Monthly Market Roundup
August 2018 (covering July 2018)

Global overview

- Global growth remained robust but risks to the world economy increased
- Anxieties around simmering trade disputes faded as the US economy recorded fastest rate of growth since 2014
- Emerging equity markets drew support from encouraging macroeconomic data and upbeat corporate earnings

Global growth remains robust and many emerging market countries are better prepared to face crises, but risks to the world economy have increased, finance chiefs from the G20 group of nations said at their summit in Buenos Aires in July. Anxieties around simmering trade disputes faded as the US economy in the second quarter recorded its strongest pace of growth (at 4.1%) since 2014. Relief over the agreement reached by the US and the EU on defusing trade tensions extended to reports of efforts by the US and China to re-engage in negotiations and global equity markets ended July in positive territory.

Optimism was tempered, however, when US megacap technology stocks saw their share prices fall after reporting their latest earnings. UK Equity markets rose during July, a month dominated by Brexit headlines, mixed economic data and continued sterling weakness. European equity markets also made solid gains as second quarter earnings season proved to be reasonably strong.

Emerging equity markets drew support from encouraging macroeconomic data and upbeat corporate earnings. Latin America was the best performing region, led by strong performances from Brazil and Mexico. The EMEA (Europe, Middle East & Africa) region also generated positive returns. Equity performance in emerging Asia was more dispersed, with the Philippines leading the gains and Korea being the laggard.

In terms of fixed income markets, euro and sterling corporate bond markets all posted positive returns. Amid an improvement in sentiment, high yield outperformed investment grade.

US

- July saw the record fastest US economic growth rate since 2014
- An unexpected trade agreement between the US and EU boosted markets
- Megacap technology stocks saw their share prices fall after reporting their latest earnings

The US equity market ended June in positive territory, buoyed by robust second quarter economic growth and relief over the agreement reached by the US and the EU on defusing trade tensions. While the US economy recorded its strongest pace of growth since 2014 at 4.1% and trade progress included reports of efforts by the US and China to also come to an agreement, optimism was tempered.

Megacap technology stocks saw their share prices fall after reporting their latest earnings. Twitter followed Facebook in delivering disappointing results (and a fall in user numbers) and Intel said a new key chip technology wouldn't be available until late next year. In fact, Facebook suffered the biggest one-day loss of market value in US history, dropping almost US$120bn (source: FT.com). Shares in Netflix also fell when its quarterly earnings revealed disappointing viewer growth. The tech sector was one of the weakest performers over the month with concerns that the market had grown narrow and over-dependent on the dominant internet companies for their growth.

The so-called Faang stocks (Facebook, Amazon, Apple, Netflix and Google's parent company Alphabet) have dominated market performance so far this year and last year, seeming to promise relentless growth based on society's digital revolution. Technology company growth rates are considered relatively resilient to escalating trade tensions too. It's worth noting that without the inclusion of technology stocks and Amazon, which is classified as a retailer, that the US equity market would be down for the year.

The industrials sector was the strongest performing sector over the month, driven not only by trade optimism but by many companies reporting beating earnings forecasts and boosting their full-year outlooks. Industrials giant Caterpillar raised its outlook for the full year, easing fears that the continuing trade dispute between the US and China would badly damage corporate profits.

In corporate news, Broadcom announced that it would buy CA Technologies for US$18.9bn, the chipmaker's first major takeover since it was blocked by President Trump from pursuing a bid for rival Qualcomm earlier this year.

Europe

- European equity markets made gains in July
- The EU and US agree on a deal to lower tariffs
- Eurozone core inflation nudged higher to 1.1%

European equity markets made solid gains in July as second quarter earnings season proved to be reasonably strong. All sectors posted positive returns with relative strength coming from healthcare, financials, energy and telecoms, while consumer staples, information technology and real estate were the relative laggards over the month. Worries that a trade war between the US and its trading partners could escalate were eased towards the end of the month, as an agreement was reached between the European Union and the US to work together to reduce tariffs related to non-auto industrial goods.

The Swiss market was one of the standout regions during July, having been relatively weak so far in 2018. Novartis and Roche, both Swiss pharmaceutical giants listed in Switzerland, gained over 10% after reporting good earnings. Elsewhere, Danish transportation conglomerate AP Moller-Maersk posted double-digit gains in July after a well-received trading update, while there was share-price weakness from Ryanair amid pilot strikes and cabin-crew walkouts.

