Monthly Market Roundup
January 2018 (covering December 2017)

Global overview

- Global equity markets ended the year near all-time highs
- Markets were driven by solid corporate earnings and accelerating economic growth
- Global equity markets achieved their best performance in December since the post financial crisis recovery

Global equity markets ended the year near all-time highs amid solid corporate earnings and accelerating economic growth. Global economic growth continued to be robust and broad-based, driven by industrial activity and investment. Performance in December helped global equity markets achieve their best annual performance since the post financial crisis recovery.

In the US, returns were boosted by President Trump's end-of-year tax-cutting package and promised infrastructure spending. Congress approved a bill that includes a broad reduction in the domestic tax rate paid by companies to 21% from 35%. Other measures included changes to how companies can deduct interest on debt and expense spending. While the US Tax Reform Bill still needs to be signed by President Trump before it becomes law, the expectation was that certain companies would get a big earnings boost from the lower tax rate.

The US Federal Reserve (Fed) increased interest rates, as was widely anticipated, while members of the UK's Monetary Policy Committee (MPC) voted unanimously to maintain interest rates at 0.5%. The MPC confirmed it expected "further modest increases" in order to bring inflation down to the Bank of England's 2% target. The Consumer Price Index was 3.1% in November, up from 3% the previous month. From a European perspective, preliminary inflation readings published in December (covering November) showed inflation levels also unchanged from the previous month.

The performance of the UK and European equity markets was largely driven by the oil, gas and mining sectors, which benefited from a sharp improvement in copper prices. Year-to-date the red metal has rallied over 30%, buoyed by demand in China and strengthening global economic growth.

China's equity market made modest gains at the end of a very strong year, with economic data for November largely meeting expectations. Industrial production and fixed asset investment both saw a small pick-up in growth, as did exports growth.

Emerging equity markets registered positive gains in December with the EMEA (Europe, Middle East and Africa) region being the front runner. Aided by rising commodity prices, Latin American equity markets finished the year on a winning note. Supported by earnings growth, the rally in Asia also continued for another month. Brent crude oil prices strengthened to reach their highest level since 2015.

The final month of 2017 provided a mix of returns for bond markets. In sterling and US dollar denominated markets the best performing areas were investment grade corporate bonds. In the euro denominated market, high yields bonds were the best performing.

US

- The US equity market was boosted by a tax-cutting package and promised infrastructure spending
- The month of December rounded off the best year for the US equity market since 2013
- The US equity market has posted positive returns every calendar month of 2017

The US equity market posted fresh all-time highs in December boosted by President Trump's end-of-year tax-cutting package and promised infrastructure spending. Congress approved a bill that includes a broad reduction in the domestic tax rate paid by companies from 35% to 21%. Other measures include changes to how companies can deduct interest on debt and expense spending.

The month of December rounded off the best year for the US equity market since 2013. When dividends are included, the US equity market has posted positive returns every calendar month of 2017 – the first such streak in history (source: FT.com).

The telecoms and energy sectors were the strongest performers over the month. The advance for telecoms came after the Federal Communications Commission rolled-back Obama-era net neutrality rules meant to ensure all internet services are treated equally. The gains for energy were propelled by a recovery in commodity prices. Brent crude oil jumped above US$65 a barrel for the first time since June 2015 after one of the most important pipelines in the world was shut because of a crack, before turning lower.

Consumer stocks also did well, boosted by grocery stores and retailers after hiring increased by more than forecast in November (228,000 jobs on the previous month) and the unemployment rate held at a 17-year low. The jobs data bolstered markets further after the US Government averted a shutdown earlier in the month.

While the US Tax Reform Bill still needs to be signed by President Trump before it becomes law, expectations were that companies – particularly those that are US focused – would get a big earnings boost from the lower tax rate. The utilities sector, however, was thought to lose out. As such, it was the weakest performing sector in December. It was also negatively impacted by devastating wildfires that have hit California over the past few months and which are casting a long shadow over two of the state's major utility groups.

The US Federal Reserve (Fed) increased interest rates, as was widely anticipated, and raised its outlook for economic growth in 2018. While US third quarter economic growth was revised down to an annual rate of 3.2%, the pace of growth remains the fastest since early 2015.

Markets will now turn attention to 2018 for clues on whether corporations will plough some of the savings into investments that will bolster earnings at the same time central banks around the world are reducing stimulus or raising interest rates.

