

28 JANUARY - 3 FEBRUARY: HOW LONG COULD GOLDILOCKS STAY, WHILE THE BEARS ARE AWAY?

THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

| | | |
|-----------|-----------|---|
| DEVELOPED | Top 3: | Denmark 3.36% , France 2.46% , UK 2.39% |
| | Bottom 3: | Spain -1.26% , Finland -0.89% , Italy -0.63% |
| EMERGING | Top 3: | Egypt 5.76% , Colombia 4.57% , Brazil 3.28% |
| | Bottom 3: | Taiwan -0.62% , Mexico -0.54% , Malaysia -0.33% |
| FRONTIER | Top 3: | Bosnia 9.54% , Argentina 4.81% , Tanzania 3.60% |
| | Bottom 3: | Venezuela -57.82% , Nigeria -2.72% , Montenegro -2.12% |

Markets breathed a sigh of relief after Fed Chair Powell's remarks on Wednesday. Mr. Powell delivered a speech, which signified a policy U-turn compared to his thoughts presented in December. The Fed Chair not only claimed that the FOMC is ready to pause its rate hiking cycle, but he also stated that the Committee *'will not hesitate to make changes [to the process of balance sheet normalisation] in light of economic and financial developments.'* **This was the first time that Mr. Powell publicly and openly talked about the possibility of pausing the run-off of the central bank's balance sheet** – should the environment call for it. We argued on many occasions in our weekly GMUs last year that the Fed's balance sheet normalisation policy is one of the key structural drivers of global capital markets and asset prices. The market's rally in response to the Fed Chair's remarks proves that our assumption was right.

So, what's next? Are the bears gone and is Goldilocks back in the game? Probably, yes, as the Fed has become *'patient'* in an environment where inflation remains muted, the headlines from the US-China trade talks sound increasingly more constructive and Chinese authorities have been delivering stimulus measures to boost the world's second largest economy's domestic drivers. These factors may allow investors to bask in the sunlight that finally radiates through clouds. **Consequently, we are of the view that emerging markets have the chance of performing well in the coming months, as risks are being persistently priced out.** Should further risks dissipate (such as Brexit, a potential recession in the Euro Area, scrapping the tariffs between the US and China, etc.), the prevailing asset price momentum could be sustained on a longer-term horizon – but these are stories for later.

UNITED STATES

S&P 2,707 **+1.57%**, 10yr Treasury 2.70% **-7.43bps**, HY Credit Index 356 **-21bps**, Vix 16.71 **-1.28Vol**

Fed Chair Powell's remarks boosted asset prices, as most

of the major US stock indices gained, while Treasury yields plummeted. The S&P500 index rose 1.6%, primarily led by energy, real estate and industrials. Consequently, the S&P500 is up 8% since the beginning of the year.

Meanwhile, the Treasury curve flattened, as the 2-year yield decreased 10bp to 2.5% and the 10-year edged down by 7bp to 2.68%. The broad dollar (DXY) index decreased 0.2%.

The jobs report's main message was that labour market tightness continued to persist in January. Non-farm payrolls rose 304,000, while unemployment rate slightly ticked up, by 0.1ppt to 4%, as labour force participation rate rose to 63.2% - the highest reading since August 2013. As a result of the tight labour market conditions, nominal wage growth hit 3.5% YoY.

Although unemployment rate rose to 4%, - counterintuitively - it is good news, as it is a sign that the labour market has been improving in a more broad-based manner than before: previously inactive people (i.e. unemployed people, who were not officially registered as job searchers) re-joined the market and are actively seeking employment.

Looking forward: This week, two voting members of the FOMC are going to deliver speeches, namely Loretta Mester on Monday and Jerome Powell on Wednesday. Both could potentially reaffirm the message presented by Fed Chair Powell last week. Furthermore, **President Trump will give a speech on Tuesday, which could highlight the President's opinion on current economic and political developments both in the US and on the international scene.** The economic diary contains several relevant macro indicators (e.g. 4Q18 GDP growth, PCE inflation, retail sales, etc.) that might be (or might not be) released once the partial government shutdown is over.

EUROPE

Eurostoxx 3,158 +0.80%, German Bund 0.17% -2.70bps, Xover Credit Index 310 -13bps, EURUSD 1.145 -0.55%

European stock indices delivered a mixed performance.

Out of the four largest Euro Area economies, the French index was the only one that increased in USD terms (+2.5%), while the German, Italian and Spanish benchmarks lost 0.4%, 0.6% and 1.3% of their values in USD, respectively - in spite of the fact that the euro appreciated vs. the USD, by 0.6%. Although there is still no clarity on Brexit, the UK's FTSE100 index gained 2.4% in USD. Within the European fixed income space, German yields eased (10-year Bund yield decreased 3bp to 0.17%), while the risk premia on Italian sovereign bonds widened, as the 10-year yield increased 10bp to 2.75%.

