Invesco Perpetual

Monthly Market Roundup
September 2017 (covering August 2017)

Global overview

- Geopolitical tensions dominated global equity markets in August
- Investors rushed to so-called 'safe-haven' assets
- Most markets ended the month higher, reflecting the extent to which markets tend to look through geopolitical tensions

Global equity markets remained under pressure for much of August. Geopolitical tensions, the struggles of the Trump administration, another terror attack in Europe and Tropical Storm Harvey dominated headlines, yet global equity markets ended August in positive territory.

While the month started off strong for US equities, volatility increased as the month progressed. On 17 August the US equity market recorded its biggest one-day fall since May. The North Korea stand-off and Charlottesville violence were followed by the disbanding of the administration's business councils and simmering concerns over stretched valuations.

The US equity market remained unsettled as concerns around growing political risk dominated. Investors rushed to so-called 'safe-haven' assets after North Korea launched a ballistic missile that flew over Japan and President Trump responded by saying that "all options are on the table". By the end of the month, though, it was Tropical Storm Harvey (initially a hurricane) which had the biggest impact on the US equity market as it battered the US Gulf coast with historically heavy rain.

Data showed that the US economy expanded at an annualised rate of 3% from April to June (revised from an initial estimate of 2.6%) – the strongest growth in two years as household spending and investment improved. Economic data indicated that UK GDP growth slowed to just 0.3% in the second quarter as continued weakness in sterling and Brexit uncertainty hit household spending and business investment. UK retail sales rose 0.3% in July, marginally ahead of expectations, supported by strong food sales.

GDP figures showed that the European economy gathered more pace in the second quarter. Eurozone GDP growth stood at 0.6% in quarter two, up from 0.5% in the previous quarter. Particularly remarkable was the broad-based nature of the upswing, which is finally starting to spread across the 19-nation region. Euro-area economic confidence rose to the highest level in a decade, acting as tailwind for investment and consumption in the region.

Asian equity markets ended the month higher, all the more impressive given the increase in geo-political tensions on the Korean peninsula. Despite the risks involved, the reaction to North Korea missile launches has been muted, reflecting the extent to which markets tend to look through geopolitical tensions. Elsewhere in emerging markets, Latin America led the gains, drawing support from stronger than expected economic releases, positive political developments and a continued improvement in commodity prices. Equity markets in EMEA (Europe, Middle East and Africa) also enjoyed stellar gains with Russia, Hungary and Poland being the country winners.

In terms of the bond markets, geopolitical concerns and increasing levels of market volatility meant that government bonds outperformed corporate bonds and investment grade outperformed high yield.

US

- The US equity market remained under pressure for much of August
- Concerns around growing political risk dominated
- Tropical Storm Harvey had the biggest impact on US equities

Despite geopolitical tensions, the struggles of the Trump administration, another terror attack in Europe and Tropical Storm Harvey, the US equity market ended August in positive territory. While the month started off strong, with the market touching a fresh record high on 8 August, US equities remained under pressure for much of the month. On 17 August the US equity market recorded its biggest one-day fall since May as the North Korea stand-off and Charlottesville violence were followed by the disbanding of the US administration's business councils and simmering concerns over stretched valuations.

Unease spread amid rumours that President Trump's top economic adviser, Gary Cohen, would resign as chair of the National Economic Council. However, Mr Cohen, seen as one of the drivers behind President Trump's pro-growth agenda, did not resign. Instead it was controversial presidential adviser Steve Bannon who exited the White House, prompting an initial bounce in the US equity market.

However, the US equity market remained unsettled as concerns around growing political risk dominated. Investors rushed to so-called 'safe-haven' assets after North Korea launched a ballistic missile that flew over Japan and President Trump responded by saying that "all options are on the table". By the end of the month, though, it was Tropical Storm Harvey (initially a hurricane) which had the biggest impact on the US equity market as it battered the US Gulf coast with historically heavy rain.

