

# GLOBAL MARKET UPDATE

## All that glitters is not gold

The saying in the title applies to the latest jobs report in the US, which was released on Friday. Although the headline labour market figures did not look as dire as the consensus estimated, **the stock market's exceptionally positive reaction to the report feels very much to be at odds with the economic reality in the US. In May, non-farm payrolls rose by 2.5 million**, whilst the official unemployment rate declined to 13.3%, but **remember that the number of employed people in the US is lower by almost 20 million since February**. Although this crisis is not the same in nature as the Great Financial Crisis (GFC) was, it is one of the very few reference points we have. At the time of the GFC, it took about 3.5 years to recoup the economic losses in terms of real GDP in the US. As the S&P 500 is virtually flat year-to-date, the question arises whether the stock market is taking the view that 'this time is different' and everything is going to be fine very soon or purely that the index itself is no longer a fair representation of the broader US economy.

## THIS WEEK'S GLOBAL EQUITY MARKET MOVERS

DEVELOPED	
<b>Top 3</b>	Luxembourg 13.88% Austria 13.26% Europe 12.88%
<b>Bottom 3</b>	Denmark 1.84% Japan 2.66% Switzerland 3.59%

EMERGING	
<b>Top 3</b>	Brazil 18.04% Chile 16.13% Colombia 14.29%
<b>Bottom 3</b>	Pakistan 0.94% Egypt 3.10% China "A" 3.52%

FRONTIER	
<b>Top 3</b>	Argentina 18.54% Slovenia 6.51% Mauritius 4.62%
<b>Bottom 3</b>	Sri Lanka -1.04% Nigeria -0.92% Bahrain -0.16%

## UNITED STATES

---

S&P 3,194 **+4.91%**, 10yr Treasury 0.90% **+24.25bps**, HY Credit Index 413.29 **-139bps**, Vix 24.52 **-2.99Vol**

---

**Major US stock indices rallied during the week.** The rally gained further momentum on Friday after the release of the May jobs report. The bullish investor sentiment drove the S&P 500 up 4.9% by the end of Friday, whilst the small-cap heavy Russell 2000 index gained 8.1%. Meanwhile, **the US Treasury yield sharply steepened** (the 2-year yield rose 5bp to 0.21%, the 10-year increased 24bp to 0.90%), whilst long-term market-based inflation expectations increased to a smaller extent (i.e. the 5Y5Y inflation swap rate increased 11bp to 1.85%) – reducing the degree of negative real rates. In our opinion, **the stock market rally and less negative longer-term real interest rates signify an improvement in investor's GDP growth expectations in the US.** As the risk on investor sentiment spread during the week, the dollar weakened, as the DXY index declined 1.4%.

## EUROPE

---

Eurostoxx 3,384 **+12.88%**, German Bund -0.28% **+17.00bps**, Xover Credit Index 342 **-87bps**, USDEUR .886 **-1.71%**

---

**European stock indices embarked on a major rally during the week**, when many of them registered double-digit gains. The Spanish and Italian country indices delivered were among the best performers, as both gained 12.9% in USD. They were followed by the German (+12.8% in USD) and French (+12.6% in USD) benchmarks. Investor sentiment in the Euro Area was boosted by the European Central Bank's – unexpected – announcement that **the pandemic emergency purchase programme (PEPP) would be increased in size**, by EUR 600bn to a total of EUR 1350bn – running at least until the end of June 2021. The bullish sentiment was present in the sovereign debt market as well, where risk premia on periphery debt further compressed, whilst major stock indices in the four largest EU economies rose significantly: the Spanish benchmark was up 8%, the French index gained 7.7%, the Italian index rose 7.1% and the German one increased 6.7% (all in USD). Meanwhile, the UK's benchmark gained 2.6% in USD during the week. In the fixed income space, German and UK government bond yields were broadly stable, whilst yields on the Eurozone's periphery substantially declined.

## ASIA PACIFIC

---

HSCEI 10,045 **+5.31%**, Nikkei 23,109.42 **+2.66%**, 10yr JGB 0.05% **+0bps**, USDJPY 109.450 **+1.80%**

---

As global investor sentiment significantly improved, **the vast majority of emerging Asian stock indices rallied during the week.** Those stock markets delivered the strongest returns by the end of Friday, where investors were granted visibility on the timeline for easing the covid-related lockdowns. As a result, the Philippine led the rally (+12.4% in USD), followed by the South Korean (+11.6% in USD) and Indonesian (+9.2% in USD) benchmarks.