Although GDP growth in the Euro Area remained positive, the headline figure was quite disappointing, as on a quarterly basis, growth was 0.2% in 4Q18 matching the pace observed in 3Q18. Italian GDP contracted by 0.2% QoQ in 4Q18 following a 0.1% QoQ contraction in 3Q18. French GDP growth was a meagre 0.3% QoQ, while Spanish GDP growth slowed to 0.6% QoQ. Germany has not reported its growth figure yet. Overall, GDP in the Eurozone as a whole expanded by 1.8% in 2018, almost a whole percentage point weaker than expectations at the very beginning of the year.

Looking forward: The European economic diary is quite empty this week. The Bank of England's rate-setting meeting is going to be the most relevant event, where the MPC is likely to keep the policy rate stable at 0.75%.

ASIA PACIFIC

HSCEI 1,103 +1.72%, Nikkei 2,088.00 + 0.26%, 10yr JGB-0.01% 0bps, USDJPY 109.910 -0.10%

The majority of Asian stock indices rose, as global market sentiment improved on the back of the Fed Chair's dovish remarks. The MSCI Asia Pacific ex-Japan index's gain of 1.5% in USD well-reflected the strengthening of global risk appetite. The Sri Lankan (+2.9%), Thai (+2.5%) and Pakistani (+2.4%) benchmarks delivered the strongest performance expressed in USD. In contrast, Bangladesh (-2%) and Taiwan (-0.6%) lagged in USD.

Official manufacturing PMI in China rose 0.1pt to 49.5 in January, exceeding the median market estimate. The figure signalled the contraction of manufacturing output for the second consecutive month. Primary components for new orders (down 0.1pt to 49.6 due to soft external demand for Chinese export products) and employment (down 0.2pt to 47.8) weighed on the headline index, while the sub-indices for production (0.1pt to 50.9) and inventory lifted the headline. **In contrast with the official figure, the Caixin manufacturing PMI slipped to 48.3.**

Meanwhile, non-manufacturing PMI - capturing primarily the strength of the underlying domestic economy - rose 0.9pt to 54.7. The sub-index for services increased 1.3pt to 53.6, while construction gained 1.7pt to 60.9 - both very strong forward-looking numbers.

The trend remained intact from 2H18, i.e. softness in external demand for Chinese products continue to persist, while the domestic economy remains resilient. The government's stimulus measures have been gradually feeding through and they are yet to fully impact the underlying economic activity.

The majority of Asian manufacturing PMIs worsened in January compared to December:

- India: +0.7pt to 53.9
- Vietnam: -1.9pt to 51.9
- Philippines: -0.9pt to 52.3
- Indonesia: -1.3pt to 49.9
- Thailand: -0.1pt to 50.2
- Taiwan: -0.2pt to 47.5

In India, the increase in PMI was due to a broad-based strengthening of the underlying economy: higher external and domestic new orders, strengthening sales growth, rising production volumes, pre-increasing production inventories and expanding employment.

The decline in the Vietnamese PMI is no reason to be concerned, in our view, as the country's headline index is highly volatile, such swings are quite frequent. The figure remains in the expansionary territory, projecting higher manufacturing output in the coming months.

The sharp decline in the Philippine and Indonesian PMI figures was primarily due to the weakness in new export orders from abroad.

The Indian government announced their annual budget on Friday. The key highlights were:

- Increased financial support for 120 million small farmers, who will receive INR 6000 (ca. USD84) per year directly
- Increased tax rebates and exemptions for lower- and middle-income earners
- Support for the housing sector, through income tax and capital gain exemptions for investment dwellings

This has been achieved whilst aiming to sustain fiscal discipline, with a deficit target of 3.4% of GDP for the coming year.

We believe that this series of measures increases the chance of incumbent President Modi being re-elected later this year.

The Governor of the Philippine central bank cited that a prudent approach is needed by the MPC. In addition, he was cautiously optimistic about the outlook and claimed that future policy rate decisions will be data dependent.

The central bank meets on the 7th February, when a policy rate may be kept stable. However, there is a chance for the central bank to reduce the reserve requirement ratio.

Looking forward: Although the Chinese market is going to be closed during the whole week, because of the Lunar New Year holiday, the economic diary within the Asian space is very busy with relevant macroeconomic data releases and policy decisions. **There are central bank meetings in Thailand, in the Philippines and in India.** Furthermore, the Philippine inflation figure, the Indonesian GDP statistics and current account metrics will be revealed.

LATIN AMERICA

MSCI Lat Am 2,950 +2.50%

The vast majority of Latin American markets delivered a very strong performance. The Brazilian (+3.5%), Peruvian (+2.7%) and Chilean (+2.4%) markets outperformed their Latin American peers in USD, while Mexico underdelivered by decreasing 0.5% in USD. Mexico's remains one of the very few stock markets, which has decreased (in USD) since the beginning of the year.

