Monthly Market Roundup
March 2017 (covering February 2017)

Global overview

Positive price momentum in US markets helped to drive optimistic sentiment among market participants across global equity bourses. February saw global stocks climb to record peaks mid-month, setting a fresh record for the first time since 2015, as hopes for faster economic growth spurred markets. Encouraging core economic data, stronger consumer demand and continued strengthening of manufacturing conditions helped the MSCI AC World index to hold onto gains from January. The index returned 3.98% (total return, sterling) in February, up 4.94% year-to-date so far in 2017. At the sector level, stocks in healthcare and utilities were the better performing sectors, while most other sectors also enjoyed positive returns. Among more economically sensitive areas of the market, financials experienced a strong 2016 fourth quarter corporate earnings season, and benefitted from rising prospects of a US interest rate hike near-term after the US Federal Reserve's previously cautious tone turned more hawkish. Telecommunications and energy sectors continued to lag behind. Natural gas prices declined in February and investors' confidence in higher oil prices was capped by the prospect of faster growth in US oil production.

Mixed economic data released through February did little to impede the continued rise of US equities. Optimism over President Donald Trump's reflationary ambitions remained firm despite some surprising mishaps in the formation of his cabinet, while the economic data did little to jeopardise the ongoing trend of rising inflation or the hawkishness of the US Federal Reserve (Fed). That said, the market's rise obscured an element of nervousness among investors, as evidenced by strength in more so-called 'defensive' sectors and relative weakness in more economically sensitive areas, such as energy and industrials. It appeared that markets were weighing up the benefits of tax reform against the more protectionist policies that are likely to accompany it, while at the same time trying to interpret vague policy comments emerging from the White House. The S&P 500 index returned 5.1% in February (total return, sterling), extending its run of positive monthly gains, bringing the year-to-date total return to 5.2% so far in 2017. On a sector level, healthcare, financials and consumer staples led the market higher in February, while telecommunications and energy were the key underperformers.

UK equity markets performed strongly in February, continuing the bullish trend that characterised the start of 2017. Comments from Fed chair Janet Yellen raised expectations of a near-term US interest rate rise, spurring gains for likely beneficiaries of a steepening yield curve, such as banks and insurance companies. With corporate earnings season coming to a close, UK major banks delivered a mixed set of results for the full year. By contrast, the Bank of England (BoE) stood firm on UK rates, but materially revised up GDP growth expectations for 2017. However, despite resilient business expectations, the pace of total business growth moderated for the first time in four months. Meanwhile, headline UK inflation neared the BoE's 2% target due to rising food and fuel prices, which seemed to have a knock-on effect on consumer spending. January's retail numbers delivered a second consecutive month of below-estimate sales.

In Europe, equity markets rose in February, supported by economic data that confirmed the resilient and broadening base of the European economic recovery. This was underpinned by an accommodative monetary policy, less austerity, a favourable exchange rate and some structural reforms. While the flash eurozone Composite Purchasing Managers Index (PMI), a survey of private sector activity and a leading indicator for economic growth, reached the highest level since 2011, data showed that job creation was the best seen for nine and a half years. At the sector level, the rotation into more economically sensitive sectors paused in February, reflecting the drop in government bond yields and moves in the US. Perceived 'safer' bond-like healthcare and utilities sectors were among the leading performers, while financials lagged behind. The strengthening macroeconomic backdrop was also reflected in European corporate profitability. A majority of European corporates not only beat 2016's fourth quarter earnings expectations, but also recorded positive earnings growth relative to the prior year.

Turning to Japan, the equity market ended February higher (in local currency terms). Market worries about President's Trump criticism of Japan's trade and currency policies at the start of 2017 abated, as the US-Japan leaders' summit in February helped to reassure investors. Market sentiment received further support from solid quarterly corporate results, which came in well above market consensus thanks to the robust global macro environment and a weakening yen, and saw companies increase their full-year earnings guidance. In particular, positive surprises far outweighed negative ones among the global cyclicals sectors, such as automobiles, trading and chemicals. This was also evidenced by steady economic conditions, with fourth quarter real GDP growth coming in at 1% (quarter-on-quarter), primarily driven by strong net exports. Meanwhile, Japanese consumer confidence continued to improve as the consumer confidence index attained its highest level since September 2013. This was in part attributed to high labour participation rates and gains in wages.