Energy was the worst performing sector as much of the drilling and refining activity in the area came to a halt. Financials were also negatively impacted, particularly insurance stocks, as concerns grew that flooding from Harvey would lead to big losses. Consumer discretionary stocks, particularly retailers, were also in negative territory, showing the pressure that online retailing is putting on bricks and mortar businesses. In contrast, the IT sector continued to rally, helped by investor enthusiasm ahead of the launch of Apple's new iPhone, and utilities gained from their perceived 'safe-haven' status.

By the end of the month, investors shrugged off another tweet by President Trump, which ratcheted up rhetoric on North Korea, and markets appeared to take courage from a larger-than-expected revision to GDP growth. Data showed that the US economy expanded at an annualised rate of 3% from April to June (revised from an initial estimate of 2.6%) – the strongest growth in two years as household spending and investment improved. Strong data on jobs showed that US private non-farm payrolls added more jobs than expected in August, which also helped to signal that the US economy was on a firm footing.

In terms of corporate news, Gilead Sciences reached an US$11.9bn agreement to acquire Kite Pharma, adding a cutting edge anti-cancer technology to its portfolio. The Californian biotech group will pay US$180 per share for Kite. Santa Monica-based Kite is a leader in cell therapy, a new form of treatment which involves re-engineering patients' own white blood cells to attack cancer cells.

Europe

- European equity markets ticked down in euro terms, and rose in sterling terms
- The euro continued to strengthen
- GDP figures showed the European economy gathering more pace in quarter two

European equity markets ticked down in local currency terms, but rose in sterling terms as the euro continued its upward move in August. Relative to the British pound, the euro-area currency climbed to the highest level in eight years, while versus the US dollar, the euro crossed the 1.20 threshold this month for the first time since January 2015. Acceleration of economic activity in Europe combined with the debate over potential tightening in monetary policy put upward pressures on the euro.

On a sector level, the utilities sector was the strongest performer in August, bolstered by a surge in European power prices. This was followed by the health care and consumer goods sectors. Meanwhile, consumer services led detractors relative to the overall market, followed by telecommunications. On a stock level, shares of Fiat Chrysler, the Italian listed automaker, climbed to a record high after analysts said they see substantial value in several of the company's brands that could emerge from spin-offs or sales to other automakers. Uniper, the German utility company was another strong performer after raising its dividends forecasts thanks to an improved earnings outlook. Meanwhile, ProSiebenSat, the German broadcaster, dropped by almost 17% this month after cutting its expectations for end-of-year earnings. Carrefour, the French retailer, also fell after issuing a profit warning at the end of August.

On the macroeconomic front, GDP figures showed the European economy gathering more pace in the second quarter. Eurozone GDP growth stood at 0.6% in quarter two, up from 0.5% in the first quarter. Particularly remarkable was the broad-based nature of the upswing, which is finally starting to spread across the 19-nation region. Germany, the euro-area's largest economy, is no longer the sole catalyst behind this recovery, but other European countries are also making a notable contribution. GDP data from the second quarter 2017 showed Spain growing at its strongest pace in almost two years. Exports and investment have led France to its strongest continuous GDP expansion since 2011, while the Netherlands posted the fastest GDP growth since the end of 2007. Moreover, Italy, a country that has lagged the pickup of its peers, is now showing encouraging signs and is expected to grow GDP by over 1% this year for the first time since 2010. Elsewhere, euro-area economic confidence rose to the highest level in a decade, acting as tailwind for investment and consumption in the region.

Despite an accelerating growth and a steadily declining unemployment, inflation has been slow in converging towards the European Central Bank (ECB)'s target rate. Nevertheless, August inflation figures showed a step in the right direction with eurozone headline inflation climbing to 1.5% from 1.3% in the prior month. Core inflation (excluding volatile items) remained stable at 1.2%. The ECB is expected to give more details over its monetary policy outlook and the future of its quantitative-easing programme sometime before year-end.