The Colombian central bank kept the policy rate stable at 4.25% in a unanimous vote. The decision was in line with the market's estimate. There were no major changes in the tone of the MPC's statement, as members see economic developments progressing favourably going forward. In addition, the MPC remains comfortable with inflation.

The central bank is likely to remain cautious given the uncertainties stemming from the external environment,

the volatility in the financial markets and the expected widening of the current account deficit.

Peruvian headline inflation was 2.1% YoY in January (vs. 2.2% YoY in December). In contrast, core inflation (excluding energy and food items) accelerated to 2.4% YoY. Food and beverage prices decelerated to 1.5% YoY (from 2% YoY in December) and gasoline prices decelerated to 5% YoY in January (from 7.7% YoY in December).

The Peruvian central bank might hold its policy rate stable at 2.75% the next rate-setting meeting. The last statement's tone did not imply a rate hike in the short-run, but around the middle of this year.

Mexico's main public finance indicators reflect the fiscal consolidation delivered by the previous administration.

The headline fiscal balance posted a deficit of 2.1% of GDP in 2018, while the primary balance (excluding interest payments) posted a surplus of 0.6% of GDP. Both metrics were weaker than a year before.

Mexico's GDP flash estimate disappointed relative to the median market estimate in 4Q18, as it was dragged down by the weakness in industrial output. Annual real GDP growth was 1.8% YoY, taking the annual growth to 2% in full-year 2018.

Mexican economic activity may further slow this year, due to the uncertainty over the new administration's policy direction and the remaining uncertainties over the approval of NAFTA by the U.S. Congress. In addition, deceleration in the US' economy will also adversely impact Mexican growth.

Chilean industrial production recovered at the end of last year, as the volume increased 1% YoY in December (vs. 0.4% YoY in November), leading to a recovery of 2.9% in 2018 (vs. 1.1% contraction in 2017).

The Chilean central bank unanimously raised the policy rate by 25bp to 3%, as expected. This is the second hike in the tightening cycle, following last October's increase of the same magnitude. The board continues to see the domestic economy consistent with the scenario outlined in the 4Q18 Inflation Report, i.e. economic activity remains robust and output gap-sensitive inflation measures have been on a gradual rise.

A gradual tightening cycle may carry on this year, however, risks are tilted to only a smaller number of hikes. The timing for future rate hikes is broadly data dependent.

Looking forward: The Latin American economic diary is very busy this week, as three central banks bring monetary policy decisions, namely the Brazilian, Mexican and Peruvian. Furthermore, a wide range of high-frequency macroeconomic data are scheduled to be released, such as inflation from Colombia, Mexico and Chile.

AFRICA

MSCI Africa 829 +1.07%

The Egyptian stock index skyrocketed, as it gained 5.8% in USD. The country's stock market benefitted from the improvement in global market sentiment and by supportive comments by one of the country's central bankers. In addition, the central bank let the EGP freely float to some limited extent, which meant that the Egyptian currency appreciated against the USD. In contrast with the Egyptian market's performance, the Nigerian market struggled, as the country's benchmark index decreased 2.7% in USD.

The latest GDP reading encapsulates the increasing strength of Egypt's domestic economy, **as the country's GDP grew 5.4% YoY in the first half of the current fiscal year** (between July and December 2018). As GDP growth has been strengthening and inflation consistently slowing (12% YoY in December), capital flows have been gradually, but increasingly flowing into the country. **The IMF's Managing Director shared the market's upbeat assessment on the progress Egypt has made,** as she claimed that she would recommend the disbursement of a USD 2bn tranche out of Egypt's USD 12bn loan programme. According to Mrs. Lagarde, the fact the Egyptian budget deficit and unemployment have been steadily decreasing since 2011 is commendable.

If Egypt successfully issues USD 3-7bn worth of USD- and/or EUR-denominated bonds in the open market in 1Q19 as planned, it will be a clear sign that the market believes that the country has hit important milestones in terms of the implementation of structural reforms.

Kenya's central bank left the policy rate stable at 9%, in line with the median market estimate. According to the MPC, the economy has been 'operating close to its potential.' Inflation was 4.7% YoY in January, hovering slightly below the midpoint of the target band (2.5-7.5%).

The Kenyan central bank remains on a wait-and-see stance in the short-term, in our view. Should the improvement in global market sentiment trigger sustained flows towards the country's capital market, the MPC might turn more dovish in the coming quarters.

Looking forward: A flurry of manufacturing PMI figures will be produced by Egypt, South Africa, Kenya and Nigeria.

