Invesco Perpetual

Monthly Market Roundup

March 2018 (covering February 2018)

Global overview

- Global equity markets fell back in February, giving up almost all of the gains made in January
- Market volatility picked up in response to rising bond yields
- Underlying economic and corporate data continues to indicate robust economic growth conditions

Global equity markets suffered a sharp correction in February following robust performance in January. Indeed, February 2018 was the first month global indices had fallen in US $ terms since October 2016. The catalyst for the weakness was an increase in government yields in major markets especially in the US. This increase in yields was driven by investor concerns over rising inflation as recent data on wage growth in US has been ahead of market expectations, and increased government budget deficits caused by the recent tax cut package. Investor concern focussed on the risks to the economic growth outlook caused by an increase in interest rates.

At a sector level, IT was a clear outperformer as investors continue to favour high growth orientated sectors despite the high valuation many companies in this sector trade on. Energy was the worst performer on concerns that rising US shale production would undermine the recovery in the oil price.

Overall, economic indicators continue to suggest a continuation of steady economic growth, inflationary pressures still seem well contained.

US

- US equity markets corrected lower in February after a very strong January
- The fall in equity markets was driven by fears over rising inflation and bond yields
- Strong corporate results continued

The US equity market suffered a sharp correction in February following robust performance in January. The catalyst for the weakness was an increase in government bond yields, this increase in yields was driven by investor concerns over rising inflation following the January average hourly earnings report showed an increase well ahead of market expectations. Inflationary concerns were also fuelled by worries that the recent tax cut package may add further stimulus into what is already a strongly growing economy. Investors focussed on the risks to the economic growth outlook caused by an increase in interest rates by the Federal Reserve if inflation shows signs of increasing.

The market sell off that ensued was also in part profit taking following several months of rising markets but it was compounded by forced selling by some investors of complex passive 'inverse volatility 'products. As the month progressed markets regained their poise in view of continued strong fundamental corporate and economic data.

At a sector level IT proved to be the strongest performer, which surprised many analysts who expected it to be a casualty in any correction given relatively high valuations and strong recent relative performance. By contrast the Energy sector was the weakest performer. Rising shale oil production in the US continues to concern investors who worry about the outlook for the oil price. The Telecom sector was also weak on continued industry pricing pressure.

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Europe

- Equity markets, globally and in Europe, witnessed a sharp correction in February
- Fears of a faster than expected rise in interest rates impacted investors' sentiment
- Fundamentals supporting the eurozone's economic recovery remained very strong

After a strong start to the year, global equity markets, including European markets, witnessed a sharp correction in the first half of February. The sell-off was triggered by a stronger than expected wage growth figure in the US, which hinted to a likely pick-up in inflation and the possibility of a faster than anticipated central bank increase in interest rates. The potential impact from higher interest rates on the broader economy and on equity valuations worried many market participants and led to a surge in volatility.

Within the European ex-UK equity market, all sectors retreated in February but in varying degrees. The technology sector outperformed the broader market – amid prospects of rising debt costs, the sector was relatively favoured given strong cash positions at many technology firms. The oil and gas sector was another leading outperformer as integrated oil companies' earnings continued to recover. Meanwhile, the healthcare and consumer goods sectors were the biggest detractors this month given their long-duration (high sensitivity to a change in interest rates) and bond-like characteristics. On a stock level, AMS, the Austrian semiconductors company and Apple supplier, was among the leading performers after forecasting an upbeat 2018 outlook thanks to healthy demand for the new iPhone X model. TDC, the Danish telecommunications company, was another strong performer. Its share price surged this month after agreeing a takeover bid from a consortium of buyers including Macquarie and other investors. Meanwhile, Ingenico, the electronic payments firm, was among the biggest laggards in February. The company provided lower than expected 2018 profitability forecasts due to foreign exchange impacts and lower profit margins at a newly acquired firm. Recordati, the Italian pharmaceutical company, was another big detractor as earnings missed analysts' expectations.