Most equity markets across Asia recorded decent gains in February, largely due to better than expected economic data. India and Taiwan led the way, while China's equity market continued its strong year-to-date performance. This reflected the solid economic data, positive earnings revisions and fewer concerns surrounding capital outflows. Elsewhere, India was one of the region's best performing equity markets. A fiscally prudent budget for 2017 helped drive performance and buoyed investors' sentiment, with additional support coming from India's stronger-than-anticipated fourth quarter GDP growth of 7% year-on-year. This allayed concerns that demonetisation would lead to a meaningful economic slowdown. Asian currencies were broadly stable against the US dollar, in part due to easing fears that US trade policy will take a strongly protectionist turn under President Trump.

Across emerging equity markets, all regions registered positive, albeit mixed gains. The advance was supported by encouraging economic news with a breadth of forward-looking indicators suggesting strong nominal growth going forward. Latin America and emerging Asia led performance, while EMEA (Europe, Middle East and Africa) lagged. In particular, the lowering of interest rates by Brazil's central bank was viewed as positive among investors. Falling inflation and interest rates are expected to help the economy return to growth in 2017. In EMEA, however, performance was more diverse. Egypt's equity market posted double-digit returns, while Russia was the main laggard as a sharp decline in natural gas prices adversely impacted energy-related stocks. Apart from energy, all emerging market sectors ended February in positive territory. A basket of emerging market currencies appreciated in value against the US dollar, with the Mexican peso regaining some lost ground after Mexico's central bank raised its interest rate to 6.25%.

US

- US equity markets rallied as expectations continued to rise over President Trump's reflationary ambitions
- Slower economic pace in the fourth quarter of 2016 was overshadowed by a more optimistic outlook for 2017
- Prospects for an early hike in interest rates increased on rising inflationary pressures and more hawkish Fed commentary

Mixed economic data released through February did little to impede the continued rise of US equities. Optimism over President Donald Trump's reflationary ambitions remained firm despite some surprising mishaps in the formation of his cabinet, while the economic data did little to jeopardise the ongoing trend of rising inflation or the hawkishness of the US Federal Reserve (Fed). The S&P 500 index reached an historic high of US$20tn in market capitalisation for the first time in mid-February, achieving an all-time high of 2371.54. That said, the market's rise obscured an element of nervousness among investors, as evidenced by strength in more defensive sectors, such as consumer staples and utilities, and relative weakness in cyclical areas (those more sensitive to economic cycles) like energy, consumer discretionary and industrials. It appeared that markets were weighing up the benefits of tax reform against the more protectionist policies that are likely to accompany it, while at the same time trying to interpret vague policy comments emerging from the White House. The S&P 500 index returned 5.1% in February (total return, sterling), extending its run of positive monthly gains, bringing the year-to-date total return to 5.2% so far in 2017.

Sector performance was mixed, with some so-called 'defensive' areas performing well alongside more economically sensitive sectors. Healthcare, financials and consumer staples led the market higher in February, while telecommunications and energy were the key underperformers. Despite evidence of the Organization of the Petroleum Exporting Countries' compliance with its agreed oil production cuts, investors remained anxious over growth in US shale oil production and persistently high US crude inventories. In February, the US shale oil industry added capacity at its fastest pace since October 2015.