THE WEEK AHEAD

| | Date | Consensus |
|---|--------|-----------|
| UNITED STATES | | |
| Markit Services PMI (Jan) | Tue/05 | 54.2 |
| Speech by President Trump | Tue/05 | |
| Speech by Fed Chair Powell | Wed/06 | |
| EUROPE | | |
| Euro Area: Retail sales (Dec) YoY | Tue/05 | 0.5% |
| UK: Bank of England policy rate | Thu/07 | 0.75% |
| ASIA PACIFIC | | |
| Philippines: CPI inflation (Jan) YoY | Tue/05 | 4.4% |
| Thailand: monetary policy decision | Wed/06 | 1.75% |
| Indonesia: GDP growth (4Q18) YoY | Wed/06 | 5.1% |
| Philippines: monetary policy decision | Thu/07 | 4.75% |
| India: monetary policy decision | Thu/07 | 6.50% |
| LATIN AMERICA | | |
| Brazil: monetary policy meeting | Wed/06 | 6.50% |
| Mexico: monetary policy meeting | Thu/07 | 8.25% |
| Peru: monetary policy meeting | Thu/07 | 2.75% |
| AFRICA | | |
| PMI in Egypt, South Africa, Kenya and Nigeria | Tue/05 | |
| Egypt: CPI inflation (Jan) YoY | Sun/10 | |