In macroeconomic news, Mario Draghi reiterated his positive view on the state of the eurozone economy, however made no changes to the European Central Bank (ECB) policy or forward guidance and strongly endorsed financial markets' expectations for interest rates to remain on hold until autumn 2019. He also made clear that the ECB would not be rushed into early interest rate hikes by accusations of currency manipulation. Elsewhere, the ECB's Bank Lending Survey showed that growth in the demand for loans strengthened in the eurozone in the second quarter, with households particularly hungry for credit. The demand for consumer credit increased at its fastest pace in nearly two years, and points to annual household consumption growth rising from 1.6% in the first quarter of 2018 to around 2.5%. The demand for mortgage loans rose sharply too, which is particularly encouraging since it had fallen in each of the previous five quarters. Furthermore, the availability of credit increased, and even in Italy, where there is still uncertainty about the Government's plans for the banking sector, most banks relaxed their criteria for granting loans.

Other macro data this month revealed a pick-up in headline inflation from 2.0% to 2.1% in July and a rise in the core inflation rate to 1.1%. The eurozone unemployment rate held at 8.3% in June and wage growth continued to show signs of picking up – most notably in Germany. Meanwhile, the second quarter saw a 0.3% quarterly rise in eurozone GDP.

UK

- UK equity markets rose during the month of July
- The UK government issued the largest public sector pay rise in more than a decade
- The Europe-wide heatwave saw UK consumption of last minute holidays and non-food products fall

UK equity markets rose during July, a month dominated by Brexit headlines, mixed economic data and continued sterling weakness. July saw the publication of the Government's Chequers plan, with sterling initially rising on news that committed 'Brexiteer' David Davis had resigned from his office as the Secretary of State for Exiting the European Union. Gains were short-lived however, as the subsequent resignation of Foreign Secretary Boris Johnson pushed sterling weaker on fears that a leadership challenge could be raised against the Prime Minister. Meanwhile, weaker than expected retail sales data released for the previous month added to downward pressure on sterling, as the World Cup and extended hot weather kept consumers at home. Economic data released mid-month showed that despite record employment levels, UK wage growth dipped to a six-month low in June. The UK Government issued the largest public sector pay rise in more than a decade, as the 1% cap on pay increases was lifted for teachers, soldiers, police and prison officers, as well as for NHS doctors and dentists. The move follows an earlier decision to end the cap for NHS nurses and midwives.

In corporate news, a number of companies released half-year results during the month. BP announced a rise in underlying profit for the second quarter of 2018 and confirmed that underlying cash flow in the first half of the year "more than covered" the full quarterly dividend, which increased 2.5% on the same period in 2017. British American Tobacco (BAT) released results which confirmed the impact of foreign exchange on profits, but reiterated management's confidence that the business can deliver US$1 billion of revenue from alternative 'reduced risk' products in 2018. The report also highlighted the benefits of lower corporation tax in the United States and improved sales of next generation products, which is expected to offset the volume of tobacco sales in decline. Provident Financial Group (PFG) released its half-year results for 2018 on the last day of the month, which confirmed the intention to return to paying a dividend in 2018 and earnings in line with guidance. The stock market responded positively to this news as well as to the appointment of a new chairman to the board of directors.

Tour operator Thomas Cook released mixed results, which noted a rise in overall bookings, but a fall in the number of last minute high-margin trips. Management confirmed that full-year profits will be at the lower-end of previous guidance, pointing to the extended European heatwave and World Cup excitement as key factors in keeping consumers at home. Elsewhere, specialist engineering support services company Babcock saw its shares come under pressure. The company released a mixed trading update, which cited slightly lower revenue, but no change to earnings, cash flow or debt. Home emergency repairs business HomeServe released a trading update that was in line with expectations. The market responded warmly to news that the company is seeing organic growth in North America.

UK listed international mining company Glencore found itself under the microscope, as the United States Department of Justice (DoJ) issued a subpoena against the firm. The DoJ investigation relates to the company's operations in Nigeria, Venezuela and the Democratic Republic of Congo dating back to 2007.

Asia Pacific

- Trade tensions between the US and China continued
- China saw mixed economic data
- Japan's corporate earnings season has been positive so far

Asian equity market performance was mixed over July. The improving sentiment surrounding US fundamentals and a benign EU-US trade deal was dampened by an increase in trade tensions and slower growth in China. There was divergence in performance with the ASEAN, Indian and Taiwanese markets being notable outperformers, while China and South Korea lagged.