Despite the correction in financial markets, macroeconomic fundamentals supporting the European economy remain very strong. Unemployment continued to trend downwards in eurozone countries, underpinning consumption and domestic demand. Private sector activity survey readings, having ticked down marginally in February from multi-year highs, remain at healthy levels and continued to suggest economic expansion. As such, we see rising government bond yields as a positive development and a logical reflection of the robust eurozone recovery underway as well as the synchronized global growth environment.

With accelerating economic activity come nascent signs that wage and price pressures are starting to rise. These suggest a more convincing pick-up of inflation to come, yet this is still not visible in eurozone headline and core (excluding food and energy) inflation figures. Market participants continue to closely monitor inflation data, which is deemed to provide strong clues about the European Central Bank's next policy move.

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UK

- The volatile start for the UK equity market in 2018 continued in February
- The consumer background remained tough as Toys "R" Us and Maplin enter administration
- Some positive news flowed from other domestic companies, notably Provident Financial

The volatile start to 2018 continued in February, as UK equity markets delivered another month of negative returns, albeit with some recovery during the second half of the period. The market's weakness was primarily driven by concerns over the likely speed of US interest rate increases. Meanwhile the UK's Monetary Policy Committee (MPC) voted unanimously to maintain the Bank Rate at 0.5%, but noted that, should the economy evolve in line with its projections, the interest rate would need to be increased somewhat earlier and by a somewhat greater extent than previously anticipated in order to return inflation to the 2% target.

The Office for National Statistics (ONS) revised down its estimate for UK growth in the fourth quarter of 2017 to 0.4% (from 0.5%). UK production was said to be lower than initially estimated while consumers were less willing to spend due to the price rises triggered by the sharp fall in the pound following the Brexit vote. The ONS also published figures showing a surprise rise in unemployment in the forth quarter of 2017.

Consistent with this weaker consumer backdrop (as well as an increasingly competitive environment), the woes of the retail sector continued to make headline news. Toys "R" Us and Maplin, neither of which are quoted on the UK stock market, filed for administration during the month. However, news from quoted companies, notably the domestically focused ones, was fairly positive over the month.

Notable amongst these was Provident Financial. The company's woes of 2017 have been well documented and the shares rallied very strongly on news that it had reached resolution in respect of the FCA investigation into ROP (repayment option plan) within Vanquis Bank for "failure to adequately disclose potential charging of interest on ROP charges". The company is raising a total of £300m to strengthen the balance sheet – maintaining its investment grade status – and has announced that it will return to paying dividends this year before resuming a "progressive" dividend policy in 2019.

There was also good news from the Real Estate sector, where discounts to net asset values (NAV) have typically stood near long-term highs since the Brexit vote, reflecting concerns over demand for London office space. Derwent London announced another special dividend, confirming that the London office market had remained resilient. Shaftesbury's results benefited from high footfall, robust trading volumes and good demand for space in its niche West End portfolio of restaurants, bars and shops.

BT has been another domestically focused company to deliver disappointing recent share price performance – although this has largely been driven by issues over its relationship with regulator Ofcom and the separation and regulation of its Openreach subsidiary. Ofcom last month announced a better than expected outcome for BT over the price and access for telecom competitors to Openreach's fibre network, along with a signal of much less price regulation in future. Fellow telecoms business TalkTalk Telecom, however, announced a profit warning, along with a fund raising and dividend cut.

The recent strength of sterling vs the US dollar is increasingly putting pressure on the large proportion of FTSE 100 company earnings derived overseas. Results from British American Tobacco (BAT) confirmed headwinds for headline earnings from adverse foreign exchange moves, overshadowing news of strong growth of next generation products and a 15% increase in the dividend.

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Asia Pacific

- Asia underperformed during February's global correction
- The region's sound fundamentals remained intact
- Japan's equity market gave back recent gains as the yen strengthened

After a strong start to the year, Asian equity markets sold off sharply in early February, with weakness triggered by a correction in the US as stronger-than-expected wage data led to concerns around renewed inflation and the effect this might have on historically low interest rates. Asia's sound fundamentals remained intact, and the region's equity markets bounced back after a short, sharp correction. However, hopes of a stronger rebound were tempered by the US Federal Reserve statement released during the month, which while retaining confidence in the economic outlook saw the market's focus return to concerns surrounding inflation and monetary policy normalisation. India, China, and Korea were the worst performing markets over the month, while ASEAN markets outperformed. In terms of sector performance, less economically sensitive sectors proved to be more resilient, while areas of the market with a high yield were hit hardest, particularly telecoms and real estate.