PLEASE CONTINUE FOR MARKET DATA

GLOBAL MARKET DATA

28 JANUARY - 3 FEBRUARY

Market Summary

Data: Last Calendar Week

| Equities | | | | Return (USD) | | | | YTD | Price/ Book |
|----------------------------|----------------|---------------|------------|--------------|--------|--------|---------|---------|-------------|
| Name | BBG Code | Country | Price | 1 Week | MTD | YTD | 1Y | (Local) | |
| North America | | | | | | | | | |
| S&P 500 INDEX | SPX Index | US | 2,706.53 | 1.57% | 0.09% | 7.97% | -4.09% | | 3.2 |
| RUSSELL 2000 INDEX | RTY Index | US | 1,502.05 | 1.29% | 0.18% | 11.38% | -4.93% | | 2.1 |
| NASDAQ COMPOSITE INDEX | CCMP Index | US | 7,263.87 | 1.38% | -0.25% | 9.47% | -1.65% | | 4.4 |
| S&P/TSX COMPOSITE INDEX | SPTSX Index | Canada | 15,506.30 | 2.21% | 0.27% | 12.75% | -8.16% | | 1.7 |
| S&P 500 FINANCIALS INDEX | S5FINL Index | US | 432.10 | 0.11% | 0.51% | 9.14% | -13.30% | | 1.4 |
| S&P 500 CONS DISCRET IDX | S5COND Index | US | 846.16 | -0.11% | -1.77% | 8.27% | -0.29% | | 7.1 |
| S&P 500 INFO TECH INDEX | S5INFT Index | US | 1,170.20 | 1.05% | 0.61% | 7.52% | -1.63% | | 6.3 |
| S&P 500 HEALTH CARE IDX | S5HLTH Index | US | 1,050.21 | 2.05% | 0.22% | 4.90% | 3.02% | | 4.2 |
| S&P 500 ENERGY INDEX | S5ENRS Index | US | 479.44 | 3.17% | 1.83% | 13.06% | -14.32% | | 1.8 |
| S&P 500 ECO SECTORS IDX | SPXL1 Index | US | 2,706.53 | 1.57% | 0.09% | 7.97% | -4.09% | | 3.2 |
| S&P 500 INDUSTRIALS IDX | S5INDU Index | US | 604.94 | 2.58% | 0.20% | 11.58% | -9.72% | | 4.7 |
| S&P 500 CONS STAPLES IDX | S5CONS Index | US | 546.48 | 2.94% | -0.27% | 4.71% | -7.84% | | 5.1 |
| S&P 500 UTILITIES INDEX | S5UTIL Index | US | 276.84 | 2.25% | -0.30% | 3.06% | 8.58% | | 2.1 |
| S&P 500 MATERIALS INDEX | s5MATR Index | US | 335.49 | 0.84% | 0.45% | 5.96% | -13.77% | | 2.3 |
| S&P 500 COMM SVC | S5TELS Index | US | 152.23 | 2.36% | -0.34% | 9.69% | -9.97% | | 3.3 |
| Europe | | | | | | | | | |
| Euro Stoxx 50 Pr | SX5E Index | Europe | 3,158.36 | 0.80% | 0.54% | 5.81% | -18.53% | 5.65% | 1.5 |
| CAC 40 INDEX | CAC Index | France | 4,997.55 | 2.46% | 0.70% | 6.26% | -15.43% | 6.10% | 1.5 |
| DAX INDEX | DAX Index | Germany | 11,142.93 | -0.35% | 0.23% | 6.15% | -20.98% | 5.89% | 1.5 |
| Athex Composite Share Pr | ASE Index | Greece | 642.65 | 1.85% | 1.25% | 4.75% | -33.49% | 4.59% | 0.5 |
| FTSE MIB INDEX | FTSEMIB Index | Italy | 19,547.39 | -0.63% | -0.62% | 7.10% | -23.57% | 6.84% | 1.1 |
| AEX-Index | AEX Index | Netherlands | 524.01 | 2.14% | 0.67% | 7.41% | -13.64% | 7.25% | 1.8 |
| PSI All-Share Index GR | BVLX Index | Portugal | 2,957.05 | 0.06% | 0.04% | 6.89% | -11.03% | 6.74% | 3.5 |
| MOEX Russia Index | INDEXCF Index | Russia | #N/A N/A | | | | | | #N/A N/A |
| IBEX 35 INDEX | IBEX Index | Spain | 8,956.60 | -1.26% | -0.25% | 5.77% | -20.29% | 5.61% | 1.3 |
| OMX STOCKHOLM 30 INDEX | OMX Index | Sweden | 1,526.27 | 1.75% | 0.69% | 7.35% | -17.25% | 8.30% | 2.1 |
| SWISS MARKET INDEX | SMI Index | Switzerland | 8,969.22 | 0.69% | 0.22% | 5.65% | -9.54% | 6.73% | 2.3 |
| BIST 100 INDEX | XU100 Index | Turkey | 102,947.20 | 2.26% | -1.48% | 14.53% | -38.01% | 12.78% | 1.1 |
| FTSE 100 INDEX | UKX Index | UK | 7,028.05 | 2.39% | 0.45% | 7.12% | -13.82% | 4.34% | 1.7 |
| Asia Pacific | | | | | | | | | |
| MSCI AC ASIA x JAPAN | MXASJ Index | MSCI Asia Ex | 640.68 | 1.52% | 0.10% | 7.39% | -15.84% | 7.39% | 1.5 |
| S&P/ASX 200 INDEX | AS51 Index | Australia | 5,891.20 | 0.47% | -0.15% | 7.08% | -12.88% | 3.83% | 1.9 |
| DSE 30 Index | DS30 Index | Bangladesh | 2,018.20 | -1.96% | 0.00% | 6.71% | -10.55% | 6.76% | - |
| HANG SENG CHINA ENT IND | HSCEI Index | China "H" | 11,036.42 | 1.72% | 0.25% | 9.07% | -17.91% | 9.28% | 1.1 |