In economic news, a second reading by the US Commerce Department for economic activity in the final three months of 2016 revealed lower-than-expected US GDP growth of 1.9%. The softer data was primarily attributed to a downward revisions to business and government investments, which offset robust consumer spending – a key contributor to US economic growth. Although private sector output growth moderated from the 14-month high recorded at the start of 2017, it still supports a solid pace of economic growth overall. The US manufacturing Purchasing Managers' Index (PMI) fell slightly to 54.2 in February from 55 in January, impacted by subdued export activity on the back of the strong US dollar. However, a reading above 50 still indicates economic expansion. Meanwhile, US consumer prices recorded their biggest increase in nearly four years in January 2017 in another sign that inflationary pressures could be picking up. Core Consumer Price Index (CPI) (which strips out food and energy costs) rose 0.3% in January and 2.3% year-on-year, providing support for the Fed's goal of three interest rate hikes in 2017.

In corporate news, global merger and acquisitions activity remains robust. Among February's notable deals, UK-based Reckitt Benckiser agreed to acquire US-based baby milk manufacturer Mead Johnson for US$17.9 billion. This places the UK household goods company in direct competition with Switzerland's Nestlé and France's Danone, industry leaders in infant nutrition. Food manufacturer, Kraft Heinz, also made a surprise bid to acquire European consumer products company, Unilever, although the offer was rejected. We also observed the collapse of two proposed mergers in the health insurance space on the back of regulatory pressures, with Aetna's deal to acquire Humana and Anthem's deal to acquire Cigna both falling apart.

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Europe

- European equity markets advanced in February
- Data continued to show a resilient and strengthening macroeconomic backdrop
- European corporate earnings projections for 2017 saw upward revisions

European equity markets rose in February. Economic data showed a strong activity momentum, and European corporate earnings estimates continued to rise upwards. The euro weakened versus the US dollar, while the Brent crude oil price remained largely flat.

On a sector level, the rotation away from defensive industries and into cyclicals (those more sensitive to economic cycles) witnessed over the last few months stalled in February, mimicking the drop in government bond yields. The healthcare and utilities sectors were among the leading performers this month, along with the technology sector. Meanwhile, the financials sector lagged following a strong rally since the start of the fourth quarter in 2016. The consumer services sector also trailed the overall market. On a stock level, Unilever, the Anglo-Dutch consumer-products firm, was among the strongest performers in February. The company's share price jumped 20% after a takeover proposal by Kraft Heinz Co., the American food group. The acquisition bid was later dropped following a rebuff by Unilever. Aryzta, the Swiss food company, was another strong performer, recovering some of the losses suffered in the prior month amid a strategic asset review and management changes. Meanwhile, Banco Popular Espanol was among the leading detractors after posting a loss for the year 2016, which also raised investors' concerns over its capital position.

On the macroeconomic front, data confirmed the resilient and broadening base of the European economic recovery, underpinned by an accommodative monetary policy, less austerity, a favourable exchange rate and some structural reforms. The flash eurozone Composite Purchasing Managers Index (PMI), a survey of private sector activity and a leading indicator for economic growth, reached the highest level since 2011. Survey data showed that job creation was the best seen for nine and a half years, order book growth picked up and business optimism moved higher, all boding well for the recovery to maintain strong momentum in coming months. Preliminary French and German composite PMIs also jumped in February to reach 69-month and 34-month highs respectively, shrugging-off political concerns.

The strengthening macroeconomic backdrop was also reflected in European corporate profitability. With the annual earnings reporting season underway, a majority of European corporates did not simply beat analysts' expectations, but also recorded positive earnings growth in 2016 relative to the prior year. As for 2017 earnings projections, they have been steadily revised up, in a welcome departure from the trends observed over the last few years, where initial estimates were unwound as the year progressed.

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UK

- The Bank of England held UK interest rates but materially revised up GDP growth expectations for 2017
- UK banking majors delivered a mixed set of results for the full year
- AstraZeneca announced positive results for trials of cancer drug Lynparza

UK equity markets performed strongly in February, continuing the bullish trend that characterised the start of 2017. Mid-month comments from US Federal Reserve chair, Janet Yellen, raised expectations of a near-term US interest rate rise, spurring gains for likely beneficiaries of a steepening yield curve, among them major banks and insurance companies. By contrast, the Bank of England (BoE) stood firm on UK rates but materially revised up GDP growth expectations for 2017.

