Monthly Market Roundup
December 2017 (covering November 2017)

Global overview

- Global equity markets were driven by solid corporate earnings and synchronised global economic growth
- The Bank of England implemented the first interest rate rise in a decade
- Retailers hit record highs on Black Friday and got the holiday selling season off to a robust start

Global equity markets reached historic highs in November amid solid corporate earnings and synchronised global economic growth. Indeed, US Federal Reserve (Fed) chair Janet Yellen told the Joint Economic Committee: "The economic expansion is increasingly broad based across (US) sectors as well as across much of the global economy."

In the US, progress over tax reform prompted a rotation out of technology stocks, the year's best performing sector, and into firms seen to benefit the most from a potential reduction in the corporate tax rate, such as banks. Technology companies are expected to see little boost, as the industry's average effective tax rate of 18.5% is already lower than the new level of 20% proposed by Republicans. Meanwhile, consumer stocks saw the strongest gains in the month as retailers hit record highs on Black Friday and got the holiday selling season off to a robust start.

Europe saw equity markets retreat in November after two consecutive months of gains. A risk-off sentiment, fuelled by falling government bond yields at the start of the month and subdued inflation levels, weighed on equities. Economic growth indictors in the euro-area remained strong and picked up additional momentum in November. The eurozone has seen the unemployment rate drop to 8.8%, the lowest in almost nine years, however this has yet to translate into higher inflation.

The UK equity market fell in November as continued uncertainty in domestic politics weighed on confidence in the UK's economic outlook. At the start of the month the Bank of England implemented the first interest rate rise in a decade; the central bank's Monetary Policy Committee (MPC) voted seven to two to increase the UK interest rate to 0.5%, prompting some UK high street banks to increase charges on mortgages and loan products. In the Autumn Budget, Chancellor Phillip Hammond announced that the Office of Budget Responsibility had revised down the UK economic growth outlook for this year and for the next five years.

November saw mixed performance in Asian equity markets. The Chinese and Hong Kong equity markets were notable outperformers as investor sentiment was boosted by an upbeat third quarter earnings season. Japan's equity market also ended November higher, thanks in part to the supportive global macroeconomic backdrop and a solid set of quarterly corporate earnings with positive earnings revisions, particularly from manufacturers of electric machinery and precision instruments. In South Korea, market performance suffered from tech concerns as well as an increase in interest rate hike expectations with the Bank of Korea increasing base rates for the first time since 2011.

We saw a modest gain over the month for emerging equity markets. Among the regions, EMEA (Europe, Middle East and Africa) outperformed, while Latin America underperformed. Sentiment towards Latin America was soured by political issues in Chile and Brazil, the two weakest performing equity markets. Chile witnessed its worst performance in a single day in more than six years on the back of the unexpected results of the presidential election. Supply concerns provided further lift to oil prices with Brent crude rising to its highest level since 2015.

In broad terms, November was a risk-off month for fixed interest, with higher quality (less risky) parts of the bond market outperforming more high risk areas. High yield bonds came under pressure mid-month. The demand for income and still strong fundamentals meant that some of these losses were quickly recovered in the second half of November. Nonetheless, credit spreads (the difference in yield between two bonds of similar maturity but different credit quality) still ended the month around 26 basis points wider.

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US

- US equity market neared all-time highs amid optimism about economic growth and company earnings
- There were signs of a rotation away from technology stocks and into financial stocks as tax legislation proceeded through the Senate
- Retailers hit record highs on Black Friday and got the holiday selling season off to a robust start

The US equity market ended November near all-time highs amid optimism about economic growth and company earnings. The S&P 500 Index reached the 2,600 mark for the first time towards the end of the month, crossing its fourth round-number milestone this year. The index headed for its longest monthly winning streak since 2007 as the Senate tax bill entered its marathon debate. Progress over US tax reform prompted a rotation out of technology stocks, the year's best performing sector, and into firms seen to benefit the most from a potential reduction in the corporate tax rate, such as banks. Technology companies are expected to see little boost, as the industry's average effective tax rate of 18.5% is already lower than the new level of 20% proposed by Republicans.