| SHANGHAI SE COMPOSITE | SHCOMP Index | China "A" | 2,618.23 | 0.69% | 0.63% | 7.06% | -29.05% | 4.99% | 1.4 |
| HANG SENG INDEX | HSI Index | HK | 27,990.21 | 1.29% | -0.05% | 7.86% | -14.71% | 8.07% | 1.3 |
| Nifty 50 | NIFTY Index | India | 10,889.35 | 0.26% | -0.09% | -2.17% | -11.46% | 0.29% | 2.9 |
| JAKARTA COMPOSITE INDEX | JCI Index | Indonesia | 6,481.45 | 1.39% | -0.37% | 9.58% | -5.10% | 5.56% | 2.4 |
| NIKKEI 225 | NKY Index | Japan | 20,883.77 | 0.26% | -0.60% | 4.67% | -11.48% | 3.87% | 1.6 |
| KOSPI 200 INDEX | KOSPI2 Index | Korea | 285.79 | 1.41% | -0.55% | 8.68% | -17.89% | 9.09% | 0.9 |
| Laos Composite Index | LSXC Index | Laos | 831.14 | 1.83% | -0.61% | -1.60% | -16.34% | -1.12% | 0.3 |
| FTSE Bursa Malaysia KLCI | FBM KLCI Index | Malaysia | 1,683.61 | -0.33% | 0.00% | 0.51% | -14.20% | -0.42% | 1.7 |
| KARACHI 100 INDEX | KSE100 Index | Pakistan | 41,496.51 | 2.36% | 0.77% | 11.40% | -25.71% | 10.92% | 1.4 |
| PSEI - PHILIPPINE SE IDX | PCOMP Index | Philippines | 8,069.48 | 1.51% | 1.31% | 9.45% | -8.08% | 9.08% | 2.2 |
| STRAITS TIMES INDEX STI | FSSTI Index | Singapore | 3,184.56 | -0.16% | -0.34% | 4.90% | -12.79% | 3.91% | 1.1 |
| SRI LANKA COLOMBO ALL SH | CSEALL Index | Sri Lanka | 5,982.05 | 2.85% | 0.86% | 2.34% | -19.68% | -1.16% | 1.0 |
| TAIWAN TAIEX INDEX | TWSE Index | Taiwan | 9,932.26 | -0.62% | 0.00% | 1.27% | -15.53% | 2.11% | 1.5 |
| STOCK EXCH OF THAI INDEX | SET Index | Thailand | 1,656.10 | 2.49% | 0.42% | 9.83% | -9.82% | 5.60% | 1.9 |
| HO CHI MINH STOCK INDEX | VNINDEX Index | Vietnam | 908.67 | -0.03% | -0.25% | 1.77% | -19.10% | 1.81% | 2.4 |
| Rest of the World | | | | | | | | | |
| MSCI ACWI | MXWD Index | MSCI World | 491.43 | 1.42% | 0.05% | 7.85% | -9.20% | 7.85% | 2.2 |
| MSCI EM | MXEF Index | MSCI EM | 1,050.20 | 1.73% | 0.03% | 8.74% | -15.89% | 8.74% | 1.6 |
| MSCI Frontier Market Index | MXFEM Index | MSCI FM | 2,679.30 | 1.35% | 0.62% | 7.73% | -14.38% | 7.73% | 1.9 |
| DFM GENERAL INDEX | DFMGI Index | Dubai | 2,541.70 | 2.12% | 0.00% | 1.49% | -24.76% | 1.50% | 0.9 |
| MSCI EM LATIN AMERICA | MXLA Index | Latin America | 2,950.44 | 2.50% | 0.10% | 14.99% | -8.57% | 14.99% | 2.2 |
| S&P MERVAL TR ARS | MERVAL Index | Argentina | 36,599.88 | 4.81% | 1.13% | 22.45% | -44.95% | 20.82% | 1.6 |
| MSCI BRAZIL | MXBR Index | Brazil | 2,294.91 | 3.53% | 0.32% | 18.05% | -3.46% | 18.05% | 2.3 |
| S&P/CLX IPSA (CLP) TR | IPSA Index | Chile | 5,452.97 | 2.43% | 1.17% | 13.49% | -14.88% | 6.81% | 1.8 |
| IGBC GENERAL INDEX | IGBC Index | Colombia | 11,935.08 | 3.38% | 1.41% | 12.71% | -12.43% | 7.10% | - |
| S&P/BMV IPC | MEXBOL Index | Mexico | 43,738.27 | -0.54% | -0.70% | 8.15% | -16.75% | 5.04% | 2.2 |
| S&P/BVLPeruGeneralTRPEN | SPBLPGPT Index | Peru | 20,294.04 | 2.69% | 0.62% | 6.40% | -7.05% | 4.88% | 1.8 |
| MSCI EFM AFRICA | MXFMEAF Index | Africa | 829.15 | 1.07% | -1.23% | 9.92% | -20.33% | 9.92% | 2.1 |
| EGYPT HERMES INDEX | HERMES Index | Egypt | 1,373.80 | 5.76% | 0.00% | 7.65% | -9.68% | 6.26% | 1.1 |
| GSE Composite Index | GGSECI Index | Ghana | 2,425.12 | -1.61% | -3.28% | -6.91% | -32.17% | -2.97% | 2.1 |
| Nairobi SE 20 Share | KNSMIDX Index | Kenya | 2,982.73 | 2.94% | 1.02% | 6.83% | -19.33% | 5.25% | 1.8 |
| MASI Free Float Index | MOSENEW Index | Morocco | 11,363.33 | 1.02% | 0.27% | 0.19% | -17.88% | -0.05% | 2.7 |
| NIGERIA STCK EXC ALL SHR | NGSEINDX Index | Nigeria | 30,636.36 | -2.72% | 0.05% | -2.33% | -31.52% | -2.53% | 1.4 |
| FTSE/JSE AFRICA TOP40 IX | TOP40 Index | South Africa | 47,526.36 | 1.82% | -0.48% | 10.33% | -18.93% | 2.08% | 2.0 |
| Average | | | | 1.38% | 0.10% | 7.28% | -14.50% | 5.96% | |
| Top 25% | | | | 2.36% | 0.55% | 9.50% | -9.45% | 7.85% | |
| Bottom 25% | | | | 0.42% | -0.25% | 5.47% | -18.63% | 3.87% | |