On the macroeconomic front, the pace of total business growth moderated for the first time in four months, despite resilient business expectations. Headline UK inflation neared the government's 2% target due to rising food and fuel prices, which seemed to have a knock-on effect on consumer spending. January's retail numbers delivered a second consecutive month of stunted sales, well below consensus estimates – the first signs of a more sustained dip in the underlying trend since December 2013.

Corporate news flow during the month was dominated by UK major banks, which delivered a mixed set of results for the full year. Lloyds Banking Group reported a £2.2bn dividend payout on the back of its best results since the financial crisis. Lower provisions for mis-selling PPI helped the bank more than double its annual pre-tax profits from the prior year. Barclays annual profits tripled year-on-year, boosted by strong performance from its UK and international units, alongside a fall in litigation charges. Mis-selling and conduct charges were the main drivers behind £7bn annual loss for RBS; chief executive, Ross McEwan, unveiled a new £2bn cost-cutting plan in a bid to return to profit in 2018. HSBC saw its share price pull back after an eight month rally, as the company announced lower-than-expected profits on the back of write downs.

AstraZeneca announced positive results for trials of the cancer drug Lynparza, increasing optimism over its ultimate blockbuster potential. GlaxoSmithKline reported earnings growth at the top end of forecasts, but warned it could face growing competition for asthma treatment Advair.

BP blamed poor results in both upstream and downstream operations for weaker-than-expected results in the fourth quarter of 2016, but the higher oil price towards the end of the year helped profits, returning the company to profitability over the full year. In a sign of plans to return to investment, the group revised up capital expenditure for the year ahead: a period that will test oil majors' balance sheet discipline.

British American Tobacco reported a strong set of results for the full year, announcing major expansion plans for its next generation e-cigarettes and vaping products; weakened sterling and price increases offset flat volumes, and the tobacco giant pleased the market with a better-than-expected 10% dividend increase. Power group, Drax, reported a 17% drop in profits for 2016 as the loss of tax exemptions dealt a major blow to earnings, while management's plans to review its dividend policy saw the shares run into profit taking.

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Asia Pacific

- Asian equity markets climbed on better than expected economic data
- Corporate earnings gave positive surprises
- Japan's equity market experienced positive earnings momentum

Most Asian equity markets recorded decent gains in February, largely due to better-than-expected economic data. Asian currencies were broadly stable against the US dollar, with the Korean won and Taiwan dollar being the region's best performing currencies for the second straight month, in part due to easing fears that US trade policy will take a strongly protectionist turn under President Trump.

China's equity market made good gains, reflecting robust economic data, positive earnings revisions and fewer concerns surrounding capital outflows. Meanwhile, financial regulators drafted a consultation paper aimed at reducing financial leverage and risk in asset management products, while the People's Bank of China continued to tighten monetary conditions by pushing market interest rates higher.

India was one of the region's best performing equity markets despite the central bank signalling an end to the monetary policy easing cycle. A fiscally prudent budget for 2017 helped drive performance, easing concerns over the introduction of a capital gains tax and including measures to boost consumption. India's fourth quarter GDP growth of 7% year-on-year was also stronger than expected, and allayed concerns that demonetisation would lead to a meaningful economic slowdown.

Elsewhere, Australia's equity market ended the period higher after some strong half yearly results, while Taiwanese tech stocks in the Apple supply chain supported gains in that market. The Philippines equity market and currency were the notable laggards amid mixed corporate earnings results, and investor concerns of rising inflation and domestic political uncertainty.

The Japanese equity market ended the month higher in local currency terms. Although earlier this year there had been significant worries about criticism by the Trump administration toward Japanese trade and currency policies, the US-Japan leaders' summit in February saw no in-depth discussion of exchange rates or economic policy, and investors were reassured for now.