In terms of corporate news, the share price of pharmaceutical firm Merck & Co gained after announcing an agreement to be the exclusive multinational distributor of Avanti Polar Lipids' life science research supplies outside the US. CVS Health Corp. announced its US$68 billion deal to buy Aetna Inc. after the Obama-era antitrust lawsuit forced the insurer in February to abandon its takeover of Humana Inc.

Europe

- In 2017, European equities posted their best total return since 2013
- In December, European equity markets ticked up in sterling terms but remained largely flat in euro terms
- The euro-area economy ended the year on strong footing with further growth in business activity

In December, European equity markets remained largely flat in local currency terms, but ticked up in sterling terms as the euro advanced relative to GBP. For 2017 overall, European equities saw their best returns since 2013 amid a robust economic expansion and a go-slow approach toward monetary-stimulus withdrawal.

On a sector level, the basic materials sector was the best performer in December benefiting from a sharp improvement in copper prices. This was followed by the consumer services sector, particularly the travel and leisure sub-sector, boosted by an end-of-year increase in activity. Meanwhile, the utilities sector was the leading detractor amid a jump in government bond yields as sentiment towards more risky assets improved after the US senate voted to pass the US tax reforms. On a stock level, Gemalto, the security software firm, was among the strongest performers after its share price soared about 56% in December. Atos, a French IT services company, made an initial approach to acquire Gemalto at €46 per share. The offer was rejected by Gemalto and another takeover agreement was reached with Thales, valuing the company at €51 per share. Meanwhile, Innogy, the German utility firm, was among the biggest detractors after cutting its 2017 earnings forecasts and predicting falling earnings in 2018 due to an increase in investment costs.

On the macroeconomic front, the euro-area ended the year on strong footing with December seeing the fastest growth of business activity for nearly seven years. The eurozone composite Purchasing Managers Index (PMI), a private sector activity survey and leading economic indicator, rose to an 82-month high and beat expectations. The economic uptick continued to be broad-based, driven by a booming manufacturing sector (eurozone Manufacturing PMI rose to a record in December) as well as a robust services sector. The eurozone consumer confidence indicator, as measured by the European commission, also rose to the highest level in more than a decade, reflecting the positive economic backdrop.

From an inflation perspective, preliminary readings published in December (covering November) showed constant inflation levels relative to the prior reading for both headline and core (which excludes volatile items such as food and energy). Accelerating growth in the euro-area has yet to translate into higher prices, justifying the European Central Bank's decision in October to prolong its asset purchase program for nine months. However, continued growth in domestic demand and falling unemployment in the eurozone suggest rising core inflationary pressures as we move through 2018 in our view.

Invesco Perpetual

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UK

- Rising oil and metal prices supported outperformance in the oil, gas, and mining sectors
- The UK Government reached a deal on the key EU divorce terms
- Black Friday sales boosted UK retail sales in November, with strong online trading having provided a hiatus from the weakness seen over recent months

The UK equity market rose strongly through the final month of the year against a backdrop of rising commodity prices, strengthening global economic growth and a raft of new US tax legislation – headlined by a major cut in corporation tax. Oil and industrial metal prices continued to rally, particularly copper, supporting outperformance in the oil, gas and mining sectors. Year-to-date the red metal has rallied over 30%, buoyed by demand in China and strengthening global economic growth. Miners Glencore and BHP Billiton were among the market's top performers in December. Brent crude oil continued to rise, surpassing US$65 in the second half of the month.

There were some promising signs of progress in the Government's Brexit negotiations which was well received by the market. Early in the month, Theresa May travelled to Brussels to finalise EU divorce terms, a process initially hampered by last-minute objections from the Northern Irish Democratic Unionist Party (DUP). After four days of negotiations, however, a deal on the key issues was finally agreed and at a meeting mid-month the European Council concluded that sufficient progress had been made in the first phase of negotiations to proceed to the second phase.

Members of the Monetary Policy Committee voted unanimously to maintain interest rates at 0.5%, but confirmed it expects 'further modest increases' in order to bring inflation down to the Bank of England's 2% target. The Consumer Price Index was 3.1% in November, up from 3.0% the previous month. The UK manufacturing sector performed strongly in the fourth quarter of 2017, with the Purchasing Managers' Index (PMI), a private sector activity survey and leading economic indicator, posting a three-year high for the three months to December. Black Friday sales boosted UK retail sales in November, with strong online trading providing a hiatus from the weakness seen over recent months; sales volumes rose 1.1% during the month, well ahead of economists' expectations of 0.4%.