GLOBAL MARKET DATA (CONTD.)

28 JANUARY - 3 FEBRUARY

| FX (vs USD) | | | | Return +ive=USD Stronger | | | |
|---|----------------------|----------------|----------|---|--------|---------|---------|
| Name | BBG Code | Country | Price | 1 Week | MTD | YTD | 1Y |
| DOLLAR INDEX SPOT | DXY Index | USD Index | 95.69 | -0.22% | 0.00% | -0.62% | 7.79% |
| USD-EUR X-RATE | USDEUR Curncy | Europe | 0.87 | -0.55% | -0.18% | -0.18% | 8.80% |
| Russian Ruble SPOT (TOM) | USDRUB Curncy | Russia | 65.66 | -0.78% | -0.14% | -5.62% | 16.74% |
| USD-TRY X-RATE | USDTRY Curncy | Turkey | 5.23 | -1.12% | 0.40% | -1.53% | 39.49% |
| USD-GBP X-RATE | USDGBP Curncy | UK | 0.77 | 0.69% | 0.28% | -2.60% | 8.74% |
| Bloomberg JPMorgan Asia Dollar | ADXY Index | Asia USD Index | 106.19 | 0.04% | -0.51% | 0.84% | -5.12% |
| USD-AUD X-RATE | USDAUD Curncy | Australia | 1.38 | -1.17% | 0.12% | -3.03% | 10.51% |
| USD-CNY X-RATE | USDCNY Curncy | China | 6.74 | -0.06% | 0.66% | -1.94% | 7.06% |
| USD-INR X-RATE | USDINR Curncy | India | 71.70 | 0.78% | 0.67% | 2.51% | 11.68% |
| USD-JPY X-RATE | USDJPY Curncy | Japan | 109.91 | -0.19% | 0.68% | -0.09% | -0.01% |
| USD-KRW X-RATE | USDKRW Curncy | Korea | 1,119.70 | 0.06% | 0.52% | 0.53% | 4.41% |
| USD-TWD X-RATE | USDTWD Curncy | Taiwan | 30.81 | 0.23% | 0.25% | 0.59% | 5.35% |
| USD-ARS X-RATE | USDARS Curncy | Argentina | 37.16 | 0.31% | -0.38% | -1.27% | 91.91% |
| USD-BRL X-RATE | USDBRL Curncy | Brazil | 3.66 | -3.00% | 0.33% | -5.79% | 15.27% |
| USD-CLP X-RATE | USDCLP Curncy | Chile | 654.82 | -2.17% | -0.29% | -5.89% | 9.28% |
| USD-MXN X-RATE | USDMXN Curncy | Mexico | 19.16 | 0.78% | 0.14% | -2.88% | 3.85% |
| USD-EGP X-RATE | USDEGP Curncy | Egypt | 17.69 | -1.13% | 0.06% | -1.24% | 0.22% |
| USD-NGN X-RATE | USDNGN Curncy | Nigeria | 363.50 | 0.21% | 0.21% | -0.21% | 0.62% |
| USD-ZAR X-RATE | USDZAR Curncy | South Africa | 13.38 | -2.19% | -0.06% | -7.48% | 12.17% |
| Commodities | | | | Return (USD) | | | |
| WTI CRUDE FUTURE Mar19 | CLA Comdty | US | 55.36 | 2.92% | 2.73% | 20.87% | -8.14% |
| BRENT CRUDE FUTR Apr19 | COA Comdty | UK | 63.11 | 1.88% | 3.14% | 16.16% | -3.33% |
| Baltic Dry Index | BDIY Comdty | | 645.00 | -28.73% | -3.44% | -49.25% | -42.10% |
| Natural Gas Futures | NG1 Comdty | | 2.70 | -13.97% | -2.84% | -7.01% | -4.27% |
| Gold Spot \$/Oz | XAU Curncy | | 1,311.23 | 1.54% | -0.33% | 2.82% | -1.78% |
| Silver Spot \$/Oz | XAG Curncy | | 15.78 | 1.68% | -0.84% | 2.90% | -6.94% |
| LME COPPER 3MO (\$) | LMCADS03 Comdty | | 6,139.00 | 1.37% | -0.49% | 2.92% | -13.77% |
| Government Bond Yields % | | | | Change (percentage points) | | | |
| US Generic Govt 2 Year Yield | USGG2YR Index | US 2yr | 2.51 | -0.10 | 0.04 | 0.01 | 0.34 |
| US Generic Govt 5 Year Yield | USGG5YR Index | US 5yr | 2.52 | -0.10 | 0.07 | -0.01 | -0.07 |
| US Generic Govt 10 Year Yield | USGG10YR Index | US 10yr | 2.70 | -0.07 | 0.05 | 0.00 | -0.11 |
| Canadian Govt Bonds 10 Year No | GCAN10YR Index | Canada 10yr | 1.96 | -0.02 | 0.08 | -0.01 | -0.41 |
| Mexico Generic 10 Year | GMXN10YR Index | Mexico 10yr | 8.43 | 0.04 | 0.02 | -0.23 | 0.85 |
| UK Govt Bonds 10 Year Note Gen | GUKG10 Index | UK 10yr | 1.25 | -0.06 | 0.03 | -0.03 | -0.28 |
| Switzerland Govt Bonds 2 Year | GSWISS10 Index | Swiss 10yr | -0.24 | -0.06 | 0.01 | 0.01 | -0.36 |
| German Government Bonds 2 Yr B | GDBR2 Index | German 2yr | -0.58 | 0.00 | -0.02 | 0.03 | -0.04 |
| German Government Bonds 5 Yr O | GDBR5 Index | German 5yr | -0.31 | -0.02 | 0.00 | -0.01 | -0.42 |
| German Government Bonds 10 Yr | GDBR10 Index | German 10yr | 0.17 | -0.03 | 0.02 | -0.08 | -0.56 |