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UK

- Global geopolitical tensions added to volatility in the UK equity market
- UK GDP growth slowed to just 0.3% in the second quarter
- Profit warnings from a number of UK blue chip companies headlined corporate news flow

The UK equity market closed the month marginally higher, despite significant volatility in response to global geopolitical developments. Growing tensions between the US and North Korea added to nervousness in global markets; the launch of a ballistic missile over Japan into month end prompted President Trump to warn that "all options are on the table". This response was however, more muted than the "fire and fury" previously threatened by the President, restoring some composure to markets. Into month end, damage to US infrastructure wrought by Tropical Storm Harvey drove a sharp rise in energy prices.

Economic data indicated that UK GDP growth slowed to just 0.3% in the second quarter as continued weakness in sterling and Brexit uncertainty hit household spending and business investment. UK retail sales rose 0.3% in July, marginally ahead of expectations, supported by strong food sales.

Profit warnings from WPP, Dixons Carphone and Provident Financial headlined corporate news flow during August and prompted a sharp sell-off in the share prices of these companies. Advertising megalith WPP warned that full-year sales are likely to miss forecasts as ongoing economic uncertainty and digital disruption subdues client spending. Electronics retailer Dixons warned of 'challenging' conditions in the UK mobile phone market as it revised down full year earnings expectations.

Non-standard lender Provident Financial announced its second profit warning in two months in an unscheduled trading update to the market; a strategic shift in the company's home credit operating model has caused significant operational disruption and substantial underperformance in debt collections. The business also announced that subsidiary business Vanquis Bank is co-operating with an investigation by the FCA into its Repayment Option Plan (ROP) ancillary product. Given the circumstances, chief executive Peter Crook took the decision to resign with immediate effect. The company Board determined that Provident Financial must protect its capital base by withdrawing its interim dividend declared on 25 July 2017 and indicated that a full-year dividend is 'unlikely'. Into month-end, the group's share price showed some recovery from the initial dramatic fall, albeit from a low base.

Elsewhere, G4S reported rising revenues and underlying profits for the first half of the year, but the market reacted negatively to muted growth in the company's emerging markets business. Clinical-stage biopharmaceutical business Puretech reported significant progression across its advanced pipeline of clinical, preclinical and concept/discovery-stage programmes; the company has continued to build on its leading Intellectual Property position, issuing nearly 100 patents in the six-month period.

Asia Pacific

- Eighth consecutive month of gains for Asian equity markets
- Geopolitical tensions in Korean peninsula shrugged off
- In Japan, political risks offset positive corporate results and a strong economy

Asian equity markets ended the month higher for an eighth consecutive month, all the more impressive given the increase in geopolitical tensions on the Korean peninsula. Despite the risks involved, the reaction to North Korea missile launches has been muted, reflecting a degree of local market complacency to the region's high-stakes brinkmanship.

China's equity market outperformed, thanks to generally better than expected corporate earnings and further signs of resilience in the underlying economy. Manufacturing surveys continued to suggest economic expansion, while retail sales and exports remained reasonably strong, although other activity indicators lost some momentum. Hong Kong's equity market also made solid gains led by property and bank stocks after better than expected earnings.

Thailand's equity market enjoyed its best monthly return year-to-date, with GDP growth in the second quarter beating expectations, while exports growth also surprised positively, although an absence of investment spending remains a concern. Malaysia's second quarter GDP growth also beat expectations and the current account surplus was sustained.

On the other hand the Philippines and South Korea were the region's worst performing equity markets over the month. Besides the escalation of geo-political tensions, investor sentiment towards South Korea weakened due to concerns over the impact of the new government's policies, which include: a corporate tax rate hike, telecoms tariff cuts and mortgage tightening measures. Meanwhile, currency weakness impacted the Philippines as the peso weakened further given a widening trade deficit and political uncertainty.

Finally, in quarter two India's GDP growth slowed to 5.7% from 6.1% in the prior quarter, which was weaker than had been expected. Manufacturing surveys and industrial production data appeared to have been impacted by destocking after the introduction of the Goods & Services Tax. The Reserve Bank of India cut interest rates, but reiterated its neutral stance and remained relatively cautious on the inflation outlook.