In China, it was announced that the constitution will be revised to remove the two-term limits on the positions of President and Vice President. The change is still subject to a vote at the National People's Congress (NPC), which kicks off on Monday 5 March, but it is all but guaranteed to be passed. Trade data for January saw a notable surge in imports along with solid export growth, although a manufacturing survey for February came in weaker than expected. In Korea, a number of companies reported weaker-than-expected fourth quarter earnings. India's fourth quarter GDP growth of 7.2% was stronger than expected, while industrial production growth also surprised positively. However, the unveiling of a large fraud at a public bank weighed on investor sentiment, as did rising inflationary pressures and the introduction of a 10% tax on long-term equity capital gains in the 2018-19 budget.

Japan's equity market ended the month lower despite its solid corporate earnings outlook. We believe concern about the impact of a stronger yen versus the US dollar on corporate earnings through February is one of the factors behind the recent stock market correction. Yen strength was partly due to speculation the Bank of Japan may start to normalise monetary policy later this year, rising US interest rate expectations and uncertainty about the protectionist trade policies touted by President Trump. So far, the third quarter (of the 2017 fiscal year) corporate results season has delivered more positive surprises than negative ones which have led to upward revisions to full year corporate earnings guidance. In terms of economic data, real GDP growth for the fourth quarter of the 2017 fiscal year was lower than expected (0.5%, consensus 1.0%), although January core inflation unexpectedly held at 0.9% year-on-year (consensus 0.8%).

Emerging Markets

- Emerging market equity confidence was dented by US inflation fears
- A spike in market volatility left most emerging equity markets nursing losses
- Commodity prices retreated as the US dollar gained ground

Increased concerns over rising US inflation expectations and higher bond yields – benchmark 10-year US Treasury yields jumped to 2.9% from 2.7% – undermined sentiment across global equity markets during February. Emerging markets were not immune to the spike in market volatility with weakness being experienced across all regions. Emerging Asia, led by India, Korea and China, was the weakest performing region, followed by Latin America. Equity losses in EMEA (Europe, Middle East and Africa) were less marked however with Russia being one of two emerging countries (the other being Thailand) to register gains for the month. All sectors in emerging markets lost ground with real estate being the laggard. Commodity markets had a disappointing month with Brent crude oil falling towards US$65 a barrel. Natural gas and precious metals also retreated as the US dollar gained ground against a basket of emerging market currencies.

Equity losses in Latin America were broad-based with Mexico being the weakest performer in the region. Economic growth unexpectedly slowed in Mexico last quarter as consumers contended with a backdrop of higher interest rates. Last month, the Banco de Mexico further hiked its benchmark overnight rate by 25 basis points to 7.5%. Although this year's presidential election is not until 1 July, there are some jitters that it could usher in a less business-friendly government. By contrast, interest rates were cut again in Brazil as the central bank reduced the benchmark Selic rate from 7.0% to 6.75%, in line with expectations. Although inflation remains below target, the jobs market has been slow to recover, tempering consumer demand. After two years of recession the Brazilian economy expanded by 1% in 2017.

Encouraging news on the economy, earnings upgrades and a late rally in the oil price provided lift to the Russian equity market, whereas there were declines everywhere in the EMEA region. Growth in labour income continued to translate into stronger consumption levels in Russia, as reflected by an upbeat retails sales report for January. Industrial production figures also beat consensus expectations. With the inflation rate dropping to 2.2% in January, the Bank of Russia lowered interest rates by 0.25% to 7.50%. Equity markets elsewhere in the region did not fare so well, particularly Poland which came under the heaviest selling pressure. In other developments, Cyril Ramaphosa was sworn in as South Africa's new President.

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Fixed Interest

- Signs of higher inflation and record levels of US Treasury supply led to a rise in government bond yields at the start of the month
- The US Federal Reserve and Bank of England both suggested that their respective interest rates might need to be hiked more quickly than the market expected
- Amid an uncertain backdrop, corporate debt issuance was subdued

Equity market volatility grabbed the headlines in early February. Bond markets were, by comparison, more stable. There was however some divergence between US and European bond markets with the former underperforming.