**The Caixin services PMI in China strongly bounced in May**, when the index rose to 55 (from 44.4 in April). Business sentiment was boosted by the lifting of restrictions on entertainment services (e.g. gyms, museums, etc.) as well as a pronounced increase in new – domestic – orders.

**PMIs in India showed a sequential improvement in economic activity.** The manufacturing PMI rose to 30.8 in May (from 27.4 in April), whilst the services PMI improved to 12.6 (vs. 5.4 in April). The resumption of certain businesses in May, particularly those in lower-risk 'green' and 'orange' zones, provided a small nudge to the indices.

**The manufacturing PMI for the ASEAN region rose to 35.5 in May**, up from April's 30.7. The Malay index showed that greatest improvement, as it increased sharply to 45.6 in May (vs. 31.3 in April). Indices in Vietnam (42.7 in May), Thailand (41.6 in May) and the Philippines (40.1 in May) bounced as well – marking that the downturn in the cycle could come to an end in 2Q20. Meanwhile, the index in Indonesia remained broadly unchanged, as it registered at 28.6, given stringent mobility restrictions remained in place throughout the month.

**CPI inflation in South Korea turned negative in May**, when consumer prices declined 0.3% YoY. The sharp fall in crude oil prices were largely explain the phenomenon of deflation, as oil product prices fell 18.7% YoY in May. Meanwhile core inflation, which strips out the impact of oil prices, was 0.5% YoY – broadly stable compared with previous months.

After inflation in Pakistan reached a peak of 14.6% YoY in January, **May marked the fourth consecutive month of deceleration**, when consumer price inflation was 8.2% YoY. The disinflationary trend for overall consumer prices continued, driven primarily by the pass-through effects of falling global oil prices.

## LATIN AMERICA

---

**Stock markets in Latin America enjoyed a major improvement in investor sentiment**, as most indices registered a double-digit gain by the end of Friday. The Brazilian stock index outperformed most of its regional peers, as it rose 17.8% in USD.

**Industrial production in Brazil sharply declined in April, by 27.2% YoY.** The decline in industrial activity could continue, according to the latest manufacturing PMI figure, which was 38.3 in May. Meanwhile, the services PMI was 27.6 in May. Both indicators were broadly in line with the April numbers, indicating that the Brazilian economy could have reached its bottom in April-May. According to the commentary, firms remain 'negative overall about activity over the coming year as fears mount over the longer-term impact of COVID-19.'

**Economic activity in Chile weakened in April, when the monthly GDP proxy index declined 14.1% YoY** – reflecting the economic fallout from the coronavirus pandemic. The sharp decline was led by non-mining activities, which contracted 15.5% YoY. The weakness reflects the combined effects of the nationwide containment and isolation measures, a decline in global demand, falling commodity prices and the lingering effects of the social crisis that started in October 2019.

The Minister of Economy and Finance in Peru reported that **budgetary expenditures in response to the coronavirus pandemic reached PEN 110bn (about USD 32bn; 14.5% of GDP) at the end of May**. The relief layouts were categorised into four areas: emergency assistance (ca. 2.5% of total), support for families (ca. 20.4% of total), support for companies (ca. 11.4% of total) and reinforcement of the chain of payments and support to the economy (ca. 65.7% of total). According to the Minister, the remaining amount of 2.5% of GDP will be devoted to the reactivation of the economy.

## AFRICA

**The improvement in global investor sentiment spilt over into African stock markets**, where most indices gained by the end of Friday. In this context, the South African benchmark delivered one of the best performances within the region during the week, as it rose 12.4% in USD.

According to the latest PMI figures, **business conditions in most African economies continued to deteriorate in May**, due to primarily the ongoing social distancing rules and stringent mobility restrictions. As a result, PMIs remained below 50 strongly implying further economic weakness on the continent:

- **Headline PMI declined to a new record low in South Africa**, to 32.5 in May. The further decline in the index was unexpected, since lockdown restrictions were eased in May. Businesses became concerned that the pandemic and the lockdown could have a long-lasting negative impact on the economy, which pushed the 12-month outlook for activity into negative territory for time in the series.
- The PMI in Kenya rose to 36.7 in May, from 34.8 in April. Although the headline PMI slightly increased, it was within the margin of error, thus **business conditions did not change meaningfully in May**. The commentary pointed out that domestic demand remained weak, which led to lower production volumes.
- **Economic activity in Nigeria's private sector continued to weaken in May**, as the PMI was 40.7 (vs. 37.1 in April). Although the pandemic-related restrictions were somewhat eased in May, businesses could reap the benefits of it, yet.
- The headline PMI's improvement to 40.7 in May (vs. 29.7 in April) signals that **the worst of the economic hit could have passed in Egypt**. However, business conditions remained weak as output and new orders declined.

