Monthly Market Roundup
December 2018 (covering November 2018)

Global overview

- Global equity markets breathed a sigh of relief in November to end the month in positive territory
- Hopes of a US-China trade truce lifted global equity markets
- Volatility continued for technology stocks in the US during the month

The combination of a less aggressive US Federal Reserve (Fed) and the easing of trade tensions between the US and China saw global equity markets deliver positive returns in November.

It was a volatile month for technology stocks in the US though, led lower by Apple. Concerns that the company had reached a 'peak iPhone' moment began to emerge around the company's results at the start of the month. It disappointed with its outlook for the critical holiday shopping season and stirred concerns about transparency as it flagged its future plans to stop reporting unit sales of its devices. Concerns that the trade tensions between the US and China could drive down global demand and disrupt supply chains for major technology companies were also renewed, although this pressure was later eased by the aforementioned truce towards the end of November.

The UK and eurozone equity markets continued to struggle during November. In the UK, Brexit uncertainty continued to dominate headlines, as the UK and EU's negotiations reached a critical point. Investor sentiment continued to be weighed down by political noise in Europe too – the Italian budget negotiations as well as Brexit, trade tensions and weaker oil prices. Brent crude oil reached just US$58 per barrel during November, the lowest point in more than a year. The earnings season in Europe also failed to inspire markets, as November witnessed more earnings misses than hits.

Emerging markets reacted positively to the surprising tone of a speech by Jay Powell, chairman of the Fed. Powell commented that US interest rates were "just below" neutral, a shift from previous observations. This called into question whether the Fed would still press ahead next year with the series of interest rate increases that had previously been forecast. Optimism of a temporary truce in the US-China trade war ahead of the G20 meeting in Argentina provided a boost to equities in China. Hungary and Poland led the equity rally in emerging Europe with uncertainties over the Italian budget and Brexit having little, if any impact.

In terms of bond markets, at the start of the month US Treasury yields increased with the 10-year US Treasury yield reaching a peak of 3.24%. This was its highest level since 2011 and came against a backdrop of strong US employment data and the US mid-term elections. In what was the penultimate month of the European Central Bank's Corporate Sector Purchase Programme, European investment grade bond new issuance increased, but was still below the average of the past 5 years, according to reports from Barclays.

US

- The US equity market ended November in positive territory amid growing hopes of a trade truce between the US and China
- The US equity market was also cheered by signs that the central bank is preparing to slow down its interest rate-rising programme
- It was a volatile month for technology stocks amid concerns that Apple had reached a ‘peak iPhone’ moment

After a bruising October, the US equity market ended November in positive territory amid growing hopes of a trade truce between the US and China. The US equity market was also cheered by comments from US Federal Reserve chairman Jay Powell, who said that interest rates were "just below" estimates of neutral. Markets interpreted the comments as a signal that the central bank is preparing to slow down its interest rate-rising programme.

While healthcare, real estate, materials and utilities led the market, energy, technology and consumer discretionary were the weakest sectors. Energy was weighed down by a decline in oil prices due to concerns of a global oversupply.

It was a volatile month for technology stocks, led lower by Apple. Concerns that the company had reached a ‘peak iPhone’ moment began to emerge around the company’s results at the start of the month. It disappointed with its outlook for the critical holiday shopping season and stirred concerns about transparency as it flagged its future plans to stop reporting unit sales of its devices. Concerns that the trade tensions between the US and China could drive down global demand and disrupt supply chains for major technology companies were also renewed, although this pressure was later eased by the aforementioned truce towards the end of November. The share prices of Facebook, Snap and Twitter also fell. Facebook dropped as its public image remained under pressure. Snap and Twitter fell as social media shares were broadly punished.

Consumer discretionary stocks were impacted by disappointing earnings reports from retailers as concerns intensified about the competitive onslaught from Amazon. Some retailers had their worst month since the financial crisis.