Corporate news flow was generally quieter heading into the festive season, with updates from retailers on the critical festive trading period scheduled from the first week of the New Year. BAE finalised its £5bn deal with Qatar for the production of 24 Typhoon fighter jets. Shaftesbury added six more shops on London's Neal Street to its existing 14.9 acre West End-focused portfolio. To fund the deal, the company issued 24.9m shares at a near 5% discount to net asset value. Norges Bank more than doubled its existing stake in the company, taking the Norwegian central bank's holding to 12.7%.

The market speculated about the potential break-up of Whitbread as activist Sachem Head Capital Management announced a 3.4% stake in the owner of Costa Coffee and Premier Inn. A trading update from Legal & General confirmed the financial services group is on track for a 'record' year for earnings and profits. Chief executive Nigel Wilson praised the company's 'formidable momentum', with strong performances across its asset management, general insurance, and group protection businesses.

Shares in Capita fell on news of a more subdued outlook for the business pipeline. A trading update from the company confirmed that year-to-date performance remains in line with expectations, however, with further progress made in cost-saving programmes currently underway across the business.

Asia Pacific

- Asian equity markets ended the year at record high levels
- India's ruling party held Prime Minister Modi's home state in a close election
- Japan's equity market achieved positive returns over 2017 helped by solid global growth

The MSCI Asia Pacific ex Japan index ended the year at record high levels, in US dollar terms. ASEAN equity markets, with the exception of Singapore, made the strongest gains over the month of December, playing catch-up having lagged the broader market during 2017. Similarly, in terms of sector performance, healthcare and consumer staples made strong gains, while the tech sector was largely flat after a year of stellar returns.

China's equity market made modest gains at the end of a very strong year, with economic data for November largely meeting expectations. Industrial production and fixed asset investment both saw a small pick-up in growth, as did exports growth. South Korea also lagged the broader market's rise, although economic data remained upbeat with strong growth in retail sales and a survey of sentiment amongst manufacturers reaching its highest level since April 2013.

India's equity market made solid gains, ending the year on a high, although monthly economic data was less encouraging. Prime Minister Modi's party won state elections in Gujarat – his home state – but by a tighter margin than had been expected, strengthening expectations that there will be increased government stimulus in rural states ahead of national elections in 2019.

Australia's equity market made small gains, with higher commodity prices seeing the energy and materials sectors making the strongest gains.

Japan's equity market ended December higher to produce strong returns over 2017. During the month, investor sentiment was supported by a recent solid quarterly earnings season and a supportive global macroeconomic backdrop. Japan's macroeconomic data continued to show a gradual improvement in the economy. On an annualised basis, third quarter GDP grew by 2.5%, which was stronger than the preliminary estimate of a 1.4% expansion. Recent data for November highlighted that households spent more than expected, helped by a 1.8% increase (year-on-year) in wage earners' disposable income, while the jobless rate hit a 24-year low. On the inflation front, the core consumer inflation index ticked up (0.9%) but continued to remain stubbornly below the Bank of Japan's 2.0% target despite a growing economy.

Against this backdrop, the central bank decided to leave its accommodative monetary policy unchanged during the month, which was widely expected. Finally, the Bank of Japan Tankan Survey (December) showed the large manufacturers' business confidence index achieving its highest level since December 2006, adding further evidence that the economy is gathering some momentum from exports and solid corporate profits.

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Emerging Markets

- December gains capped a healthy year for emerging equity markets
- Interest rates were cut in Russia and Brazil but raised in Mexico
- Cyril Ramaphosa won the ANC election battle in South Africa

Emerging equity markets registered positive gains in December with the EMEA (Europe, Middle East and Africa) region being the front runner. Aided by rising commodity prices, Latin American equity markets finished the year on a winning note. Supported by earnings growth, the rally in Asia also continued for another month. Brent crude oil prices strengthened to reach their highest level since 2015. Led by the South African rand, emerging market currencies appreciated against the US dollar, with the Mexican peso being the main exception.