At home, Japanese economic conditions have been steady, with fourth quarter real GDP growth of 1% (quarter-on-quarter) driven primarily by strong net exports. Regarding domestic demand, consumer confidence continued to improve, with the consumer confidence index attaining its highest level since September 2013. High labour participation rates led to gains in employment income, which boosted confidence.

Meanwhile, investor sentiment was well supported by a solid third quarter corporate results season. Results were well above consensus thanks to the robust global macroeconomic environment, and companies have tended to increase their full-year earnings guidance. In particular, positive surprises far outweighed negative ones among the global cyclicals sectors, such as autos, trading and chemicals. Finally, corporates continued to use their balance sheet strength to engage in share buybacks given the low interest rate environment.

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Emerging Markets

- Emerging equity markets advanced further in February
- Interest rates were cut again in Brazil, but rose in Mexico
- Oil markets were steady as natural gas prices dropped sharply

It was a positive month for emerging equity markets with all the regions registering gains, although performance at a country level was more mixed. The advance was supported by encouraging economic news with a breadth of forward-looking indicators suggesting strong nominal growth going forward. Latin America and emerging Asia vied with each other for the best performing region, with EMEA (Europe, Middle East and Africa) being the laggard. All countries except the Philippines registered gains in emerging Asia, with India and Taiwan leading the way. China continued its strong year-to-date performance. Sentiment towards India was enhanced by a fiscally prudent 2017 Budget. Brazil and Mexico led the equity gains in Latin America, whereas performance in EMEA was more diverse, with Russia losing ground and Egypt posting double-digit returns. All emerging market sectors, apart from energy, ended the month in positive territory. While Brent crude oil edged up and precious metals – gold and silver – advanced higher, natural gas prices fell 12.4%. A basket of emerging market currencies appreciated in value against the US dollar, with the Mexican peso and Turkish lira enjoying the strongest gains.

During the month, Brazil's central bank lowered interest rates by another 75 basis points to 12.25% and reiterated its guidance that further reductions and possible changes to the pace of easing will continue to depend on future inflation expectations. Falling inflation and interest rates are expected to help the economy return to growth this year. Concerns that a weakening currency could lead to higher inflation prompted Mexico's central bank to raise interest rates by 50 basis points to 6.25%. The decision caused the Mexican peso to rally, a welcome boost following three months of previous weakening. In an attempt to reduce the political temperature, various members of the Mexican government met US officials – led by US Secretary of State, Rex Tillerson – for talks. Interest rates were cut in Colombia by 25 basis points to 7.25%.

Russia was the main laggard in the EMEA region as a sharp decline in natural gas prices had an adverse impact on energy-related stocks. Economic news from Russia was more encouraging however, with industrial production rising last month and inflation continuing to fall – annual CPI fell to 5% in January, down from December's 5.4% reading. To dampen hopes of another interest rate cut, Russia's central bank said that its capability to lower rates over coming months had diminished due to internal and external developments. A rebound in the value of the Turkish lira – supported by central bank intervention – from all-time lows boosted confidence towards domestic stocks.

MSCI US$ price index return	**(%, US$)**
	Feb 2017
Emerging markets	3.0
Developed markets	2.6
Latin America	3.3
Emerging Asia	3.3
EMEA	0.1
Top five by country	
Egypt	11.2
India	5.8
Turkey	5.5
Poland	5.1
Taiwan	4.7
Bottom five by country	
Russia	-6.4
Colombia	-2.9
Hungary	-2.8
Peru	-2.2
Philippines	-1.2

Source: MSCI Indices, Bank of America Merrill Lynch, 28 February 2017.

Fixed Interest

- Government bond markets rallied amid a re-evaluation of political risk in Europe and the US
- Uncertainty about the outcome of the French presidential election led to volatility within French government bonds
- Interest rate sensitivity led investment grade corporate bonds to outperform high yield bonds

During February, bond markets rallied as investors re-evaluated some of their previous assumptions about Donald Trump's reflation policies and political risk in the eurozone.