| French Generic Govt 10Y Yield | GTFRF10Y Govt | French 10yr | 0.57 | -0.02 | 0.02 | -0.13 | -0.40 |
| Greece Generic Govt 10Y Yield | GTGRD10Y Govt | Greece 10yr | 3.89 | -0.16 | 0.05 | -0.44 | 0.23 |
| Italy Generic Govt 10Y Yield | GBTGPR10 Index | Italy 10yr | 2.74 | 0.10 | 0.16 | 0.00 | 0.78 |
| Spain Generic Govt 10Y Yield | GSPG10YR Index | Spanish 10yr | 1.23 | -0.01 | 0.03 | -0.19 | -0.19 |
| Portugal Generic Govt 10Y Yield | GSPT10YR Index | Portugal 10yr | 1.65 | -0.01 | 0.02 | -0.08 | -0.31 |
| Australia Govt Bonds Generic Y | GACGB10 Index | Aus 10yr | 2.23 | 0.00 | -0.04 | -0.11 | -0.60 |
| India Govt Bond Generic Bid Y | GIND10YR Index | India 10yr | 7.40 | 0.05 | 0.09 | 0.01 | -0.23 |
| KCMP South Korea Treasury Bond | GVSK10YR Index | Korea 10yr | 1.98 | -0.02 | -0.01 | 0.03 | -0.78 |
| Japan Generic Govt 10Y Yield | GJGB10 Index | Japan 10yr | -0.01 | -0.01 | -0.02 | -0.02 | -0.11 |
| South Africa Govt Bonds 10 Yea | GSAB10YR Index | SA 10yr | 9.16 | -0.11 | 0.03 | | |
| Corporate Credit Indices | | | | Change (Bps) +ive = Widening | | | |
| MARKIT ITRX EUR XOVER 12/23* | ITRXEXE CBIL Curncy | EUR XOVER | 310.36 | -12.93 | -0.51 | -44.15 | 70.31 |
| MARKIT ITRX EUROPE 12/23 | ITRXEBE CBIL Curncy | EUR MAIN | 71.22 | -3.98 | 0.09 | -17.55 | 27.16 |
| MARKIT ITRX EUR SNR FIN 12/23 | ITRXESE CBIL Curncy | EUR SNR FIN | 88.11 | -3.74 | 1.13 | -23.76 | 44.15 |
| MARKIT ITRX EUR SUB FIN 12/23 | ITRXEUE CBIL Curncy | EUR SUB FIN | 180.88 | -8.00 | 2.72 | -48.19 | 80.41 |
| MARKIT CDX.NA.IG.31 12/23 | BOXUMAE CBIL Curncy | US IG | 66.85 | -6.00 | -0.05 | -21.45 | 18.98 |
| MARKIT CDX.NA.HY.31 12/23* | IBOXHYSE CBIL Curncy | US HY | 356.17 | -20.92 | -0.70 | -96.65 | 50.19 |
| Implied Volatility (Equity Index) | | | | Change (Volatility Points) +ive = Volatility Rising | | | |
| Eurostoxx 3month ATM | SX5E Index | Europe | 12.88 | -0.66 | -0.68 | -7.40 | -1.23 |
| FTSE 100 500 3month ATM | UKX Index | UK | 13.19 | -0.94 | -0.73 | -6.60 | 2.31 |
| Hang Seng 3month ATM | HSI Index | HK | 17.73 | -0.31 | -0.08 | -5.60 | 0.69 |
| Nikkei 3month ATM | NKY Index | Japan | 11.66 | -5.65 | -4.74 | -13.08 | -0.85 |
| S&P 500 3month ATM | SPX Index | US | 14.69 | -1.37 | -0.24 | -6.50 | 2.90 |
| Volatility (VIX) | VIX Index | US | 16.71 | -1.28 | -0.43 | -9.28 | 2.67 |
| Inflation (Long term inflation expectation proxy) % | | | | Change (percentage points) | | | |
| US 5Y5YF Inflation Swap | FWISUS55 Index | USD | 2.26 | 12.00 | 3.48 | 14.40 | -13.11 |
| UK 5Y5YF Inflation Swap | FWISBP55 Index | GBP | 3.55 | 1.03 | 2.05 | -7.68 | 4.65 |
| JPY 5Y5YF Inflation Swap | FWISJY55 Index | JPY | 0.11 | 4.00 | 3.00 | 4.00 | -29.00 |
| EUR 5Y5YF Inflation Swap | FWISEU55 Index | EUR | 1.51 | -0.95 | 0.25 | -9.75 | -22.55 |
| Economic Data Surprise (+ive = above expectations) | | | | | | | |
| Citi Economic Surprise Index | CESIAPAC Index | Asia Pacific | -17.40 | | | | |
| Citi Economic Surprise Index - | CESICNY Index | China | -18.80 | | | | |
| Citi Economic Surprise Index - | CESIEM Index | EM | -12.10 | | | | |
| Citi Economic Surprise Index - | CESIEUR Index | Eurozone | -77.30 | | | | |
| Citi Economic Surprise Index - | CESIG10 Index | G10 | -11.60 | | | | |
| Citi Economic Surprise - Japan | CESIJPY Index | Japan | 6.40 | | | | |
| Citi Economic Surprise Index - | CESILTAM Index | Latin America | -4.90 | | | | |
| Citi Economic Surprise - Unite | CESIUSD Index | US | 27.30 | | | | |

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

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