During February, stronger than expected US economic data led the market to start positioning for more US interest rate rises than had previously been thought necessary. Minutes from the US Federal Open Market Committee meeting appeared to confirm these expectations. New Fed Chair, Jay Powell, added weight to them at his inaugural testimony to Congress on 27 February. During a question and answer session, Powell noted that the US economy had improved since December and that recent data was giving him confidence that inflation was moving toward target. Further limiting returns for US treasuries was the record level of issuance, which followed the passing of the two-year budget deal that raises Government spending by US$300bn. By 28 February, the 10-year US Treasury yield had increased to 2.86% from 2.71% at the start of the month.

In the UK, the Bank of England upgraded its forecasts for UK economic growth. Governor Mark Carney stated that interest rates would probably have to go up more quickly than previously anticipated if the bank is to keep inflation within the bank's target. The market interpreted these statements to mean that there will need to be more hikes in UK Bank Rate this year. By 28 February, data from Bloomberg, showed that the market was attaching a probability of 61% to UK Bank Rate being hiked in May. Despite this, Gilt yields ended the month broadly unchanged, as the release of the European Union's draft legal text on the article 50 withdrawal agreement weighed on sentiment, and led to a rally in Gilts on 28 February.

The message from the European Central Bank (ECB) was more 'wait and see'. The minutes from the ECB's January meeting stated that changes in communication about policy were generally seen as premature. German Bund yields were lower on the month, with the 10-year yield recording its first monthly fall since October 2017.

The volatility in corporate bonds that fed through from government bond markets limited issuance. Barclays reported issuance to be significantly lower than during February 2017 for both high yield and investment grade markets. Two companies that did issue were Unilever and Novartis who both issued bonds across three separate maturities, raising €2bn and €2.25bn respectively. In the sterling market, Volkswagen offered its first bond of 2018, raising £300m through a 4-year bond maturing in 2022 and paying a coupon of 1.625%.

Government Bonds					Yield to maturity (%)
	28.02.18	31.01.18	30.11.17	31.08.17	28.02.17
US Treasuries 2 year	2.25	2.14	1.78	1.33	1.26
US Treasuries 10 year	2.86	2.71	2.41	2.12	2.39
US Treasuries 30 year	3.12	2.93	2.83	2.73	3.00
UK Gilts 2 year	0.78	0.66	0.52	0.18	0.10
UK Gilts 10 year	1.50	1.51	1.33	1.03	1.15
UK Gilts 30 year	1.89	1.95	1.88	1.70	1.74
German Bund 2 year	-0.54	-0.53	-0.68	-0.73	-0.90
German Bund 10 year	0.66	0.70	0.37	0.36	0.21
German Bund 30 year	1.30	1.33	1.19	1.12	0.99

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 2018.

Corporate Bonds										Yield to maturity (%)/Spread[1] (bps)
	28.02.18		31.01.18		30.11.17		31.08.17		28.02.17	
£ AAA	2.18	53	2.04	43	1.84	42	1.57	41	1.75	41
£ AA	2.07	68	1.97	60	1.93	71	1.68	72	1.77	77
£ A	2.68	116	2.54	101	2.51	114	2.24	115	2.41	128
£ BBB	2.99	148	2.82	130	2.83	149	2.59	157	2.81	179
€ AAA	0.74	38	0.78	39	0.60	48	0.65	54	0.66	68
€ AA	0.50	46	0.54	45	0.37	56	0.41	64	0.34	78
€ A	0.76	68	0.78	65	0.62	76	0.63	86	0.66	108
€ BBB	1.21	98	1.19	90	1.05	106	1.11	122	1.20	154
European High Yield (inc € + £)	3.73	297	3.50	268	3.47	286	3.56	288	4.06	364

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 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 equity and commodity index performance – figures to 28 February 2018 (%)