**Egypt and the International Monetary Fund (IMF) reached a staff-level agreement on a USD 5.2bn stand-by arrangement (SBA)** that aims to alleviate the economic impact of Covid-19. The one-year SBA follows the USD 2.8bn in emergency financing that the North African nation secured last month under the fund's Rapid Financing Instrument. The SBA 'will safeguard the gains achieved by Egypt over the past three years and put the country on strong footing for sustained recovery as well as higher and more inclusive growth and job creation over the medium term,' according to the IMF's mission chief for Egypt. The country raised USD 5bn in May in its largest-ever issuance in international bond markets

## THE WEEK A HEAD

UNITED STATES	DATE	CONSENSUS
CPI inflation (May) YoY	Wed/10	0.3%
Fed rate decision (upper bound)	Wed/10	0.25%

EUROPE	DATE	CONSENSUS
Euro Area: industrial production (Apr) YoY	Fri/12	-26.6%
UK: industrial production (Apr) YoY	Fri/12	-19.3%

ASIA PACIFIC	DATE	CONSENSUS
China: CPI inflation (May) YoY	Wed/10	2.7%
India: CPI inflation (May) YoY	Fri/12	5.6%
India: industrial production (Apr) YoY	Fri/12	-47.5%

LATIN AMERICA	DATE	CONSENSUS
Mexico: industrial production (Apr) YoY	Th/11	-11.0%
Peru: key policy rate decision	Fri/12	
Colombia: industrial production (Apr) YoY	Fri/12	

AFRICA	DATE	CONSENSUS
Egypt: CPI inflation (May) YoY	Wed/10	
South Africa: manufacturing production (Apr) YoY	Th/11	-58.2%