Early in the month, the US's US$34bn worth of tariffs against China took effect and, in addition, the US announced a 10% tariff on an additional US$200bn of Chinese imports. Meanwhile, China's economic activity data remained soft over the month which points to a negative impact from continuous deleveraging efforts. For example, the final reading of the Markit July manufacturing Purchasing Manager's Index (an activity survey used as a lead indicator for economic growth – above 50 indicates expansion) came at 50.8 compared to 51 (June), while second quarter GDP slowed as expected to 6.7% year-on-year. Slowing growth, trade tensions and financial deleveraging all contributed to a weaker Chinese yuan. Among the ASEAN markets: Thailand was driven higher by healthy corporate results; the Philippines rose due to a proactive monetary policy in response to increasing inflationary pressure; and in Malaysia sentiment improved partly due to the Government cutting the Goods & Services Tax (GST) rate to zero. Elsewhere, the Indian market rallied partly due to a decline in the crude oil price, a reduction in GST rates on select products and a defeat of the no-confidence motion against the incumbent Government. Finally, in Korea, concerns about the outlook for export growth amidst global trade tensions weighed on overall equity performance, while the Taiwanese market was driven higher by the strong performance of large technology stocks which benefited from healthy second quarter earnings.

Japan's equity market ended the month higher in local currency terms despite the risk that the trade spat between the US and China could escalate and have a negative spill over effect on the wider region. The quarterly corporate earnings season is beginning to move into full swing and, to date, results have been positive with companies delivering high single digit earnings growth. Moreover, sentiment has been helped by the yen continuing to weaken against the US dollar since late-March, which could provide a slight positive boost to earnings. The macroeconomic environment has remained generally stable, although CPI (Consumer Price Index) inflation unexpectedly slowed to 0.2% year-on-year (June) from 0.3% year-on-year (May), which compared unfavourably to consensus expectations of a tick up to 0.4%. Against this backdrop, the Bank of Japan lowered the inflation outlook and announced its intention to keep the current low levels of short- and long-term interest rates for an extended period of time.

Emerging Markets

- Equity markets in Latin America registered strong gains, led by Brazil and Mexico
- China's currency dropped to a 13-month low versus the US dollar
- Trade tensions eased as the EU and US agreed to work together to reduce tariffs

Emerging equity markets drew support from encouraging macroeconomic data release and upbeat corporate earnings. Latin America was the best performing region, led by strong performances from Brazil and Mexico. The EMEA (Europe, Middle East & Africa) region also generated positive returns. Equity performance in emerging Asia was more dispersed, with the Philippines leading the gains and Korea being the laggard. Worries that a trade war between the US and its trading partners could escalate were eased towards the end of the month when the European Union and the US agreed to work together to reduce tariffs. Although oil prices edged lower, energy was the best performing sector in emerging markets. Utilities and financials also advanced higher, unlike healthcare. The US dollar lost a little ground against a basket of currencies but rose in value against the Chinese and Turkish units. The Chinese yuan dropped to a 13-month low on expectations that the authorities in Beijing would loosen monetary policy (when the money supply is expanded and is easily accessible to citizens to encourage economic growth).

Brazil's equity market rebounded strongly in July, with sentiment boosted by healthy corporate earnings growth as a cyclical recovery and lower interest rates overcame the effects of the recent truckers' strike. Oil and gas companies along with banking stocks led the rally. Brazil's inflation rate accelerated more than expected due to higher food and fuel prices. Interest rates were left on hold at a record low of 6.5%. Financial markets gave Mexico's president-elect Andres Manuel Lopez Obrador a vote of confidence following his decisive victory on 1 July with both the peso and the local equity market posting strong gains. There were fears that the anti-establishment candidate would bring in populist measures, but to the relief of critics he promised to continue Mexico's prudent fiscal management. Economic news from Mexico was generally positive as retail and services continued to rise in line with resilient household demand. However, annual inflation rose to 4.6% in June from 4.5% in the previous month, although core inflation extended its moderate downtrend by falling to 3.6% from 3.7%.

Most equity markets in the EMEA region finished in positive territory with the main exceptions being Turkey and Greece. There were strong performances from South Africa, Russia and Poland, with Qatar topping the leader board. After hosting a successful World Cup, the Russian economy also appeared to be in good shape, supported by rising real wages (up 7.2% in June) and a buoyant consumer sector. The presidents of Russia and the US held a bilateral meeting in Helsinki to discuss an array of subjects. The decision by Turkey's central bank not to increase interest rates despite an accelerating inflation rate raised fears about its independence. The lira fell sharply on the unexpected news.