Rising oil prices and lower interest rates provided a positive backdrop for Russia's equity market. The Bank of Russia cut its policy rate by 50 basis points to 7.75%. In politics, President Putin announced plans to run for a fourth term in the upcoming Presidential elections in March 2018. Political developments attracted headlines elsewhere. In South Africa, Cyril Ramaphosa's victory in the ANC Presidential elections boosted sentiment towards the local equity market and led to a rally in the rand. Financial markets in Turkey reacted positively to news that visa restrictions between the country and the US were to be removed. The strong year-end rally in Turkey's equity market also drew support from encouraging domestic economic data – third quarter 2017 GDP growth came in at 11.1% year-on-year – higher than consensus expectations.

Politics attracted attention in Latin America last month with Chile being the best performing equity market in the region as investors reacted warmly to Sebastian Pinera's victory in the Presidential elections. The conservative candidate pledged to jump-start Chile's economic growth and adopt more business-friendly policies than his predecessor. In Peru, President Pablo Kuczynski survived an impeachment effort by opposition lawmakers. By comparison, the political temperature in Brazil was less heated as the Lower House approved an open skies agreement with the US. With inflationary pressures waning, Brazil's central bank reduced its benchmark Selic interest rate by 50 basis points to 7.0% – a historic low. By contrast, a deteriorating inflation outlook prompted Banxico (Mexico's central bank) to raise interest rates by 25 basis points to 7.25%. The Mexican peso lost ground during the month.

2017 was the best year for emerging markets versus developed ones since 2009. Asia came top from a regional perspective, driven by China, Korea and India. However, the overall country winner for the year was Poland, which benefited from a strengthening recovery in the eurozone. The bottom three markets were Qatar, UAE and Russia. Technology was the best performing sector over the year.

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Fixed Interest

- US tax reforms received Senate approval
- The European Central Bank (ECB) officials suggested that Quantitative Easing (QE) could be wound down in 2018
- Further details of accounting irregularities emerged at Steinhoff International

The final month of 2017 provided a mix of returns for bond markets. In sterling and US dollar denominated markets the best performing areas were investment grade corporate bonds. In the euro denominated market, high yields bonds were the best performing.

At the start of the month, news that the UK had reached a deal with the European Union over the first stage of Brexit negotiations helped risk appetite and sterling denominated corporate bonds rallied. Mid-month there was a rise in European government bond yields. In turn, this led to a rise in euro denominated corporate bond yields. The rise in yields was attributed to a number of factors. These included some hawkish comments from ECB officials that suggested the ECB might wind down its QE programme in 2018 and an announcement from the German Finance Agency that it would increase its issuance of 30 year bonds in 2018.

In the US, the Senate approved Donald Trump's tax reform bill. The reforms will cut the US corporate tax rate from 35% to 21% and also make adjustments to personal tax rates. The passing of the bill added to pressure on US government bond markets, with many market participants expecting the reforms would lead to higher government borrowing.

One of the more significant company specific news stories concerned Poundland owner, Steinhoff International. Further details of accounting irregularities at the Frankfurt listed firm emerged over the month, with the company saying it would need to restate its financial accounts for 2016 as they could "no longer be relied upon." Moody's downgraded the company's bonds from Baa at the start of the month to Caa by 31 December. The revelations led to the 2025 bond price falling from around €90 to €47 by 31 December. Troubles also continued at UK sub-prime lender Provident Financial, with the Financial Conduct Authority (FCA) announcing it was investigating how the company assesses customers' ability to repay what they have borrowed within its car loan business. This follows on from profit warnings in August and an ongoing FCA probe into Provident Financial's credit card business. On a more positive note, the price of bonds issued by broadcaster Sky benefitted from news that Walt Disney had agreed a deal to buy Fox's entertainment assets, including the company's 39% stake in Sky.

In terms of issuance, sterling investment grade new supply was down slightly on December 2016 while euro investment grade supply was up. Meanwhile, the strong supply in European high yield bonds this year continued, with issuance levels for December up significantly on December 2016 levels.

Government Bonds	Yield to maturity (%)				
	31.12.17	30.11.17	30.09.17	30.06.17	31.12.16
US Treasuries 2 year	1.88	1.78	1.48	1.38	1.19
US Treasuries 10 year	2.41	2.41	2.33	2.30	2.44
US Treasuries 30 year	2.74	2.83	2.86	2.83	3.07
UK Gilts 2 year	0.44	0.52	0.47	0.36	0.08
UK Gilts 10 year	1.19	1.33	1.37	1.26	1.24
UK Gilts 30 year	1.76	1.88	1.92	1.87	1.88
German Bund 2 year	-0.63	-0.68	-0.69	-0.57	-0.77
German Bund 10 year	0.43	0.37	0.46	0.47	0.21
German Bund 30 year	1.26	1.19	1.30	1.25	0.94