	1 Month	3 Months	6 Months	YTD	2017	2016	2015	2014	2013	2012
Global US & Canada										
MSCI World (US$)	-4.1	2.4	9.1	1.0	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	-5.0	0.5	6.9	-0.9	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	-3.2	4.2	11.2	2.9	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	-4.0	1.0	8.9	-0.6	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	-4.6	7.1	10.7	3.4	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	-4.0	2.8	9.3	1.2	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	-4.0	3.6	15.3	1.7	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	-3.7	3.0	10.8	1.8	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	-1.7	6.0	13.7	5.5	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	-3.9	-1.8	8.3	-1.4	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	-3.0	-3.2	2.9	-4.4	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa										
FTSE World Europe ex-UK €	-3.7	-1.4	2.0	-1.2	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-3.8	-1.5	2.2	-2.3	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	-2.9	-0.7	5.1	0.2	12.7	8.9	11.9	2.7	22.2	20.4
DAX	-5.7	-4.5	3.2	-3.7	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	-5.6	-2.8	-2.7	-1.4	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-3.8	1.4	5.2	3.7	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	-4.6	-4.4	-0.2	-5.1	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-4.1	-0.5	4.5	-1.3	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-2.4	2.0	5.0	0.3	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	0.9	17.0	24.0	13.6	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-3.1	11.7	8.6	5.9	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-2.0	-2.2	4.5	-1.9	21.0	2.6	5.1	10.9	21.4	26.7
UK										
FTSE All-Share	-3.3	-0.6	-0.9	-5.1	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	-3.4	-0.5	-1.2	-5.3	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	-2.7	-1.0	0.4	-4.9	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-3.9	-2.0	-1.1	-4.7	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-2.2	-2.9	0.4	-5.4	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan										
Hong Kong Hang Seng	-6.0	6.0	11.2	3.3	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-6.4	-1.7	-3.0	-1.4	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-0.4	2.8	8.0	3.6	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	-2.6	2.4	2.2	1.6	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-5.4	-2.0	2.7	-1.6	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	-0.1	10.8	12.5	3.8	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-3.3	2.7	6.5	-1.0	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	0.4	8.2	13.9	4.6	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	-4.9	3.5	8.5	0.6	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	-8.7	7.9	10.0	5.8	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	0.4	1.7	7.5	-0.1	11.8	11.8	2.6	5.6	20.2	20.3
Topix	-3.7	-1.2	10.4	-2.7	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	-4.5	-2.9	12.3	-3.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	-4.7	4.9	9.5	1.7	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America										
MSCI EM Latin America (US$)	-3.6	14.1	8.4	9.1	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	-7.1	0.1	-11.2	0.2	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-2.0	20.0	17.2	14.6	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	-5.1	3.5	14.9	-3.0	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	-3.8	19.6	13.0	3.3	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-2.5	4.0	25.4	-1.0	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	-5.2	7.0	30.0	1.6	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-1.6	2.9	7.9	0.3	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-1.7	3.1	0.3	1.2	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	3.5	-24.5	0.7	-12.7	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 1 March 2018.

Global currency movements – figures to 28 February 2018

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.22	-1.8	2.4	2.4	1.6	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.89	1.3	0.7	-3.8	-0.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.15	-0.4	-1.6	0.9	-1.5	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	10.11	3.3	1.4	6.9	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.64	0.6	-2.7	4.2	-2.2	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.45	0.0	0.1	0.1	0.0	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.18	0.5	-0.6	-1.7	0.0	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	313.84	1.2	0.2	2.6	1.0	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	106.68	-2.3	-5.2	-3.0	-5.3	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.28	4.2	-0.5	2.8	2.0	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	11.80	-0.6	-13.9	-9.3	-4.7	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.25	1.9	-0.8	3.1	-2.0	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1085.22	1.4	-0.3	-3.5	1.7	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	29.34	0.5	-2.2	-2.8	-1.1	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	31.49	0.4	-3.6	-5.1	-3.3	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.32	1.0	-1.8	-2.3	-0.9	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.73	3.2	-1.8	-6.5	-1.8	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	16.23	-3.6	-12.4	-3.5	-2.9	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.78	-3.6	2.6	-2.3	-0.5	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.72	-2.1	5.6	0.4	1.8	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 1 March 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

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

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