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Fixed Interest

- A strong start to the earnings season helped sentiment
- The Federal Reserve's independence was challenged by Trump
- The People's Bank of China started to ease monetary policy, in order to stimulate the economy

During July, US, euro and sterling corporate bond markets all posted positive returns. Amid an improvement in sentiment, high yield outperformed investment grade. It was also a relatively strong month for financials with the ICE Bank of America Merrill Lynch Contingent Capital Index posting its highest monthly return since October 2017.

Sentiment was helped by a strong start to the second quarter earnings season, with US company profits boosted by the impact of earlier tax cuts. This strong performance helped offset concerns about ongoing trade tensions. Morgan Stanley was a good example of the positive corporate backdrop; the bank's second quarter earnings rose 39% from a year ago. The positive theme extended to Europe, with UBS, Peugeot owner, PSA and BP among those reporting increased earnings. There were exceptions, Netflix for example, which came under pressure after results showed its subscriber growth figures missed forecasts.

The impact of this year's tax cuts in the US was also evident in the latest economic growth figures. The US economy posted second quarter annualised growth of 4.1%, its best quarter since 2014. Against this backdrop, the US Federal Reserve (Fed) maintained the Fed Funds interest rate at the upper bound of 2%. Fed Chairman, Jerome Powell, noted that the Fed should continue with a gradual pace of interest rate rises. However, in a highly unusual move, President Trump appeared to challenge the independence of the Fed suggesting that the US should not be raising interest rates now. US treasury yields were little changed following the comments. By 31 July, the market attached an 83% probability of interest rates being hiked in September.

In the UK, the Bank Rate was kept on hold at 0.5%, however, by the end of the month the market consensus was for interest rates to be hiked in August (raised to 0.75% on 2 August). Helping to drive this expectation were signs that the economy rebounded after its first quarter fall. Speaking in Newcastle, governor Mark Carney reinforced expectations when he stated that he had become increasingly confident that the UK economy's weak start to the year mostly reflected bad weather.

Meanwhile, there were reports that the Bank of Japan may soon start reducing the amount of stimulus it is providing the Japanese economy by reducing its purchases of 10-year Japanese Government Bonds. The Peoples Bank of China by contrast continues to loosen monetary policy in an attempt to stimulate the economy. During the month, it increased support for bank lending, made efforts to encourage investment in lower rated corporate bonds and allowed the yuan to weaken to a one year low against the US dollar.

Government Bonds

Yield to maturity (%)

	31.07.18	30.06.18	30.04.18	31.01.18	31.07.17
US Treasuries 2 year	2.67	2.53	2.49	2.14	1.35
US Treasuries 10 year	2.96	2.86	2.95	2.71	2.29
US Treasuries 30 year	3.08	2.99	3.12	2.93	2.90
UK Gilts 2 year	0.77	0.72	0.78	0.66	0.27
UK Gilts 10 year	1.33	1.28	1.42	1.51	1.23
UK Gilts 30 year	1.77	1.74	1.83	1.95	1.86
German Bund 2 year	-0.57	-0.67	-0.59	-0.53	-0.68
German Bund 10 year	0.44	0.30	0.56	0.70	0.54
German Bund 30 year	1.09	1.02	1.24	1.33	1.30

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 2018.

Corporate Bonds

Yield to maturity (%)/Spread[1] (bps)

	31.07.18		30.06.18		30.04.18		31.01.18		31.07.17	
£ AAA	2.16	57	2.12	69	2.16	58	2.04	43	1.71	39
£ AA	2.05	78	2.05	81	2.04	71	1.97	60	1.79	69
£ A	2.71	132	2.70	136	2.64	120	2.54	101	2.36	112
£ BBB	3.17	176	3.14	181	3.04	155	2.82	130	2.70	153
€ AAA	0.71	57	0.67	61	0.74	46	0.78	39	0.76	50
€ AA	0.51	65	0.49	71	0.56	57	0.54	45	0.51	60
€ A	0.83	92	0.82	101	0.81	79	0.78	65	0.72	80
€ BBB	1.41	138	1.42	151	1.29	112	1.19	90	1.17	113
European High Yield (inc € + £)	3.98	364	4.16	399	3.82	314	3.50	268	3.60	283

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 2018.