Japan's equity market ended the month marginally weaker in local currency terms due to tension between the US and North Korea and ongoing political uncertainty in the US. Overseas risks offset tailwinds such as solid corporate earnings momentum and a strong domestic economy. From a sector perspective, commodity-related and global cyclical sectors outperformed other areas of the market. On the other hand, the financial sector sharply underperformed.

The recent quarterly corporate earnings results saw sales surprise on the upside for the second consecutive quarter while profit margins continued to rise. Overall, the number of companies reporting greater-than-expected earnings outweighed those that reported disappointing figures. Meanwhile, on the economic front, preliminary April-June real GDP was 4% quarter-on-quarter annualised, representing strong growth, well above the market consensus forecast of 2.5%.

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Emerging Markets

- Emerging equity markets extended their winning ways in August
- Robust corporate earnings growth, a weaker US dollar and higher commodity prices provided tailwinds
- Brent crude was stable as gas prices surged following Hurricane Harvey

It was another positive month for emerging equity markets as they extended year-to-date returns. Latin America led the gains, drawing support from stronger than expected economic releases, positive political developments and a continued improvement in commodity prices. Equity markets in EMEA (Europe, Middle East and Africa) also enjoyed stellar gains with Russia, Hungary and Poland being the country winners. Equity performance in Asia was also positive but with greater dispersion - China continued on its uptrend on the back of robust second quarter corporate earnings, whereas Korea bore the brunt of the unrest in the Korean Peninsula. Emerging market currencies gained in value versus the US dollar as expectations of a possible US interest rate hike in September receded significantly following the release of a subdued US inflation report in August. While Brent crude was broadly unchanged on the month, gas prices surged higher following the operational disruptions caused by Hurricane Harvey. Led by aluminium and copper, metal prices also strengthened strongly.

Equity gains in the Latin American region were led by Peru, Brazil and Chile. From a sector perspective, financials, materials and healthcare came out on top. Sentiment towards Brazil was lifted by encouraging macroeconomic data releases that reaffirmed the growing view that the economy is finally back on the mend – retail sales, industrial production and employment numbers all came in above median expectations during August. On the political front, the dismissal of corruption charges against President Temer and the government's announcement to promote widespread privatisations were favourably received by financial markets. Aside from a higher inflation figure, economic data from Mexico was also generally upbeat as consumer confidence reached its highest level in the year and the unemployment rate fell to its lowest reading in over a decade. Elsewhere in the region interest rates were cut by 25 basis points to 5.25% in Colombia.

A positive second quarter 2017 corporate earnings season, surging gas prices and a stronger currency provided tailwinds for the Russian equity market with the rouble appreciating 3% against the US dollar. Economic news from Russia was broadly positive with consumer inflation surprising on the downside – the headline rate fell to 3.9% last month versus consensus expectations of 4.3%. Russia's economic recovery appears to be gaining traction with initial official estimates for quarter two GDP showing growth at 2.5% versus 1.7% expectations. Quarter two GDP growth also accelerated in the Czech Republic and marginally so in Poland but slowed in Hungary. A strong second quarter 2017 corporate earnings season underpinned equity gains in Turkey and a mixture of economic and political news supported South Africa's equity market – the annual inflation rate dropped to 4.6% from 5.1% last month and President Zuma survived another vote of no-confidence, this time in a secret ballot.

MSCI US$ price index return	**(%, US$)**
	Aug 2017
Emerging markets	2.0
Developed markets	-0.1
Latin America	4.4
EMEA	4.3
Emerging Asia	1.0
Top five by country	
Peru	8.5
Russia	8.1
Hungary	7.5
Poland	6.7
Brazil	6.0
Bottom five by country	
Pakistan	-14.0
Qatar	-6.6
Philippines	-2.6
Korea	-2.5
India	-0.8

Source: MSCI Indices, Bank of America Merrill Lynch, 31 August 2017.