# GLOBAL MARKET DATA

1 - 7 JUNE

Equities				Return (USD)				YTD (Local)	Volume 1wk/3mo
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y		
<b>North America</b>									
S&P 500 INDEX	SPX Index	US	3,193.93	4.91%	4.91%	-1.14%	12.32%		82%
RUSSELL 2000 INDEX	RTY Index	US	1,507.15	8.11%	8.11%	-9.67%	0.24%		97%
NASDAQ COMPOSITE INDEX	CCMP Index	US	9,814.08	3.42%	3.42%	9.38%	28.87%		112%
S&P/TSX COMPOSITE INDEX	SPTSX Index	Canada	15,854.07	7.28%	7.28%	-10.21%	-2.75%	-7.09%	81%
S&P 500 CONS DISCRET IDX	S5COND Index	34189	1,049.92	4.75%	4.75%	6.45%	16.73%		87%
S&P 500 CONS STAPLES IDX	S5CONS Index	US	617.24	1.89%	1.89%	-4.60%	4.04%		77%
S&P 500 FINANCIALS INDEX	S5FINL Index	US	434.64	12.16%	12.16%	-15.01%	-3.31%		79%
S&P 500 HEALTH CARE IDX	S5HLTH Index	US	1,200.89	0.23%	0.23%	1.07%	15.77%		73%
S&P 500 INFO TECH INDEX	S5INFT Index	US	1,781.20	3.65%	3.65%	10.55%	36.13%		74%
S&P 500 ENERGY INDEX	S5ENRS Index	US	336.52	15.41%	15.41%	-26.28%	-24.86%		72%
S&P 500 ECO SECTORS IDX	SPXL1 Index	US	3,193.93	4.91%	4.91%	-1.14%	12.32%		82%
S&P 500 INDUSTRIALS IDX	S5INDU Index	US	630.14	10.52%	10.52%	-8.36%	-0.01%		117%
S&P 500 MATERIALS INDEX	S5MATR Index	US	375.02	7.65%	7.65%	-2.81%	5.14%		87%
S&P 500 REAL ESTATE IDX	S5RLST Index	US	229.41	7.07%	7.07%	-4.54%	-0.42%		81%
S&P 500 COMM SVC	S5TELS Index	US	185.20	2.38%	2.38%	1.96%	18.21%		72%
S&P 500 UTILITIES INDEX	S5UTIL Index	US	309.17	2.36%	2.36%	-5.84%	1.43%		67%
<b>Europe</b>									
Euro Stoxx 50 Pr	SX5E Index	Europe	3,384.29	12.88%	12.88%	-9.14%	1.36%	-9.64%	97%
CAC 40 INDEX	CAC Index	France	5,197.79	12.62%	12.62%	-12.57%	-1.55%	-13.05%	95%
DAX INDEX	DAX Index	Germany	12,847.68	12.81%	12.81%	-2.34%	7.46%	-3.03%	102%
Athex Composite Share Pr	ASE Index	Greece	683.46	6.55%	6.55%	-25.03%	-16.35%	-25.44%	152%
FTSE MIB INDEX	FTSEMIB Index	Italy	20,187.51	12.86%	12.86%	-13.51%	0.03%	-14.12%	115%
AEX-Index	AEX Index	Netherlands	572.80	9.42%	9.42%	-4.73%	5.21%	-5.26%	88%
PSI All-Share Index GR	BVLX Index	Portugal	3,267.10	6.11%	6.11%	-2.38%	4.16%	-2.92%	130%
MOEX Russia Index	IMOEX Index	Russia	2,792.74	4.83%	4.83%	-17.20%	-2.90%	-8.31%	71%
IBEX 35 INDEX	IBEX Index	Spain	7,872.60	12.87%	12.87%	-17.10%	-14.16%	-17.56%	127%
OMX STOCKHOLM 30 INDEX	OMX Index	Sweden	1,730.51	8.92%	8.92%	-0.89%	15.29%	-2.33%	82%
SWISS MARKET INDEX	SMI Index	Switzerland	10,190.37	3.59%	3.59%	-3.45%	8.15%	-4.02%	99%
BIST 100 INDEX	XU100 Index	Turkey	110,021.80	4.82%	4.82%	-15.68%	4.87%	-3.85%	125%
FTSE 100 INDEX	UKX Index	UK	6,484.30	9.85%	9.85%	-17.81%	-10.89%	-14.03%	85%
<b>Asia Pacific</b>									
S&P/ASX 200 INDEX	AS51 Index	Australia	5,998.72	9.39%	9.39%	-10.94%	-6.24%	-10.25%	89%
DSE 30 Index	DS30 Index	Bangladesh	1,326.01		-3.16%	-12.70%	-29.90%	-12.68%	
HANG SENG CHINA ENT INDX	HSCEI Index	China 'H'	10,044.72	5.31%	5.31%	-9.41%	-1.46%	-9.87%	86%