The US equity market gained a last-minute boost when senator John McCain backed the Senate tax bill. However, the Joint Committee on Taxation, which passes judgment on the fiscal implications of all tax legislation, blocked the rush to get the bill through the Senate by determining the plan's growth projections were too optimistic, meaning it would raise less revenue than forecast.

Consumer stocks saw the strongest gains in the month as retailers hit record highs on Black Friday and got the holiday selling season off to a robust start. Preliminary data showed that there was US$640m in online spending as of 10am in New York on Black Friday, up 18.4% on the previous year (source: Adobe Digital Insights, FT.com).

The share price of Amazon hit new highs, crossing the US$1,200 a share mark for the first time. This is despite consumer sentiment falling in November by the most in a year, according to economists at the University of Michigan. The share price of more traditional retailers, such as Macy's and JC Penney, also saw gains. Hopes were high for a positive start to the holiday shopping season as they continue to face declining mall traffic and increased competition from online retailers.

In terms of macro-economic news, third quarter gross domestic product growth was revised upwards – it climbed at an annualised rate of 3.3%, up from the previously reported 3%. "The economic expansion is increasingly broad based across sectors as well as across much of the global economy," Federal Reserve (Fed) chair Janet Yellen told the Joint Economic Committee. Strong economic data and encouraging comments from Fed officials suggested that a December interest rate increase looked likely.

In terms of corporate news, US conglomerate GE announced a revamp that could result in a smaller company. Under the plans, GE will focus on the aviation, power and healthcare sectors, and exit others that have helped define the quintessential American conglomerate for decades.

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Europe

- European equity markets retreated in November
- The eurozone unemployment rate dropped to 8.8% – the lowest we've seen in almost nine years
- Headline inflation pick-up remained timid

European equity markets retreated in November after two consecutive months of gains. Falling government bond yields at the start of the month and subdued inflation levels fuelled a risk-off sentiment which weighed on equities (where investors avoid riskier assets). Economic growth indictors in the euro-area remained strong and picked up additional momentum in November.

Among market sectors, utilities were the leading outperformers, as higher coal prices led to a bounce in power prices and corporate earnings expectations. The health care sector was another top performer in November. Meanwhile, the telecommunications sector led detractors, followed by oil and gas. On a stock level, Euler Hermes, the credit insurance company, was among the strongest performers in November. It's share price jumped around 22% as Allianz made an offer to acquire the stake it doesn't already own in the trade credit insurer, and take full control of the group. Barry Callebaut, the Swiss chocolate maker, was another strong performer benefiting from increased growth prospects in emerging markets and expansion of higher-margin gourmet products. Meanwhile, Altice, the telecom and cable company, was the leading detractor among European stocks. The share price fell around 59% last month after the company slashed its full-year earnings forecast, triggering investor concerns over the firm's ability to manage its debt. Leonardo, the Italian defence firm, was also a big laggard in November after announcing worse than expected earnings results.

On the macroeconomic front, the European economy continued to be characterised by a strong growth and modest inflation environment. Private sector surveys continued to power on, showing activity indicators in France, Germany and the eurozone, already at multi-year highs, expanding further and beating expectations. The pick-up remained board-based with rates of output growth similar in both the manufacturing and services sectors of the economy. Data also showed eurozone companies creating jobs at the fastest pace in 17 years and enjoying the most synchronized expansion since before the single currency was founded. The 19-nation bloc has seen unemployment rate drop to 8.8%, the lowest in almost nine years. However, accelerating eurozone growth has yet to translate into higher inflation. Latest figures showed headline inflation moving to 1.5% from 1.4% in October, and core inflation (excluding food and energy) remaining unchanged at 0.9%, both undershooting expectations.

Policy makers have expressed confidence that economic growth and falling unemployment will eventually feed through to prices, as the slack in the economy wanes. The latest manufacturing survey data conducted by IHS Markit showed signs of this starting to emerge. Mounting order backlog in the eurozone is putting upward pressure on both input and output prices for goods, which to our minds should eventually reflect in headline and core inflation figures.