Fixed Interest

- Geopolitical concerns led to a lowering of risk appetite in markets (risk-off)
- Expectations that the ECB would announce plans for a policy change were not met
- The market's focus has shifted toward the US debt ceiling debate

August began with many in the market expecting a relatively quiet month. Not much was expected to happen until European Central Bank (ECB) President Mario Draghi's scheduled speech at the Jackson Hole symposium of central bankers. As is so often the case, events overtook expectations. At the start of the month, geopolitical concerns surrounding the Korean peninsula raised uncertainty and the level of market volatility. This led the market to prefer so-called 'safe haven' assets. Government bonds outperformed corporate bonds and investment grade outperformed high yield.

The market's focus on Jackson Hole was driven by an expectation that Mr. Draghi would use his first speech at the event in three years as an opportunity to announce the ECB's plans to reduce economic stimulus. However, lower inflation data, the downturn in market sentiment and a stronger euro all weighed against the likelihood of change. The ECB sought to downplay expectations of a significant policy change announcement. It was therefore not surprising that Draghi's actual speech contained nothing new. The market's focus has now turned to the next scheduled meeting for the ECB in early September.

Of more immediate concern to the market is the US debt ceiling debate. That is the debate surrounding legislation, which needs to be passed so that the US Government can continue borrowing and not default. Reflective of the markets concerns, US Treasury Bills due to mature in October 2017 (the expected deadline for the debt ceiling) are now trading at much higher interest rates to bills maturing in the months after.

For credit markets this backdrop of uncertainty has favoured higher quality parts of the market with falling government bond yields the biggest component of corporate bond returns. The additional yield European investment grade companies must pay over their underlying government to borrow (the credit spread) increased from 94 basis points (bps) to 101bps. This is however still very low compared to levels in the past. Sterling investment grade credit spreads also increased, but by a smaller amount (126bps to 130bps).The risk-off tone to markets was reflected at a sector level with bonds issued by utility companies outperforming those issued by industrial and financial companies.

Corporate bond issuance levels in the eurozone were unchanged versus levels last month. However, there was a drop in sterling issuance, which was also lower than August 2016. This in part reflects the fact that August 2016 sterling issuance was much higher following the Bank of England's announcement last year that it would buy sterling corporate bonds as part of its quantitative easing programme.

Government Bonds — **Yield to maturity (%)**

	31.08.17	31.07.17	31.05.17	28.02.17	31.08.16
US Treasuries 2 year	1.33	1.35	1.28	1.26	0.81
US Treasuries 10 year	2.12	2.29	2.20	2.39	1.58
US Treasuries 30 year	2.73	2.90	2.86	3.00	2.23
UK Gilts 2 year	0.18	0.27	0.13	0.10	0.14
UK Gilts 10 year	1.03	1.23	1.05	1.15	0.64
UK Gilts 30 year	1.70	1.86	1.69	1.74	1.27
German Bund 2 year	-0.73	-0.68	-0.71	-0.90	-0.62
German Bund 10 year	0.36	0.54	0.30	0.21	-0.07
German Bund 30 year	1.12	1.30	1.16	0.99	0.46

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 August 2017.

Corporate Bonds — **Yield to maturity (%)/Spread[1] (bps)**

	31.08.17		31.07.17		31.05.17		28.02.17		31.08.16	
£ AAA	1.57	41	1.71	39	1.58	42	1.75	41	1.24	31
£ AA	1.68	72	1.79	69	1.71	75	1.77	77	1.44	77
£ A	2.24	115	2.36	112	2.29	120	2.41	128	2.03	127
£ BBB	2.59	157	2.70	153	2.62	163	2.81	179	2.53	181
€ AAA	0.65	54	0.76	50	0.72	62	0.66	68	0.40	58
€ AA	0.41	64	0.51	60	0.47	71	0.34	78	0.21	64
€ A	0.63	86	0.72	80	0.69	94	0.66	108	0.48	89
€ BBB	1.11	122	1.17	113	1.18	133	1.20	154	0.99	136
European High Yield (inc € + £)	3.56	288	3.60	283	3.85	314	4.06	364	4.31	400