Since his election in November 2016, financial markets have focused on expectations that Donald Trump's administration will pursue pro-growth policies. However, with only limited measures so far announced, and signs of potential difficulties getting his proposed corporate tax reforms through congress, bond markets started to reassess their expectations. US 10-year Treasury yields were slightly lower on the month with the 10-year yield ending February at 3%, down from 3.1% at 31 January 2017.

The big move in yields, however, has been in Europe, where political risk dominated. The yield of French government bonds followed the perceived chances of electoral success for far-right Presidential candidate Marine Le Pen. An opinion poll released mid-month that showed her narrowing the gap with centrist opponents saw French government yields spike higher. Meanwhile, the yield on 2-year German government bonds (Schatz) reached a historic low of -0.95%. As they did so, the premium the market demands for holding French over equivalent German government bonds reached its highest level since 2012. However, toward the end of the month, French government bonds recovered, as some polls showed Marine Le Pen's campaign to be losing ground.

Elsewhere in the eurozone, former Italian Prime Minister, Matteo Renzi, resigned as leader of the ruling Democratic Party, paving the way for a leadership contest. Meanwhile, news that the Greek government had agreed to resume negotiations over its bailout helped yields on its government bonds to fall.

Despite the risk-off tone within government bond markets, corporate bonds also performed reasonably well. Their higher sensitivity to interest rates helped European investment grade corporate bonds to outperform high yield bonds. In aggregate, bonds within the financial sector underperformed relative to those issued by non-financial companies. That said performance was strong for the lowest ranked form of bank debt, Contingent Capital (CoCo) bonds.

Government Bonds					Yield to maturity (%)
	28.02.17	31.01.17	30.11.16	31.08.16	29.02.16
US Treasuries 2 year	1.26	1.20	1.11	0.81	0.77
US Treasuries 10 year	2.39	2.45	2.38	1.58	1.73
US Treasuries 30 year	3.00	3.06	3.03	2.23	2.62
UK Gilts 2 year	0.10	0.14	0.13	0.14	0.38
UK Gilts 10 year	1.15	1.42	1.42	0.64	1.34
UK Gilts 30 year	1.74	2.05	2.05	1.27	2.31
German Bund 2 year	-0.90	-0.70	-0.73	-0.62	-0.57
German Bund 10 year	0.21	0.44	0.28	-0.07	0.11
German Bund 30 year	0.99	1.15	0.95	0.46	0.84

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 2017.

Corporate Bonds										Yield to maturity (%)/Spread[1] (bps)
	28.02.17		31.01.17		30.11.16		31.08.16		29.02.16	
£ AAA	1.75	41	2.02	41	2.01	41	1.24	31	2.46	71
£ AA	1.77	77	2.03	76	2.07	83	1.44	77	2.80	140
£ A	2.41	128	2.68	129	2.73	137	2.03	127	3.45	207
£ BBB	2.81	179	3.07	179	3.17	192	2.53	181	3.99	272
€ AAA	0.66	68	0.88	68	0.78	68	0.40	58	0.81	82
€ AA	0.34	78	0.54	75	0.45	74	0.21	64	0.63	91
€ A	0.66	108	0.83	104	0.76	105	0.48	89	0.99	130
€ BBB	1.20	154	1.36	149	1.35	158	0.99	136	1.75	203
European High Yield (inc € + £)	4.06	364	4.16	365	4.57	432	4.31	400	6.21	606

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 2017.

1 Credit spread - difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality. Option Adjusted Spread (OAS) is used to account for the optionality inherent in many corporate bonds.