However, October’s consumer spending rose by more than forecast, giving the biggest part of the economy a solid start to the quarter. Consumer spending is poised to keep driving growth this quarter, supported by a strong employment market and lower taxes.

In corporate news, Microsoft reclaimed the title of the world’s most valuable company after its market capitalisation closed above that of Apple at the end of November. It has been almost two decades since Microsoft was previously in the top position. Elsewhere, US medical devices company Boston Scientific announced that it is acquiring BTG, the British esoteric life sciences group. And Walt Disney’s US$71bn purchase of Rupert Murdoch’s entertainment assets has been approved by regulators in China. Disney is on course to complete the deal in the first quarter of 2019.

Europe

- Eurozone equity markets suffered a modest decline during November
- The telecoms sector continued to deliver positive performance
- Eurozone unemployment remained unchanged at 8.1%

Eurozone equities continued to struggle during November, ending the month lower as investor sentiment continued to be weighed down by political noise – Italian budget as well as Brexit, trade tensions and weaker oil prices. The earnings season in Europe also failed to inspire markets, as November witnessed more earnings misses than hits. Against this backdrop, telecoms were once again the best performing sector, posting strong positive performance. Also positive were utilities and consumer staples sectors, while materials and consumer discretionary sectors lagged the broader market. On a country basis, Spanish and Italian indices delivered positive returns, rebounding a little from more pronounced October weakness, while French and German stock markets were negative over the month.

Recent economic data for the third quarter of 2018 disappointed market expectations. Overall GDP growth in Europe of 0.2% masked significant differences between countries. Quarterly growth in France actually picked up, from 0.2% to 0.4%, and growth in Spain was unchanged at a healthy 0.6%. Italy's economy stagnated, while the German economy contracted. However, much of this weakness seems to have been a result of disruption to German car production related to new emissions tests, known as WLTP (Worldwide Harmonised Light Vehicle Test Procedure). This has caused severe delays in new cars being certified, with production volumes collapsing. This should bounce back, and therefore many expect reasonable levels of economic growth going forward, albeit lower than the levels seen in the second half of 2017. Encouragingly, European Central Bank (ECB) bank lending data released for the third quarter of 2018 indicated that the demand for loans continued, meanwhile inflation figures were slightly lower – headline inflation was at 2% and core inflation (where often-volatile elements of food and energy prices are removed) dipped again to 1%. Eurozone unemployment was unchanged at 8.1%.

The Italian Government, having previously stood firm on its high-spending plans and risking a stand-off with European Union officials, towards month-end softened their stance. Italian media have been reporting that the deficit could be slashed from a planned 2.4% to 2.2% of GDP – but government sources quoted by Reuters suggested the deficit could be reduced to as low as 2%. The Italian Government has vowed to "end poverty" and increase employment, while letting thousands of workers retire earlier.

Elsewhere during the month, oil prices suffered sharp falls with prices down over 20%, while just at month-end a truce was agreed in the trade war between US and China. In corporate news, Banco BPM in Italy witnessed a share price advance, as its plans to dispose of up to €7.8bn of non-performing loans was well received by the market. Shares in French car-maker Renault were down over the month on news that its CEO was arrested after a breach of financial trading laws.

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UK

- UK equity markets fell during November
- Brexit negotiations reached critical stages
- UK retailers and car manufacturers suffered a challenging month

UK equity markets fell during November – a consecutive month of negative performance. The decline proved less severe than losses experienced across global markets in October, although negative momentum persisted in to month end. Markets fell amid ongoing geopolitical tension and an accelerated oil price decline. Brent crude oil fell to US$58 per barrel during November, the lowest value seen in more than a year.

At home Brexit uncertainty continued to dominate headlines, as the UK and EU's negotiations reached critical stages. The strength of sterling versus the US dollar and euro continued to act as a barometer for the perceived success of negotiations. The value of the pound fell sharply on heightened fears of a 'no deal' scenario but rallied on more constructive news flow. Mid-November the UK Government succeeded in agreeing a withdrawal agreement with the European Union's negotiating team, which was later ratified as acceptable by all EU nation states. Sterling's gains were short lived however, as the Prime Minister suffered a wave of high profile resignations from her cabinet and public calls for her to step-down from office, due to the terms of the deal. Sterling ended the period significantly lower against both the US dollar and euro, as market commentators looked ahead to the next stage of the Brexit process; Parliament's vote on the withdrawal agreement.