SHANGHAI SE COMPOSITE	SHCOMP Index	China 'A'	2,939.13	3.52%	3.52%	-5.54%	1.10%	-3.91%	100%
HANG SENG INDEX	HSI Index	HK	24,812.58	7.91%	7.91%	-11.69%	-7.07%	-12.13%	92%
Nifty 50	NIFTY Index	India	10,271.65	5.85%	5.85%	-21.47%	-21.62%	-16.65%	103%
JAKARTA COMPOSITE INDEX	JCI Index	Indonesia	5,073.98	9.21%	9.21%	-21.94%	-18.69%	-21.46%	180%
NIKKEI 225	NKY Index	Japan	23,109.42	2.66%	2.66%	-4.11%	8.50%	-3.35%	79%
KOSPI 200 INDEX	KOSPI2 Index	Korea	290.68	11.59%	11.59%	-4.68%	6.57%	-1.07%	146%
Laos Composite Index	LSXC Index	Laos	564.66	-6.88%	-6.88%	-24.01%	-33.82%	-22.77%	97%
FTSE Bursa Malaysia KLCI	FBM KLCI Index	Malaysia	1,556.33	7.69%	7.69%	-6.10%	-7.53%	-2.04%	119%
KSE-100 INDEX	KSE100 Index	Pakistan	34,350.42	0.94%	0.94%	-20.15%	-12.60%	-15.73%	70%
PSEi - PHILIPPINE SE IDX	PCOMP Index	Philippines	6,530.88	12.36%	12.36%	-15.58%	-15.74%	-17.28%	122%
STRAITS TIMES INDEX STI	FSSTI Index	Singapore	2,783.58	11.22%	11.22%	-17.60%	-14.43%	-14.62%	124%
SRI LANKA COLOMBO ALL SH	CSEALL Index	Sri Lanka	4,781.03	-1.04%	-1.04%	-23.75%	-13.81%	-22.00%	112%
TAIWAN TAIEX INDEX	TWSE Index	Taiwan	11,609.47	5.72%	5.72%	-3.92%	15.89%	-4.32%	101%
STOCK EXCH OF THAI INDEX	SET Index	Thailand	1,447.87	7.99%	7.99%	-13.59%	-13.69%	-9.12%	160%
HO CHI MINH STOCK INDEX	VNINDEX Index	Vietnam	903.30	2.61%	2.61%	-8.13%	-5.95%	-7.78%	155%
<b>Rest of the World</b>									
DFM GENERAL INDEX	DFMGI Index	Dubai	2,133.34	3.98%	4.85%	-26.24%	-22.17%	-26.24%	82%
S&P Merval TR ARS	MERVAL Index	Argentina	45,128.75	18.54%	18.54%	-5.98%	-17.86%	8.30%	110%
S&P/CLX IPSA (CLP) TR	IPSA Index	Chile	4,033.42	16.13%	16.13%	-15.29%	-26.08%	-13.63%	155%
COLOMBIA COLCAP INDEX	COLCAP Index	Colombia	1,203.07	14.29%	14.29%	-33.56%	-25.67%	-27.63%	98%
S&P/BMV IPC	MEXBOL Index	Mexico	38,948.08	10.95%	10.95%	-21.70%	-17.37%	-10.55%	97%
Bolsa de Panama General	BVPSBVPS Index	Panama	377.82	0.62%	0.62%	-16.91%	-13.92%	-16.91%	75%
S&P/BVLP/PeruGeneralTRPEN	SPBLPGT Index	Peru	17,236.69	10.38%	10.38%	-19.12%	-16.85%	-16.03%	105%
EGYPT HERMES INDEX	HERMES Index	Egypt	1,024.63	3.10%	1.92%	-24.07%	-22.89%	-23.18%	117%
GSE Composite Index	GGSECI Index	Ghana	1,960.63	1.09%	1.09%	-14.28%	-25.69%	-13.14%	190%
Nairobi SE 20 Share	KNSMIDX Index	Kenya	1,939.59	0.16%	0.16%	-30.24%	-31.71%	-26.93%	103%
MASI Free Float Index	MOSENEW Index	Morocco	10,124.27	3.94%	3.94%	-17.86%	-8.40%	-16.82%	94%
NIGERIA STOCK EXC ALL SHR	NGSEINDEX Index	Nigeria	25,020.72	-0.92%	-0.92%	-12.21%	-23.81%	-6.79%	82%
FTSE/JSE AFRICA TOP40 IX	TOP40 Index	South Africa	50,199.80	12.43%	12.43%	-18.11%	-12.51%	-1.21%	98%
<b>Average</b>				6.87%	6.70%	-11.55%	-5.25%	-11.74%	103%
<b>Top 25%</b>				10.73%	10.63%	-4.58%	4.94%	-4.32%	116%
<b>Bottom 25%</b>				3.47%	3.23%	-17.82%	-16.48%	-16.82%	82%