UK

- The Bank of England implemented the first interest rate rise in a decade
- The Office of Budget Responsibility had revised down the UK economic growth outlook for this year and for the next five years
- Oil prices continued to rise after breaking through the US$60 barrier in October

The UK equity market fell in November as continued uncertainty in domestic politics weighed on confidence in the UK's economic outlook. At the start of the month, the Bank of England implemented the first interest rate rise in a decade; the central bank's Monetary Policy Committee (MPC) voted seven to two to increase the UK interest rate to 0.5%, prompting some UK high street banks to increase charges on mortgages and loan products. Sterling strengthened against the US dollar through the course of the month, while oil prices continued to rise after breaking through the US$60 barrier in October.

Economic data provided mixed signals for the UK economy; data from the all-sector Purchasing Manager's Index, which provides indication of the economic health of the private sector, saw business activity across services, manufacturing and construction grow at its fastest rate for six months during October. Conversely, UK retail sales growth weakened as in-store sales of non-food items fell sharply in the three months to October, partially offset by a strong rise in food pricing. Clothing sales were particularly hard hit by unseasonably warm weather during the period. UK inflation remained at its highest level in five years, with the consumer price index rising 3% over the year to October. In the Autumn Budget, Chancellor Phillip Hammond announced that the Office of Budget Responsibility had revised down the UK economic growth outlook for this year and for the next five years.

British politics, which has increasingly influenced market sentiment since the EU Referendum, continued to centre on Brexit negotiations, which in November focused particularly on the final bill for leaving the EU. Prime Minister Theresa May conceded a full parliamentary vote on a final Brexit deal.

The month was awash with corporate news flow and results. The tough environment for UK retailers continued, with Next announcing a sharp decline in high street sales and extremely volatile trading conditions; Sainsbury reported weaker sales growth in the third quarter, with same-store sales falling to 0.6% from 2.3% reported in July.

Second quarter results from telecoms business TalkTalk showed higher than expected customer churn and a squeeze on margins, prompting fears in the market that the broadband provider would be forced to cut its dividend. Elsewhere in the telecoms sector, BT Group reported a decline in revenues and profits for the second quarter due to increased costs in sports rights and improvements in customer service.

Centrica announced it had lost over 800,000 of its 13m customer accounts over a four-month period and warned of a "highly competitive" US market. UK defence company Ultra Electronics issued a profit warning citing funding pressures in the UK's defence budget. First-half results from Babcock indicated weaker cash conversion, but the defence contractor offset wider concerns that Brexit could weaken contract demand as it reported £31bn of business in the pipeline.

Royal Dutch Shell confirmed plans to restore an all-cash dividend, cancelling its scrip programme (issuing new shares to existing shareholders using cash reserves) and reiterated plans to buyback US$25bn of shares by the end of 2020, a commitment made as part of its 2015 acquisition of BG.

EasyJet reported a strong set of full-year results, with profits at the top end of previous forecasts from the company; the company benefited from the collapse of rival low-cost carriers Air Berlin, Alitalia and Monarch during the year, which provided some tailwinds to easyJet in a fiercely competitive market.

Asia Pacific

- Asian equity market performance was mixed, partly due to a global technology sell-off
- Moody's Investors Service raised India's sovereign rating for the first time since 2004
- Japan's equity market made solid quarterly earnings

Asian equity markets were mixed over the month post strong gains year-to-date. The Chinese and Hong Kong equity markets were notable outperformers as investor sentiment was boosted by an upbeat third quarter earnings season. Meanwhile, China's economic activity data was marginally disappointing for October, as growth in industrial production and retail sales was weaker than expected. A meaningful correction in the global technology sector over the second half of the month, which saw share prices fall back into line with market expectations, had an adverse effect on the tech-heavy Taiwanese equity market, as investors globally took profits in technology stocks and rotated into other sectors. In South Korea, market performance also suffered from tech concerns as well as an increase in interest rate hike expectations, with the Bank of Korea increasing base rates for the first time since 2011. Elsewhere, Indian equities declined as India's fiscal deficit sparked fears about the achievability of fiscal consolidation. This was despite an upgrade of its sovereign rating by Moody's on the back of expectations that progress on economic and institutional reforms will enhance the country's growth potential and reduce the Government's debt burden. Finally, the Thai market was in positive territory as sentiment improved due to positive revisions in consensus earnings forecasts and GDP expectations, while the Australian market reached its highest level since January 2008, helped during the month by the strong share price performance of property companies. On the commodity front, the oil price continued to rise as oil producers OPEC (Organisation of the Petroleum Exporting Countries) and Russia agreed to extend their production cuts.