Economic data released during the month revealed that the UK economy grew at the fastest rate since 2016 during the third quarter of 2018, despite continued uncertainty around the outcome of Brexit. The Bank of England meanwhile warned that a disorderly exit from the European Union could result in a 10.5% decline in Gross Domestic Product, should a deal fail to be negotiated with the EU. Elsewhere UK house price growth slowed to the lowest pace seen in five years during the third quarter of 2018. UK car production also fell 10% during October – a fifth consecutive month of decline. UK retailers, anticipating a boost from Black Friday, were largely disappointed, as data showed a decline in high street footfall and online sales compared to the same trading period in 2017.

In company news, November proved a challenging month for the UK's listed tobacco companies. The market's confidence in the sector was dented by news that the US Food and Drug Administration plans to pursue a ban on menthol cigarettes. The US is the industry's largest and most profitable market, and increased regulation would be expected to impact sales in the country.

Elsewhere Thomas Cook released its annual results in November. The UK tour operator announced a sharp fall in profits for the year, following lower sales and pricing challenges in the 'lates' market. The decline was due in part to the long hot summer experienced across Northern Europe, which led many would-be holiday makers to stay at home. The company suspended its dividend and announced the resignation of the company's Chief Financial Officer.

However, there was positive news for British healthcare company BTG, which accepted a £3.3 billion takeover bid from US medical devices company Boston Scientific during the month.

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Asia Pacific

- Asian equity markets rebounded after a period of weakness
- Prospect of a ceasefire in the US-China trade war brought relief
- Japan's third quarter GDP growth slipped due to natural disasters

Asian equity markets rebounded in November, recovering some of their recent weakness. Market returns were supported by hopes that the US and China might agree to cease escalating trade tensions at the G20 summit in Argentina, as well as comments from the US Federal Reserve that suggested a slower pace of US interest rate rises.

Markets with a twin-deficit – where there are both fiscal (government spending) and current account (trade) deficits – such as India, Indonesia and Philippines, staged a decent recovery thanks to a currency rebound and a 20% decline in the oil price. Hong Kong and China equity markets also did well as investors anticipated some positive news on trade tensions. Those markets that have done relatively well year-to-date – such as Taiwan, Malaysia and Thailand – underperformed the most, while Australia also failed to stage a recovery as commodity prices remained under pressure.

In China, policymakers announced additional measures offering financial support for struggling SMEs (small and medium enterprises) and private enterprises. Monthly economic data was mixed, with slightly better than expected fixed asset investment growth, as infrastructure investment resumed after a period of contraction, while retail sales continued to be dragged down by auto sales. The manufacturing purchasing managers' index (private sector activity surveys, providing a good indicator for economic growth) slipped to 50, the level that marks the divide between expansion and contraction.

In South Korea, the central bank raised interest rates for the first time in a year, while industrial production recovered slightly thanks to non-tech production. Taiwan's third quarter GDP growth was revised down, with the government lowering its full year expectations due to concerns over a slowdown in global trade.

Meanwhile, Japan's equity market ended the month higher, with hopes that the US and China would reach a truce over trade relieving concerns about a slowdown in the global economy. Banks and brokers underperformed given changes in investors' expectations for the pace of change in US interest rates, while oil and coal product companies were the weakest performers as the oil price slumped.

Preliminary estimates suggested that Japan's economy contracted by an annualised 1.2% in the third quarter, hit by natural disasters and a decline in exports, raising concerns that trade tensions were starting to take their toll on overseas demand. In terms of monthly economic data, factory output expanded in October at its fastest pace in more than three-and-a-half years, while industrial production rebounded as expected. Finally, the arrest of Nissan's Carlos Ghosn on suspicion of falsifying financial reports and other corporate misconduct increased the focus on the quality of corporate governance in Japan.