Global equity and commodity index performance – figures to 28 February 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	2.8	7.9	8.0	5.3	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	2.4	7.4	10.0	3.8	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	3.3	8.4	6.0	7.0	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	2.2	7.1	9.2	4.5	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	3.1	9.0	5.6	8.7	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.9	8.2	8.1	5.6	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	5.2	9.5	14.5	5.8	16.5	0.2	10.0	29.7	10.2
S&P 500	4.0	8.0	10.0	5.9	12.0	1.4	13.7	32.4	16.0
NASDAQ	3.9	9.7	12.4	8.4	8.9	7.0	14.8	40.1	17.5
Russell 2000	1.9	5.2	12.6	2.3	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	0.2	2.7	6.9	1.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	2.7	9.3	9.0	2.7	3.4	10.9	0.2	25.2	17.8
MSCI Europe	2.9	8.6	8.9	2.6	3.2	8.8	7.4	20.5	18.1
CAC 40	2.3	6.4	10.1	0.0	8.9	11.9	2.7	22.2	20.4
DAX	2.6	11.2	11.7	3.1	6.9	9.6	2.7	25.5	29.1
Ibex 35	2.9	11.0	11.8	2.8	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	1.7	12.0	12.7	-1.4	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	3.1	8.5	4.2	4.0	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	4.3	8.8	9.9	2.9	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	2.7	10.7	10.5	4.2	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	-6.4	5.1	15.2	-6.6	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-1.4	9.0	8.4	0.2	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-3.1	2.0	-2.0	1.1	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	3.1	7.9	8.6	2.8	16.8	1.0	1.2	20.8	12.3
FTSE 100	3.1	8.0	8.9	2.5	19.1	-1.3	0.7	18.7	10.0
FTSE 250	3.5	7.4	7.0	4.0	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	0.9	8.4	8.2	2.1	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	4.4	4.7	2.8	1.2	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	2.0	4.6	4.5	8.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	2.6	-0.3	5.1	4.4	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	1.8	7.2	10.5	7.8	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	3.2	5.5	7.5	5.4	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	1.2	5.5	2.8	3.2	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	1.7	4.6	0.0	1.7	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-0.2	6.4	-7.4	5.4	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	-0.9	3.6	1.4	1.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	4.1	8.3	1.9	8.2	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	5.0	4.7	8.1	9.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	2.3	5.9	7.2	1.4	11.8	2.6	5.6	20.2	20.3
Topix	0.9	4.7	16.7	1.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	0.4	4.4	13.2	0.0	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	3.5	8.3	6.0	9.5	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	3.6	12.5	9.7	11.5	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	3.4	6.3	-5.8	5.7	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	4.4	16.7	18.6	15.6	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	0.9	16.3	10.5	19.5	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	3.1	7.6	10.0	7.9	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	-3.0	10.0	16.9	-2.3	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	2.4	9.3	20.9	0.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-0.7	0.8	6.0	-0.9	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	3.7	7.1	-3.9	8.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	7.4	-28.7	20.8	-10.6	101.0	-38.9	-65.7	225.8	-59.8

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as at 01 March 2017.

Global currency movements – figures to 28 February 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.06	-2.0	-0.1	-5.2	0.6	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.85	-0.5	0.9	0.6	0.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.06	-0.4	-1.3	-3.1	-0.7	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.56	1.3	-2.1	0.1	-0.2	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	8.88	-0.3	-1.6	-4.5	-2.3	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.43	0.0	-0.1	-0.1	0.1	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.31	-0.4	-3.3	-1.2	-2.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	308.21	-0.6	-1.4	-0.5	-0.3	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	112.78	0.0	-1.5	9.0	-3.5	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.33	2.1	-1.0	1.5	-1.0	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.13	-2.6	-6.8	-10.9	-4.4	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.11	-1.3	-8.1	-3.7	-4.5	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1137.80	-1.2	-3.4	1.9	-5.8	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.66	-1.6	-3.9	-3.4	-5.5	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	34.94	-0.4	-2.2	0.9	-2.5	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.40	-0.5	-2.1	3.0	-3.1	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.80	1.1	0.4	5.2	-0.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	16.26	-4.1	-7.8	-16.0	-4.1	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.77	1.0	3.7	1.9	6.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.72	-1.6	1.5	-0.8	3.5	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 01 March 2017.

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