Japan's equity market ended November higher, thanks in part to the supportive global macroeconomic backdrop and a solid set of quarterly corporate earnings with positive earnings revisions, particularly from manufacturers of electric machinery and precision instruments. There was some profit-taking after the market rallied to its highest level in almost 26 years, with earnings season having drawn to a close and a lack of notable catalysts ahead. However, the market resumed its upward trend in the second half of the month as the yen depreciated against the US dollar given the view that Japan's monetary policy would remain accommodative, and with expectations that exporters would continue to benefit from the positive outlook for global demand.

Economic data for Japan continued to show gradual improvement. The first preliminary estimate of third quarter GDP growth was 1.4% annualised, suggesting a seventh consecutive quarter of expansion. The Economy Watchers' Survey for September suggested an improvement in current and future conditions. Trade statistics showed firmness in both exports and imports, and while industrial production grew only 0.5% month-on-month in October, there continues to be a clear uptrend in production forecasts.

Emerging Markets

- South Africa and Russia were the top two equity performers in November
- Sentiment towards Chile was soured by electoral uncertainty
- Oil prices were supported by supply concerns

Emerging equity markets eked out a modest gain over the month. Among the regions, EMEA (Europe, Middle East and Africa) outperformed, while Latin America underperformed. From a country perspective, South Africa and Russia came out on top, with Chile and Turkey being the laggards. For the first time this year, the technology sector failed to gain ground. Utilities and energy also generated negative returns for November, while the best performing sector was consumer discretionary. Supply concerns provided a further lift to oil prices, with Brent crude rising to its highest level since 2015. A basket of emerging market currencies rose in value versus the US dollar with the Turkish lira being the main exception.

The agreement by Russia and OPEC (Organisation of the Petroleum Exporting Countries) to extend their oil production cuts to end-2018 provided support to Russian energy companies. Sentiment towards the country was also boosted by encouraging news on the economy – annual inflation fell to 2.7% in October and a trade surplus of more than US$10 million was recorded for September. However, growth in the economy moderated in the third quarter, although private consumption remained solid. South Africa's inflation rate also fell last month, down to 4.8% from 5.1%. While Moody's held fire on downgrading South Africa, S&P cut the country's local currency credit rating from BBB to BB+. The decision did not have a negative impact on both the local equity market and currency, with the South African rand gaining 3.1%. Currency strength was not on display in Turkey however as the lira remained under pressure (down 3.3%) as the diplomatic spat between the US and Turkey continued.

Sentiment towards Latin America was soured by political issues in Chile and Brazil, the two weakest performing equity markets. Chile witnessed its worst performance in a single day in more than six years on the back of the unexpected results of the presidential election. The second round of voting will take place on 17 December 2017. Brazil suffered from falling hopes for social security reform approval. On the economic front, activity data from Brazil was mixed – industrial production disappointed but retail sales came out better than expected. Confidence indicators also continued to improve. It was a quiet month in Mexico, with investors looking forward to the outcomes of elections as well as NAFTA (North American Free Trade Agreement) negotiations in 2018. The NAFTA is expected to have a full negotiating round in January 2018 in Montreal. In the previous talks, Mexico and Canada held firm in their resistance to address America's most contentious proposed changes to NAFTA.