Emerging Markets

- The positive tone was boosted by hopes of slower US interest rate hikes
- A temporary truce was agreed in the US-China trade war
- Brent crude oil fell 20% – the sharpest drop since the global financial crisis

Global emerging equity markets overcame initial weakness to finish the month in positive territory. The advance gained momentum during the last week of November, following less aggressive words from the US Federal Reserve (Fed) Chairman Jerome Powell. In particular, markets took note of Powell's comments that US interest rates are "just below" neutral, a shift from previous observations. This ignited debate that the end of the US interest rate hiking cycle was nearing and called into question whether the Fed would still press ahead next year with a series of interest rate increases that had previously been forecast. The US dollar lost ground against a basket of emerging market currencies, with the Turkish lira and South African rand appreciating strongly.

In terms of equity performance, Asia came out on top, with gains here being led by Indonesia and India. Optimism of a temporary truce in the US-China trade war ahead of the G20 meeting in Argentina provided a boost to equities in China. In a positive development, the leaders of the world's two largest economies did come to an agreement to pause the tariff war, with the US holding off plans (for 90 days at least) to increase duties from 10% to 25% on US$200bn worth of Chinese imports. Elsewhere, the EMEA (Europe, Middle East and Africa) region recorded positive equity returns, with Turkey leading the pack. By contrast, Latin America was the only region to decline in November. From a sector perspective, real estate was the leader in emerging equity markets, with energy being the laggard. Sentiment towards the latter was adversely affected by the collapse in oil prices – Brent crude lost more than 20%, its worst month since the global financial crisis.

Hungary and Poland led the equity rally in emerging Europe with uncertainties over the Italian budget and Brexit having little, if any impact. Likewise, falling oil prices and rising geopolitical tensions with Ukraine did not have much bearing on Russian equities, although they did close marginally lower, with telecoms, not energy, being the weakest sector. Fading political tensions in Turkey and better news on the inflation front (Consumer Price Index inflation slowed last month from a 15-year high in October, dropping to 21.6% from 25.2%) bolstered the country's equity market, especially financials. An interest-rate hike to 1.75% from 1.5% in the Czech Republic did not derail an upswing in local equity prices.

Interest rates were also increased in Mexico, rising to 8.0% from 7.75%. Although this decision was expected, a statement released from the central bank left the door open for further interest rate hikes. Sentiment towards Mexico was also hurt by concerns over monetary policy uncertainty ahead of Andres Manuel Lopez Obrador taking office as president of the country. Equity markets in Brazil generated disappointing returns, with political events dominating the headlines as president-elect Bolsonaro drew up plans to fill key cabinet posts, including that of a new finance minister.

Fixed Interest

- US 10-year Treasury yields reached a seven year high of 3.24% before falling back to 2.99%
- Brexit uncertainty continued to be a source of volatility for the sterling market
- VW and Takeda Pharmaceuticals both announced multi-billion US dollar deals

At the start of the month US Treasury yields increased with the 10-year US Treasury yield reaching a peak of 3.24%. This was its highest level since 2011 and came against a backdrop of strong US employment data and the US mid-term elections. The divided election result reduces the likelihood of further significant fiscal stimulus. This view helped Treasuries to rally, with further support provided by a perceived shift in tone from the US Federal Reserve about the speed at which US interest rates will be hiked, concerns over trade between the US and China and Brexit uncertainty. By month-end, the yield on the 10-year Treasury had fallen back to 2.99%. Other developed market government bonds followed this pattern of returns, selling off in the first week, before rallying into month-end.