[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 currency movements – figures to 31 July 2018

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.17	0.1	-3.2	-5.9	-2.6	14.1	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.89	0.7	1.6	1.8	0.3	4.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.16	0.0	-3.2	0.1	-1.0	9.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	10.28	-1.7	-2.7	5.0	4.4	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.54	0.2	-1.5	-0.4	-3.2	8.4	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.45	0.0	0.0	0.1	0.1	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.28	-2.2	0.9	2.9	2.4	-5.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	320.75	-2.6	2.3	3.4	3.2	0.5	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	111.88	1.1	2.3	2.5	-0.7	-3.6	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.30	-1.0	1.3	5.6	3.4	-6.4	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.28	-3.3	6.5	11.9	7.3	-9.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.76	-3.1	7.1	17.9	13.4	1.8	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1113.25	-0.2	4.0	4.0	4.3	-11.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.58	0.3	3.2	4.8	3.1	-8.6	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.20	0.5	5.2	5.9	2.0	-9.2	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.36	-0.1	2.7	3.8	1.8	-7.7	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.76	0.6	5.0	8.4	3.1	-8.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	17.43	-3.9	1.5	3.5	4.2	-1.4	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.74	0.3	-1.4	-7.8	-4.8	8.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.68	0.8	-3.1	-7.4	-3.8	2.0	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding.

Global equity and commodity index performance – figures to 31 July 2018 (%)

	1 Month	3 Months	6 Months	YTD	2017	2016	2015	2014	2013	2012
Global US & Canada										
MSCI World (US$)	3.1	3.9	-1.3	3.9	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	3.7	2.3	-3.5	0.6	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	2.6	5.3	0.8	7.1	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	1.2	3.7	0.6	4.2	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	2.3	-5.4	-11.7	-4.4	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	3.2	3.0	-2.2	3.2	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	4.8	5.8	-1.7	4.1	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	3.7	6.9	0.7	6.5	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	2.2	8.9	4.1	11.8	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	1.7	8.7	6.8	9.5	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	1.2	6.1	4.6	3.1	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa										
FTSE World Europe ex-UK €	4.2	2.7	0.5	3.1	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	3.1	2.8	1.5	3.2	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	6.9	5.3	6.7	10.1	12.7	8.9	11.9	2.7	22.2	20.4
DAX	4.1	1.5	-2.9	-0.9	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	2.9	-0.1	-3.7	0.6	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	3.0	-5.2	-3.0	4.7	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	6.6	3.2	-1.7	-2.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	4.1	4.2	4.7	7.8	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	2.2	2.3	0.5	3.3	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	4.3	6.2	-4.5	7.5	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	4.8	-0.8	-10.7	-2.4	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-0.3	-1.1	-2.1	-2.0	21.0	2.6	5.1	10.9	21.4	26.7
UK										
FTSE All-Share	1.3	3.9	5.0	3.0	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	1.5	4.1	5.3	3.2	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	0.4	3.6	4.6	2.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-1.0	-1.0	-0.1	-0.9	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	0.1	5.8	7.0	3.4	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan										
Hong Kong Hang Seng	-0.5	-5.4	-10.9	-2.1	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	1.0	-6.7	-17.4	-13.0	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	2.0	-6.9	-4.0	-0.3	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	2.0	3.8	-0.4	3.9	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-1.3	-8.8	-10.6	-7.0	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	2.4	-1.0	-10.1	-6.6	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	6.6	-1.9	-12.5	-10.4	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	6.7	-3.9	-5.1	-1.1	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	6.3	7.4	5.3	11.3	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	1.5	-7.4	-15.8	-2.4	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	1.4	5.8	6.2	5.7	11.8	11.8	2.6	5.6	20.2	20.3
Topix	1.3	-1.1	-3.4	-2.4	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	1.1	0.4	-2.4	-0.9	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	1.1	-3.4	-9.1	-3.0	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America										
MSCI EM Latin America (US$)	9.2	-8.9	-14.1	-2.8	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	8.7	2.6	-1.8	5.9	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	11.8	-14.2	-20.7	-7.4	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	14.1	-30.4	-38.7	-37.4	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	4.5	-8.6	-11.9	-5.5	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-4.3	-2.3	9.4	11.1	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	-5.7	1.9	7.8	15.6	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-2.8	-3.2	-0.5	1.4	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-2.3	-6.9	-8.9	-6.3	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	26.1	30.3	51.6	27.9	42.1	101.0	-38.9	-65.7	225.8	-59.8

Past performance is not a guide to future returns.
Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

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