# GLOBAL MARKET DATA

1 - 7 JUNE

FX (vs USD)				Return +ive-USD Stronger			
Name	BBG Code	Country	Price	1 Week	MTD	YTD	1Y
DOLLAR INDEX SPOT	DXYS Index	USD Index	96.89	-1.43%	-1.43%	0.57%	-0.11%
USD-EUR X-RATE	USDEUR Curncy	Europe	0.89	-1.71%	-1.71%	-0.55%	0.02%
Russian Ruble SPOT (TOM)	USDRUB Curncy	Russia	68.35	-2.59%	-2.59%	10.64%	5.42%
USD-TRY X-RATE	USDTRY Curncy	Turkey	6.77	-0.53%	-0.53%	14.03%	17.40%
USD-GBP X-RATE	USDGBP Curncy	UK	0.79	-2.86%	-2.86%	4.62%	0.23%
Bloomberg JPMorgan Asia Dollar	ADXY Index	Asia USD Index	102.74	0.99%	0.99%	-2.22%	-1.68%
USD-AUD X-RATE	USDAUD Curncy	Australia	1.43	-4.72%	-4.72%	0.76%	0.21%
USD-CNY X-RATE	USDCNY Curncy	China	7.09	-0.74%	-0.74%	1.72%	2.51%
USD-INR X-RATE	USDINR Curncy	India	75.58	0.01%	0.01%	6.13%	9.25%
USD-JPY X-RATE	USDJPY Curncy	Japan	109.45	1.80%	1.80%	1.08%	1.43%
USD-KRW X-RATE	USDKRW Curncy	Korea	1,204.84	-2.94%	-2.94%	3.98%	1.85%
USD-TWD X-RATE	USDTWD Curncy	Taiwan	29.73	-0.76%	-0.76%	-0.41%	-4.84%
USD-ARS X-RATE	USDARS Curncy	Argentina	68.94	0.65%	0.65%	15.23%	53.75%
USD-BRL X-RATE	USDBRL Curncy	Brazil	4.96	-8.27%	-8.27%	23.60%	28.15%
USD-CLP X-RATE	USDCLP Curncy	Chile	767.50	-4.78%	-4.78%	1.86%	10.74%
USD-MXN X-RATE	USDMXN Curncy	Mexico	21.56	-2.82%	-2.82%	14.24%	9.24%
USD-EGP X-RATE	USDEGP Curncy	Egypt	16.23	2.52%	2.37%	117%	-3.28%
USD-NGN X-RATE	USDNGN Curncy	Nigeria	387.09	-0.05%	-0.05%	6.18%	7.57%
USD-ZAR X-RATE	USDZAR Curncy	South Africa	16.78	-4.07%	-4.07%	20.64%	12.53%
Commodities				Return (USD)			
WTI CRUDE FUTURE Jul20	CLA Comdty	US	40.03	11.44%	11.44%	-32.82%	-23.53%
BRENT CRUDE FUTR Aug20	COA Comdty	UK	43.01	11.79%	11.79%	-32.78%	-27.24%
Baltic Dry Index	BDIY Comdty		679.00	34.72%	34.72%	-37.71%	-40.33%
Natural Gas Futures	NG1 Comdty		1.78	-3.62%	-3.62%	-18.59%	-23.32%
Gold Spot \$/Oz	XAU Curncy		1,688.84	-2.96%	-2.96%	10.47%	25.61%
Silver Spot \$/Oz	XAG Curncy		17.58	-2.71%	-2.71%	-3.30%	16.22%
LME COPPER 3MO (\$)	LMCADSo3 Comdty		5,690.00	5.83%	5.83%	-7.84%	-2.03%
Government Bond Yields %				Change (percentage points)			
US Generic Govt 2 Yr	USGG2YR Index	US 2yr	0.21	0.05	0.05	-1.36	-1.67
US Generic Govt 5 Yr	USGG5YR Index	US 5yr	0.46	0.16	0.16	-1.23	-1.42
US Generic Govt 10 Yr	USGG10YR Index	US 10yr	0.90	0.24	0.24	-1.02	-1.22
Canadian Govt Bonds 10 Year No	GCAN10YR Index	Canada 10yr	0.73	0.20	0.20	-0.97	-0.73
Mexico Generic 10 Year	GMXN10YR Index	Mexico 10yr	6.26	0.10	0.10	-0.66	-1.71
UK Gilts 10 Yr	GUKG10 Index	UK 10yr	0.35	0.17	0.17	-0.47	-0.47
Switzerland Govt Bonds 10 Year	GSWISS10 Index	Swiss 10yr	-0.28	0.19	0.19	0.19	0.21
GERMANY GOVT BND 2 YR BKO	GDBR2 Index	German 2yr	-0.60	0.06	0.06	0.00	0.05
GERMANY GOVT BND 5 YR OBL	GDBR5 Index	German 5yr	-0.54	0.10	0.10	-0.07	0.04
GERMANY GOVT BND 10 YR DBR	GDBR10 Index	German 10yr	-0.28	0.17	0.17	-0.09	-0.04