The sterling bond market was dominated by the Brexit negotiations. News of a proposed deal between the UK and EU was well received by the market. However, as opposition to the deal increased, the premium over government bonds that sterling denominated issuers must pay to borrow (the credit spread) increased. Brexit uncertainty was keenly felt in the UK banking sector. Credit spreads within the ICE BofAML sterling banking index widened by 30 basis points over the month – the largest widening of credit spreads in the sector since the referendum result in 2016.

Elsewhere in the financial sector, the Spanish Supreme Court ruled that borrowers and not banks should pay stamp duty on new mortgages. This revised an earlier ruling with Spanish banks rallying as a result. However, the Government subsequently changed the law to explicitly state that banks should pay the tax and Spanish bank debt sold off.

In what was the penultimate month of the European Central Bank's Corporate Sector Purchase Programme, European investment grade bond new issuance increased, but was still below the average of the past 5 years according to reports from Barclays. Following better than expected results, Volkswagen raised US$8bn in the US market and a further €5.2bn in the euro and sterling markets. Volkswagen was forced to price the second deal at a significant discount to its existing bonds, which in turn led to weakness across other sectors. Also issuing in size was Japanese company, Takeda Pharmaceutical, which raised €7.5bn in what was the second largest deal in the euro corporate bond market so far this year. A further US$5.5bn was raised by the company in the US bond market. The issuance is being undertaken to finance Takeda's acquisition of biotech firm, Shire.

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.

Government Bonds

Yield to maturity (%)

	30.11.18	31.10.18	31.08.18	31.05.18	30.11.17
US Treasuries 2 year	2.79	2.87	2.63	2.43	1.78
US Treasuries 10 year	2.99	3.14	2.86	2.86	2.41
US Treasuries 30 year	3.29	3.39	3.02	3.03	2.83
UK Gilts 2 year	0.78	0.75	0.73	0.61	0.52
UK Gilts 10 year	1.36	1.44	1.43	1.23	1.33
UK Gilts 30 year	2.08	1.86	1.77	1.70	1.88
German Bund 2 year	-0.60	-0.62	-0.61	-0.66	-0.68
German Bund 10 year	0.31	0.39	0.33	0.34	0.37
German Bund 30 year	0.99	1.02	1.01	1.03	1.19

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 November 2018.

Corporate Bonds

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

	30.11.18		31.10.18		31.08.18		31.05.18		30.11.17	
£ AAA	2.43	77	2.25	65	2.14	55	2.03	66	1.84	42
£ AA	2.21	92	2.07	79	2.01	75	1.97	80	1.93	71
£ A	2.96	153	2.78	138	2.68	130	2.62	135	2.51	114
£ BBB	3.55	221	3.29	192	3.15	176	3.02	176	2.83	149
€ AAA	0.86	74	0.69	60	0.65	59	0.67	61	0.60	48
€ AA	0.60	82	0.53	71	0.47	68	0.52	72	0.37	56
€ A	1.00	119	0.92	104	0.81	97	0.82	100	0.62	76
€ BBB	1.77	190	1.59	164	1.45	151	1.38	145	1.05	106
European High Yield (inc € + £)	4.97	493	4.44	424	4.10	378	4.15	380	3.47	286

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 November 2018.

1 Credit spread – difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality. Option Adjusted Spread (OAS) is used to account for the optionality inherent in many corporate bonds.

Global currency movements – figures to 30 November 2018

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.13	0.0	-2.4	-3.2	-5.7	14.1	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.89	0.1	-0.9	0.9	-0.1	4.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.13	-0.9	0.6	-1.9	-3.3	9.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	10.31	-0.6	-2.9	0.0	4.7	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.72	1.9	-0.1	1.7	-1.3	8.4	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.46	0.0	0.1	0.3	0.2	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.29	-1.2	-0.3	-0.6	2.7	-5.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	323.62	-0.3	-0.9	1.2	4.1	0.5	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	113.48	0.5	2.2	4.3	0.7	-3.6	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.33	1.1	2.0	2.6	5.7	-6.4	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.87	-6.2	-5.6	9.2	12.1	-9.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.87	3.9	-4.7	3.9	16.7	1.8	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1120.44	-1.9	0.4	3.7	5.0	-11.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.85	-0.3	0.6	2.9	4.0	-8.6	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	32.97	-0.5	0.6	2.8	1.3	-9.2	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.37	-1.0	0.0	2.6	2.6	-7.7	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.78	0.1	1.9	4.3	6.0	-8.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	17.69	-6.3	-7.1	4.7	5.8	-1.4	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.73	3.4	1.8	-3.3	-6.2	8.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.69	5.6	3.9	-1.7	-2.9	2.0	1.7	-12.4	-5.0	-0.9	6.4