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

Corporate Bonds	Yield to maturity (%)/Spread[1] (bps)									
	31.12.17		30.11.17		30.09.17		30.06.17		31.12.16	
£ AAA	1.85	45	1.84	42	1.84	41	1.77	41	1.83	39
£ AA	1.78	67	1.93	71	1.94	71	1.89	71	1.90	78
£ A	2.40	111	2.51	114	2.51	114	2.45	116	2.54	131
£ BBB	2.70	146	2.83	149	2.82	151	2.79	158	2.96	185
€ AAA	0.68	47	0.60	48	0.72	53	0.88	60	0.71	68
€ AA	0.45	55	0.37	56	0.48	64	0.63	68	0.42	77
€ A	0.69	75	0.62	76	0.69	84	0.82	88	0.71	106
€ BBB	1.13	104	1.05	106	1.15	118	1.30	125	1.25	153
European High Yield (inc € + £)	3.53	294	3.47	286	3.54	277	3.79	301	4.26	390

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

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	1.4	5.6	10.9	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	1.5	4.7	9.6	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	1.3	6.5	12.1	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	1.5	5.3	12.0	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	3.6	7.5	16.1	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	1.6	5.8	11.2	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	1.9	11.0	17.2	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	1.1	6.6	11.4	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	0.5	6.6	13.0	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	-0.4	3.3	9.2	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	1.2	4.5	8.3	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	-0.2	-0.4	2.9	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	0.8	0.7	3.4	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	-0.9	0.0	4.3	12.7	8.9	11.9	2.7	22.2	20.4
DAX	-0.8	0.7	4.8	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	-1.3	-2.4	-2.1	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-2.3	-3.5	7.0	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	0.7	2.5	5.3	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	0.8	1.8	8.7	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	1.7	0.8	5.0	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	3.0	4.5	23.3	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	5.5	4.4	13.3	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-0.3	7.4	17.0	21.0	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	4.8	5.0	7.2	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	5.0	5.0	6.9	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	4.0	4.8	8.5	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	2.8	2.7	6.2	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	2.7	2.5	4.7	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	2.6	8.8	18.2	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-0.3	-1.2	3.6	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-0.7	6.1	7.3	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	0.8	3.0	2.4	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-0.4	3.1	3.2	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	6.8	7.7	9.0	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	3.7	4.7	9.1	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	3.4	5.0	12.7	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	2.9	9.2	10.9	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	2.0	7.3	15.2	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	1.8	7.6	8.4	11.8	11.8	2.6	5.6	20.2	20.3
Topix	1.6	8.7	13.8	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	0.2	11.8	13.6	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	3.1	8.0	14.5	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	4.5	-2.2	12.5	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	0.0	-8.0	-6.6	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	4.7	-1.9	20.7	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	6.7	7.4	22.7	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	15.8	7.3	25.5	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	5.0	17.0	41.7	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	5.3	17.0	31.4	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	2.6	6.2	11.6	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	1.9	1.5	4.8	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	-13.4	0.7	51.6	42.1	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 January 2018.

Global currency movements – figures to 31 December 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.20	0.8	1.6	5.0	14.1	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.89	0.9	0.7	1.2	4.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.17	-0.2	2.2	6.8	9.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.84	-1.3	2.2	2.2	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.85	-0.5	4.7	3.3	8.4	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	0.1	0.1	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.18	-0.6	-3.2	-1.3	-5.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	310.79	-0.8	-0.3	0.7	0.5	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	112.69	0.1	0.2	0.3	-3.6	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.26	-2.5	0.9	-3.0	-6.4	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	12.37	-9.7	-8.7	-5.2	-9.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.31	1.2	4.8	0.2	1.8	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1067.38	-1.9	-6.8	-6.8	-11.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	29.67	-1.1	-2.2	-2.5	-8.6	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	32.56	-0.3	-2.3	-4.0	-9.2	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.34	-0.8	-1.5	-2.8	-7.7	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.74	0.1	-0.8	-4.0	-8.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	16.72	-9.8	-7.9	-1.7	-1.4	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.78	3.1	-0.4	1.4	8.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.71	3.7	-1.7	-3.4	2.0	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 04 January 2018.

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.

Important information

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UK77/63405/PDF/040118