Invesco Perpetual

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Fixed Interest

- The premium over government bonds that companies issuing in the high yield bond market need to pay to borrow (the credit spread) rose sharply during November
- The difference in yield between short and long dated US government bonds narrowed to its lowest level for several years
- The Bank of England hiked UK bank rate to 0.5% – the first hike in the interest rate since 2007

In broad terms, November was a risk-off month, with higher quality (less risky) parts of the bond market outperforming more high risk areas. High yield bonds came under pressure mid-month. The demand for income and still strong fundamentals meant that some of these losses were quickly recovered in the second half of November. Nonetheless, credit spreads still ended the month around 26 basis points (bps) wider. Credit spreads followed a similar pattern of return in the US high yield bond market, albeit with a stronger rally in the second half of the month. There didn't appear to be one specific catalyst for the sell-off. However, stretched valuations and some company specific events were widely viewed as contributing factors.

Amid the uncertainty, European high yield issuance remained robust. Barclays reported €6.8bn of new high yield bonds issued in November 2017, which compares to €3.4bn in November 2016. In the US high yield market US$26.6bn was issued, which compares to US$15.3bn in November 2016.

Investment grade (IG) corporate bonds were also weaker on the month, although the movement in credit spreads was lower than for high yield markets. In sterling, IG markets spreads widened 4bps on the month. In the euro IG market the rise was just 1bp.

At the start of the month the Bank of England, as widely expected, hiked UK bank rate by 0.25%, taking the rate back to its pre-referendum level of 0.5%. The hike was accompanied by some accommodative statements. The market does not now expect another hike until late 2018.

In government bond markets, there was a steep rise in the yield of US government bonds, with shorter time periods to maturity. As a result of the rise, the difference in yield between short and long dated US Government bonds has also fallen – a so called 'flattening' of the yield curve. The spread between maturities in the US market is now, in some cases, at its lowest level since 2008. Although a flattening yield curve is consistent with rising interest rates the market is divided on the exact cause of this latest change.

One factor that will influence government bond markets in future is the new US Federal Reserve (Fed) Chair, Jay Powell. Toward the end of the month Powell had his confirmation hearing before Congress. The market consensus following the meeting was that Powell represents continuity in terms of policy with a December hike fully priced into bond markets. On the regulatory side there were some signs of a potential easing in the Fed's approach.

Government Bonds					**Yield to maturity (%)**
	30.11.17	**31.10.17**	**31.08.17**	**31.05.17**	**30.11.16**
US Treasuries 2 year	1.78	1.60	1.33	1.28	1.11
US Treasuries 10 year	2.41	2.38	2.12	2.20	2.38
US Treasuries 30 year	2.83	2.88	2.73	2.86	3.03
UK Gilts 2 year	0.52	0.46	0.18	0.13	0.13
UK Gilts 10 year	1.33	1.33	1.03	1.05	1.42
UK Gilts 30 year	1.88	1.90	1.70	1.69	2.05
German Bund 2 year	-0.68	-0.75	-0.73	-0.71	-0.73
German Bund 10 year	0.37	0.36	0.36	0.30	0.28
German Bund 30 year	1.19	1.23	1.12	1.16	0.95

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 November 2017.

Corporate Bonds										**Yield to maturity (%)/Spread[1] (bps)**
	30.11.17		**31.10.17**		**31.08.17**		**31.05.17**		**30.11.16**	
£ AAA	1.84	42	1.81	39	1.57	41	1.58	42	2.01	41
£ AA	1.93	71	1.93	70	1.68	72	1.71	75	2.07	83
£ A	2.51	114	2.49	111	2.24	115	2.29	120	2.73	137
£ BBB	2.83	149	2.78	145	2.59	157	2.62	163	3.17	192
€ AAA	0.60	48	0.57	44	0.65	54	0.72	62	0.78	68
€ AA	0.37	56	0.36	58	0.41	64	0.47	71	0.45	74
€ A	0.62	76	0.57	77	0.63	86	0.69	94	0.76	105
€ BBB	1.05	106	0.99	106	1.11	122	1.18	133	1.35	158
European High Yield (inc € + £)	3.47	286	3.33	254	3.56	288	3.85	314	4.57	432