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

Global equity and commodity index performance – figures to 30 November 2018 (%)

	1 Month	3 Months	6 Months	YTD	2017	2016	2015	2014	2013	2012
Global US & Canada										
MSCI World (US$)	1.2	-5.7	-1.4	-0.7	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	1.7	-2.7	0.3	-2.6	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	0.7	-8.4	-3.1	1.1	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	0.7	-10.5	-7.7	-4.7	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	4.1	-5.4	-9.7	-12.0	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	1.2	-5.6	-2.0	-1.7	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	2.1	-1.1	5.8	5.6	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	2.0	-4.4	3.0	5.1	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	0.5	-9.4	-1.0	7.2	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	1.6	-11.6	-5.5	1.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	1.4	-5.8	-3.9	-3.7	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa										
FTSE World Europe ex-UK €	-0.5	-6.2	-4.5	-5.0	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-0.8	-5.6	-5.4	-4.8	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	-1.7	-7.2	-6.6	-2.9	12.7	8.9	11.9	2.7	22.2	20.4
DAX	-1.7	-9.0	-10.7	-12.9	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	2.5	-2.4	-2.0	-6.1	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	0.9	-4.9	-11.0	-9.1	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	0.2	0.7	6.9	-3.7	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	0.5	-6.6	-4.9	-1.4	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-2.2	-10.3	-9.8	-7.9	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	-1.2	3.8	1.3	3.7	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	1.6	3.1	1.1	-5.3	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-3.2	-12.6	-8.3	-12.3	21.0	2.6	5.1	10.9	21.4	26.7
UK										
FTSE All-Share	-1.6	-6.1	-7.7	-6.0	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	-1.6	-5.3	-7.2	-5.4	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	-2.1	-10.1	-10.1	-8.6	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-1.9	-9.0	-11.9	-10.7	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	4.8	-3.1	-3.8	-1.1	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan										
Hong Kong Hang Seng	6.2	-4.3	-11.0	-8.3	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-0.6	-5.0	-16.4	-21.7	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	3.3	-2.8	-7.5	-5.2	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	0.9	-10.6	-9.1	-7.1	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	3.3	-9.7	-13.5	-15.0	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	4.7	1.5	2.1	-3.9	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	3.2	-6.2	-1.7	-13.9	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	-1.6	-4.2	-3.9	-3.6	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	5.2	-6.0	3.3	7.7	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	4.8	-1.9	-8.4	-5.5	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	-2.2	-9.3	-3.7	-2.7	11.8	11.8	2.6	5.6	20.2	20.3
Topix	1.3	-3.1	-3.6	-6.4	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	2.0	-2.3	0.7	-1.8	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	4.5	-7.5	-10.9	-11.3	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America										
MSCI EM Latin America (US$)	-2.2	6.0	2.9	-5.5	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	-4.8	-20.0	-8.0	-18.0	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-2.0	23.6	12.5	1.6	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	5.6	8.1	-26.5	-48.3	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	3.3	-2.5	-11.8	-15.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-23.1	-25.0	-24.8	-13.8	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	-22.3	-27.3	-24.2	-16.0	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-4.6	-5.3	-9.4	-4.6	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	0.3	1.4	-6.5	-6.5	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	-17.4	-22.0	12.9	-9.9	42.1	101.0	-38.9	-65.7	225.8	-59.8

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

Investment risks

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

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