X-RATE	USDJPY Curncy	112.57	0.51%	1.36%	0.01%	0.14%
USD-KRW X-RATE	USDKRW Curncy	1,119.11	-0.55%	-0.17%	4.49%	-1.52%
USD-TWD X-RATE	USDTWD Curncy	30.68	-0.48%	-0.20%	3.29%	1.48%
USD-ARS X-RATE	USDARS Curncy	37.23	-5.69%	-0.30%	101.24%	117.17%
USD-BRL X-RATE	USDBRL Curncy	4.05	-3.29%	-1.30%	21.99%	28.89%
USD-CLP X-RATE	USDCLP Curncy	666.71	-3.12%	-2.42%	8.07%	6.48%
USD-MXN X-RATE	USDMXN Curncy	18.83	-0.14%	-1.93%	-4.31%	5.59%
USD-EGP X-RATE	USDEGP Curncy	17.85	0.06%	0.48%	0.77%	1.58%
USD-NGN X-RATE	USDNGN Curncy	362.50	-0.41%	0.15%	0.69%	0.76%
USD-ZAR X-RATE	USDZAR Curncy	14.33	-4.16%	-2.59%	15.54%	8.06%
Commodities			Return (USD)			
WTI CRUDE FUTURE Nov18	CLA Comdty	71.97	2.92%	2.03%	21.24%	37.81%
BRENT CRUDE FUTR Nov18	COA Comdty	80.32	0.91%	1.49%	23.09%	42.81%
Baltic Dry Index	BDIY Comdty	1,413.00	3.44%	-10.51%	3.44%	-3.88%
Natural Gas Futures	NG1 Comdty	2.96	7.59%	2.09%	0.81%	1.05%
Gold Spot \$/Oz	XAU Curncy	1,197.45	0.18%	-0.23%	-8.34%	-7.42%
Silver Spot \$/Oz	XAG Curncy	14.26	1.58%	-1.39%	-15.99%	-15.77%
LME COPPER 3MO (\$)	LMCADS03 Comdty	6,363.00	6.53%	6.49%	-12.20%	-1.44%
Government Bond Yields %			Change (percentage points)			
US Generic Govt 2 Year Yield	USGG2YR Index	2.81	0.02	0.17	0.92	1.36
US Generic Govt 5 Year Yield	USGG5YR Index	2.96	0.05	0.21	0.74	1.06
US Generic Govt 10 Year Yield	USGG10YR Index	3.08	0.07	0.20	0.66	0.79
Canadian Govt Bonds 10 Year No	GCAN10YR Index	2.43	0.09	0.20	0.39	0.31
Mexico Generic 10 Year	GMXN10YR Index	8.06	0.03	0.14	0.40	1.25
UK Govt Bonds 10 Year Note Gen	GUKG10 Index	1.57	0.02	0.13	0.36	0.19
Switzerland Govt Bonds 10 Year	GSWISS10 Index	0.02	0.03	0.11	0.16	0.05
German Government Bonds 2 Yr B	GDBR2 Index	-0.53	0.01	0.07	0.10	0.15
German Government Bonds 5 Yr O	GDBR5 Index	-0.11	0.01	0.12	0.09	0.14
German Government Bonds 10 Yr	GDBR10 Index	0.47	0.01	0.14	0.04	0.01
French Generic Govt 10Y Yield	GTFRF10Y Govt	0.79	0.01	0.10	0.00	0.04
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	4.05	-0.02	-0.32	-0.03	-1.48
Italy Generic Govt 10Y Yield	GBTGRI10 Index	2.87	-0.15	-0.41	0.81	0.72
Spain Generic Govt 10Y Yield	GSPG10YR Index	1.50	0.01	0.02	-0.07	-0.13
Portugal Generic Govt 10Y Yield	GSPT10YR Index	1.87	0.01	-0.05	-0.07	-0.56
Australia Govt Bonds Generic Y	GACGB10 Index	2.70	0.10	0.18	0.07	-0.13
India Govt Bond Generic Bid Yi	GIND10YR Index	8.11	-0.05	0.13	0.75	1.40
KCMP South Korea Treasury Bond	GVSKI0YR Index	2.41	0.10	0.10	-0.06	0.13
Japan Generic Govt 10Y Yield	GJGB10 Index	0.13	0.02	0.03	0.09	0.09
South Africa Govt Bonds 10 Yea	GSAB10YR Index	8.72				
Corporate Credit Indices			Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 12/23	ITRXEXE CBIL Curncy	266.91	-16.10	-34.64	32.49	10.86
MARKIT ITRX EUROPE 12/23	ITRXEBE CBIL Curncy	68.90	8.31	-0.16	23.29	11.04
MARKIT ITRX EUR SNR FIN 12/23	ITRXESE CBIL Curncy	79.27	10.04	-6.52	34.45	20.74
MARKIT ITRX EUR SUB FIN 12/23	ITRXEUE CBIL Curncy	160.36	13.77	-18.05	54.13	29.61
MARKIT CDX.NA.IG.31 12/23	IBOXUMAE CBIL Curncy	61.56	5.81	1.00	12.42	2.39
MARKIT CDX.NA.HY.30 06/23	IBOXHYSE CBIL Curncy	315.63	-3.25	-16.56	9.68	-14.45
Implied Volatility (Equity Index)			Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	12.21	-0.85	-1.63	-1.45	0.01
FTSE 100 500 3month ATM	UKX Index	11.32	-0.84	-1.00	1.94	1.26
Hang Seng 3month ATM	HSI Index	17.59	-0.22	0.12	2.68	3.55
Nikkei 3month ATM	NKY Index	15.35	0.68	1.69	-0.18	2.86
S&P 500 3month ATM	SPX Index	10.90	0.07	-0.34	0.98	1.33
Volatility (VIX)	VIX Index	11.68	-0.39	-1.18	0.64	2.01
Inflation (Long term inflation expectation proxy) %			Change (percentage points)			
US 5Y5YF Inflation Swap		2.45	0.09	0.09	0.15	0.20
UK 5Y5YF Inflation Swap		3.48	0.05	0.09	0.01	0.11
JPY 5Y5YF Inflation Swap		0.27	0.00	0.00	-0.13	-0.05
EUR 5Y5YF Inflation Swap		1.69	0.00	-0.02	-0.03	0.07
Economic Data Surprise (+ive/-ive = above/below expectations)						
Citi Economic Surprise Index	CESIAPAC Index	-12.00				
Citi Economic Surprise Index -	CESICNY Index	-20.80				
Citi Economic Surprise Index -	CESIEM Index	-9.80				
Citi Economic Surprise Index -	CESIEUR Index	-26.50				
Citi Economic Surprise Index -	CESIGIO Index	-2.80				
Citi Economic Surprise - Japan	CESIJPY Index	5.30				
Citi Economic Surprise Index -	CESILTAM Index	0.80				
Citi Economic Surprise - Unite	CESIUSD Index	-2.80				

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

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