French Generic Govt 10Y Yield	GTFRF10Y Govt	French 10yr	0.08	0.09	0.09	-0.10	-0.10
Greece Generic Govt 10Y Yield	GTGRD10Y Govt	Greece 10yr	1.34	-0.16	-0.16	-0.09	-1.56
Italy Generic Govt 10Y Yield	GBTGPR10 Index	Italy 10yr	1.41	-0.06	-0.06	0.00	-1.08
Spain Generic Govt 10Y Yield	GSPG10YR Index	Spanish 10yr	0.56	0.00	0.00	0.09	-0.05
Portugal Generic Govt 10Y Yield	GSPT10YR Index	Portugal 10yr	0.54	0.03	0.03	0.10	-0.14
Australia Govt 10 Yr	GACGB10 Index	Aus 10yr	1.09	0.21	0.21	-0.28	-0.38
India Govt Bond Generic Bid Yi	GIND10YR Index	India 10yr	5.83	0.00	0.00	-0.79	-1.17
KCMP South Korea Treasury Bond	GVS10YR Index	Korea 10yr	1.46	0.10	0.10	-0.21	-0.19
Japan Govt 10 Yr	GJGB10 Index	Japan 10yr	0.05	0.05	0.05	0.06	0.17
South Africa Govt Bonds 10 Yea	GSAB10YR Index	SA 10yr	8.94	0.02	0.02	-0.09	-0.28
Corporate Credit Indices				Change (Bps) +ive = Widening			
MARKIT ITRX EUR XOVER 06/25	TRXEUE CBIL Curncy	EUR XOVER	341.89	-86.69	-86.69	134.80	50.13
MARKIT ITRX EUROPE 06/25	TRXEBE CBIL Curncy	EUR MAIN	59.29	-12.77	-12.77	15.36	-6.70
MARKIT ITRX EUR SNR FIN 06/25	TRXESE CBIL Curncy	EUR SNR FIN	66.66	-18.11	-18.11	15.05	-16.43
MARKIT ITRX EUR SUB FIN 06/25	TRXEUE CBIL Curncy	EUR SUB FIN	148.96	-28.79	-28.79	36.64	-22.02
MARKIT CDX.NA.IG.34 06/25	OXUMAE CBIL Curnc	US IG	65.69	-15.20	-15.20	20.09	0.91
MARKIT CDX.NA.HY.34 06/25	OXHYSE CBIL Curnc	US HY	413.29	-139.00	-139.00	147.23	53.54
Implied Volatility (Equity Index)				Change (Volatility Points) +ive = Volatility Rising			
Eurostoxx 3month ATM	SX5E Index	Europe	21.17	-3.86	-3.86	8.53	6.72
FTSE 100 3month ATM	UKX Index	UK	20.84	-4.25	-4.25	9.30	8.50
Hang Seng 3month ATM	HSI Index	HK	21.25	-2.65	-2.65	5.42	4.93
Nikkei 3month ATM	NKY Index	Japan	20.99	-1.60	-1.60	7.25	4.74
S&P 500 3month ATM	SPX Index	US	21.04	-2.48	-2.48	8.08	6.38
Volatility (VIX)	VIX Index	US	24.52	-2.99	-2.99	10.74	8.59
Inflation (Long term inflation expectation proxy) %				Change (percentage points)			
US 5Y5YF Inflation Swap		USD	#IVALOR!	0.11	0.11	-0.26	-0.25
UK 5Y5YF Inflation Swap		GBP	#IVALOR!	0.02	0.02	0.05	-0.10
JPY 5Y5YF Inflation Swap		JPY	#IVALOR!	0.00	0.00	-0.38	-0.34
EUR 5Y5YF Inflation Swap		EUR	#IVALOR!	0.11	0.11	-0.24	-0.20
Economic Data Surprise (+ive/-ive - above/below expectations)							
Citi Economic Surprise Index	CESIAPAC Index	Asia Pacific	38.80				
Citi Economic Surprise Index -	CESICNY Index	China	4.80				
Citi Economic Surprise Index -	CESIEM Index	EM	41.40				
Citi Economic Surprise Index -	CESIEUR Index	Eurozone	-215.20				
Citi Economic Surprise Index -	CESIG10 Index	G10	-22.30				
Citi Economic Surprise - Japan	CESIJPY Index	Japan	10.50				
Citi Economic Surprise Index -	CESILTAM Index	Latin America	118.00				
Citi Economic Surprise - Unite	CESIUSD Index	US	66.30				