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 November 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 30 November 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	2.2	6.6	9.8	21.4	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	2.2	6.4	9.5	16.3	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	2.3	6.7	10.1	26.8	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	2.2	7.9	12.1	21.3	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	0.2	3.3	13.3	32.9	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.1	6.3	9.9	22.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	4.2	11.2	17.0	25.7	16.5	0.2	10.0	29.7	10.2
S&P 500	3.1	7.7	10.9	20.5	12.0	1.4	13.7	32.4	16.0
NASDAQ	2.3	7.2	11.5	29.0	8.9	7.0	14.8	40.1	17.5
Russell 2000	2.9	10.2	13.4	15.1	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	0.5	6.4	6.2	7.8	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	-2.0	3.5	1.0	13.3	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-2.1	3.8	0.1	10.0	3.2	8.8	7.4	20.5	18.1
CAC 40	-2.3	5.9	2.4	13.8	8.9	11.9	2.7	22.2	20.4
DAX	-1.6	8.0	3.2	13.4	6.9	9.6	2.7	25.5	29.1
Ibex 35	-2.7	0.1	-4.4	12.9	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-1.7	3.8	8.8	20.0	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	0.8	4.4	3.4	13.4	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-2.1	5.1	4.4	15.6	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-2.2	2.9	1.5	16.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	3.4	6.0	15.5	3.0	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-1.0	-2.8	6.5	10.4	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	1.5	6.9	13.3	21.4	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	-1.7	-0.3	-0.2	7.9	16.8	1.0	1.2	20.8	12.3
FTSE 100	-1.8	-0.7	-0.7	6.6	19.1	-1.3	0.7	18.7	10.0
FTSE 250	-1.2	1.4	1.2	13.2	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-1.8	0.9	1.3	12.5	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-3.3	3.4	-1.0	6.9	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	3.4	4.9	16.9	37.8	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-2.2	-1.3	6.4	6.9	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	1.9	5.0	8.5	22.9	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	-2.2	-0.2	5.2	14.1	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-1.9	4.8	5.5	22.2	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	-0.9	1.5	3.7	12.4	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-1.3	3.7	5.3	20.7	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	-1.3	5.4	9.9	13.4	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	-0.1	4.8	7.2	26.2	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	-0.3	1.9	12.3	27.0	1.5	-16.9	15.6	-1.5	19.8
ASX 200	1.6	5.7	6.6	9.8	11.8	2.6	5.6	20.2	20.3
Topix	1.5	11.7	15.4	20.3	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	3.2	15.7	15.7	18.9	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	0.6	4.4	13.1	33.2	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	-3.0	-5.0	8.4	18.8	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	-0.5	-11.3	-1.1	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-3.1	-2.3	13.3	18.9	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	-4.7	11.0	11.0	62.7	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	-11.7	-5.6	7.0	24.0	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	3.6	20.6	28.6	15.1	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	5.6	21.5	18.9	6.8	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	1.0	4.9	5.8	-0.9	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	0.8	-2.8	0.9	10.5	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	3.7	33.3	79.7	64.2	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 December 2017.

Global currency movements – figures to 30 November 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.18	-0.8	3.4	10.9	12.3	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.88	-4.3	0.5	3.9	3.5	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.14	0.2	4.5	7.0	6.8	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.63	1.8	-0.1	0.7	0.5	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.41	1.8	-1.4	2.7	3.5	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	0.1	0.0	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.31	1.5	1.9	1.9	-2.0	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	311.82	2.0	1.0	1.0	0.9	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	112.49	2.3	0.1	1.0	-3.8	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.25	-0.1	-3.8	-6.3	-7.2	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.56	4.2	3.8	1.0	-1.3	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.16	0.4	-4.4	1.2	-2.9	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1145.30	1.8	0.0	2.5	-5.1	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.33	0.5	-0.3	0.0	-6.5	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.33	0.5	-1.8	-3.0	-7.0	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.36	0.1	-1.4	-2.8	-6.3	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.75	-4.0	-3.2	-6.8	-7.9	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	18.16	8.0	6.8	7.8	7.1	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.78	-1.4	1.9	2.7	8.6	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.72	0.4	-1.7	2.9	3.7	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as at 04 December 2017.

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