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 August 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 31 August 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	0.2	3.1	8.2	13.9	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	-0.8	3.0	5.3	9.3	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	1.1	3.1	11.1	18.9	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	0.0	3.9	7.6	12.5	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	2.3	9.6	18.3	28.6	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	0.3	3.4	8.7	14.8	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	0.7	5.2	6.8	13.0	16.5	0.2	10.0	29.7	10.2
S&P 500	0.3	3.0	5.7	11.9	12.0	1.4	13.7	32.4	16.0
NASDAQ	1.4	4.0	11.0	20.3	8.9	7.0	14.8	40.1	17.5
Russell 2000	-1.3	2.9	2.0	4.4	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	0.7	-0.2	0.3	1.4	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	-0.3	-2.4	6.5	9.5	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-0.8	-3.6	3.4	6.0	3.2	8.8	7.4	20.5	18.1
CAC 40	-0.2	-3.3	7.5	7.4	8.9	11.9	2.7	22.2	20.4
DAX	-0.5	-4.4	1.9	5.0	6.9	9.6	2.7	25.5	29.1
Ibex 35	-1.6	-4.5	9.8	12.8	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	0.9	4.9	17.4	15.7	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	-1.4	-1.0	4.4	8.6	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-1.1	-0.6	6.9	10.0	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-0.5	-1.4	8.7	13.3	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	8.1	8.9	4.1	-2.8	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	4.8	9.5	13.3	13.6	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	2.7	6.0	12.4	13.6	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	1.4	0.0	5.3	8.2	16.8	1.0	1.2	20.8	12.3
FTSE 100	1.6	0.0	4.7	7.3	19.1	-1.3	0.7	18.7	10.0
FTSE 250	0.4	-0.2	7.4	11.6	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-0.7	0.4	9.1	11.4	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-1.2	-4.2	2.2	3.4	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	3.1	11.5	21.3	31.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	2.5	7.7	3.5	8.1	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-0.4	3.4	8.7	17.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	1.5	5.4	8.6	14.4	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-1.6	0.7	13.0	16.6	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	0.4	2.2	8.9	10.7	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-0.7	1.6	10.4	16.3	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	3.3	4.3	6.3	7.7	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	-2.3	2.3	11.2	20.4	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	4.3	10.2	13.7	24.7	1.5	-16.9	15.6	-1.5	19.8
ASX 200	0.7	0.9	2.4	3.9	11.8	2.6	5.6	20.2	20.3
Topix	0.0	3.4	6.5	7.8	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	-1.4	0.0	2.8	2.8	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	1.1	8.4	16.5	27.5	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	4.6	14.1	12.1	25.0	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	1.0	11.5	24.1	31.1	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	6.3	16.0	5.3	21.7	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	11.2	0.0	22.7	46.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	5.4	13.3	21.7	31.3	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	1.4	6.7	-2.3	-4.6	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	-5.9	-2.1	-12.5	-12.1	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-0.9	0.9	-4.7	-5.5	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	3.7	3.8	4.7	13.7	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	25.2	34.9	37.8	23.2	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 04 September 2017.

Global currency movements – figures to 31 August 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.19	0.6	5.9	12.6	13.3	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.92	2.8	5.6	7.8	8.1	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.14	-0.3	4.9	7.3	6.6	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.45	-1.0	-3.2	-1.1	-1.3	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.24	-0.7	-2.5	4.1	1.7	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	0.0	0.0	0.1	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.25	-0.2	1.6	-1.4	-3.5	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	305.79	0.5	-0.8	-0.8	-1.1	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	109.98	-0.3	-0.7	-2.5	-5.9	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.25	0.0	-7.5	-6.2	-7.1	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.01	-1.3	-0.8	-0.9	-5.3	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.15	0.7	-2.4	1.2	-3.3	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1124.86	0.5	0.5	-1.1	-6.8	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.19	-0.1	0.3	-1.5	-7.0	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.18	-0.4	-2.5	-5.0	-7.4	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.36	0.1	-2.0	-3.4	-6.4	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.78	2.3	0.2	-3.4	-4.1	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	16.82	-3.4	-0.5	3.5	-0.8	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.79	-0.7	7.0	3.8	10.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.72	-4.5	1.4	-0.2	3.4	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 04 September 2017.

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