## EUROPE

Benoit Ribaud  
+44 207 5577 862  
benoit.ribaud@alquity.com

## UK

Susannah Preston  
+44 207 5577 877  
susannah.preston@alquity.com

## MIDDLE EAST, ASIA & UK

Suresh Mistry  
+44 207 5577 867  
suresh.mistry@alquity.com

## UK

Alex Boggis  
+44 207 5577 850  
alex.boggis@alquity.com

## NORTH AMERICA

Renee Arnold  
+1 215 350 9063  
renee.arnold@alquity.com

## LATIN AMERICA & SPAIN

Cyn Cano  
+44 207 5577 871  
cyn.cano@alquity.com

## DISCLAIMER

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

The information in this document (this "Document") is for discussion purposes only. This Document does not constitute an offer to sell, or a solicitation of an offer to acquire, an investment (an "Interest") in any of the funds discussed herein. This Document is not intended to be, nor should it be construed or used as, investment, tax or legal advice. This Document does not constitute any recommendation or opinion regarding the appropriateness or suitability of an Interest for any prospective investor.

This material is for distribution to Professional Clients only, as defined under the Financial Conduct Authority's ("FCA") conduct of business rules, and should not be relied upon by any other persons. Issued by Alquity Investment Management Limited, which is authorised and regulated in the United Kingdom by the FCA and operates in the United States as an "exempt reporting adviser" in reliance on the exemption in Section 203(m) of the United States Investment Advisers Act of 1940.

The Alquity Africa Fund, the Alquity Asia Fund, the Alquity Future World Fund, the Alquity Indian Subcontinent Fund and the Alquity Latin American Fund are all sub-funds of the Alquity SICAV ("the Fund") which is a UCITS Fund and is a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA"). This does not mean the product is suitable for all investors and as the Fund is invested in emerging market equities, investors may not get back the full amount invested.

This Document is qualified in its entirety by the information contained in the Fund's prospectus and other operative documents (collectively, the "Offering Documents"). Any offer or solicitation may be made only by the delivery of the Offering Documents. Before making an investment decision with respect to the Fund, prospective investors are advised to read the Offering Documents carefully, which contains important information, including a description of the Fund's risks, conflicts of interest, investment programme, fees, expenses, redemption/withdrawal limitations, standard of care and exculpation, etc. Prospective investors should also consult with their tax and financial advisors as well as legal counsel. This Document does not take into account the particular investment objectives, restrictions, or financial, legal or tax situation of any specific prospective investor, and an investment in the Fund may not be suitable for many prospective investors.

An investment in the Fund is speculative and involves a high degree of risk. Performance may vary substantially from year to year and even from month to month. Withdrawals/redemptions and transfers of Interests are restricted. Investors must be prepared to lose their entire investment, and without any ability to redeem or withdraw so as to limit losses.

References to indices herein are for informational and general comparative purposes only. There will be significant differences between such indices and the investment programme of the Funds. The Fund will not invest in all (or any material portion) of the securities, industries or strategies represented by such indices. Comparisons to indices have inherent limitations and nothing herein is intended to suggest or otherwise imply that the Fund will, or are likely to, achieve returns, volatility or other results similar to such indices. Indices are unmanaged and do not reflect the result of management fees, performance-based allocations and other fees and expenses.

All Fund performance results presented herein are unaudited and should not be regarded as final until audited financial statements are issued. Past performance is not necessarily indicative of future results. All performance results are based on the NAV of fee paying investors only and are presented net of management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any, and include the reinvestment of all dividends, interest, and capital gains. Net returns shown herein reflect those of an investor admitted at inception of the Fund, and are representative of a regular [shareholder], net of applicable expenses and reflect reinvestment of dividends and interest. In the future, the Fund may offer share in the Fund with different fee and expense structures.

The Fund's investment approach is long-term, investors must expect to be committed to the Fund for an extended period of time (3-5 years) in order for it to have an optimal chance of achieving its investment objectives.

This Document may not be reproduced in whole or in part, and may not be delivered to any person (other than an authorised recipient's professional advisors under customary undertakings of confidentiality) without the prior written consent of the Investment Manager.

### SWISS INVESTORS:

The prospectus, the Articles of Association, the Key Investor Information Document "KIIDs" as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge from the Representative. In respect of the units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD., Klausstrasse 33, 8008 Zurich.

Swiss Paying Agent: Neue Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

