Monthly Market Roundup
August 2019 (covering July 2019)

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Global

- Global equity markets made modest gains in July as the US Federal Reserve bank cut interest rates
- Speculation that a trade deal between the US and China remained elusive
- Boris Johnson elected as UK prime minister

Global equity markets made modest gains in July amid interest rate cuts by central banks and speculation that a trade deal between the US and China remained elusive.

The first interest rate cut by the US Federal Reserve (Fed) in more than a decade was aimed at keeping the record-long economic expansion going by insulating the economy from mounting global risks. In his press conference, Fed chairman, Jerome Powell called this interest rate cut a mid-cycle adjustment to combat current risks to the economic outlook, rather than the start of a cutting cycle. He stated three main threats to the outlook that the Fed has been monitoring since the start of the year and that now justified a rate cut: weakening global growth, trade policy developments and inflation running below target.

In Europe, monetary easing (central bank policies used to increase liquidity in the market) seemed all but confirmed. Following the European Central Bank (ECB) press conference, it was announced that there would be an interest rate cut in September and another wave of Quantitative Easing (printing money) in Q4 2019 looking very likely. Equity and bond markets appeared to have already priced this in. The Bank of England, however, was looking to be out of step with central banks on interest rates.

Nonetheless, domestic politics dominated the UK in July, with Boris Johnson confirmed as the new British Prime Minister mid-month. News of a fresh cabinet, including Chancellor of the Exchequer, Home Secretary and Foreign Secretary increased perceived likelihood of a no-deal exit from the European Union. The Prime Minister's assertion that the United Kingdom will leave the European Union on 31 October 2019 "come what may", saw sterling fall to a five-year low.

Emerging equity markets edged lower during July with consumer sentiment unsettled by concerns over global growth and uncertainties around a US-China trade deal. Asia was the weakest performing region, followed by the EMEA (Europe, Middle East and Africa) region. Equity markets in Latin America finished flat on the month. From a country perspective Korea lost the most ground as its trade rift with Japan deepened with Turkey – enjoying the biggest gains as investors reacted positively towards a larger than expected cut in Turkish interest rates.

July was another strong month for bonds with yields (which move inversely to bond prices) falling in many markets. The key catalyst for this rally was once again expectations about central bank policy.

US

- US Fed cuts interest rates by 0.25%, a move widely anticipated by the market
- US growth slowed to 2.1% as trade war weighs on businesses
- Merger and acquisition activity within the health care sector continues

The US equity market ended July in positive territory despite dipping lower on the last day of the month after the US Federal Reserve (Fed) cut interest rates by 25 basis points, a move widely anticipated by the market. Fed chairman Jerome Powell disappointed some by calling the move a "mid-cycle adjustment to policy" rather than the start of a more aggressive cycle of monetary easing (by controlling money supply and interest rates).

Before the Fed meeting, markets were betting on three more interest rate cuts by the end of 2019. President Donald Trump said in a tweet that: "Powell let us down" with regards to the size of the cut. Heading into the July Federal Open Reserve Market Committee (FOMC) meeting, much of the debate was around whether the Fed would deliver 25 or 50 basis points on interest rates.

The first interest rate cut by the Fed in more than a decade was aimed at keeping the record-long economic expansion going by insulating the economy from mounting global risks. In his press conference, Powell called this rate cut a mid-cycle adjustment to combat current risks to the economic outlook, rather than the start of a cutting cycle. He stated three main threats to the outlook that the Fed has been monitoring since the start of the year and that now justified a rate cut: weakening global growth, trade policy developments and inflation running below target.

The US equity market was led higher by the tech sector which saw strong gains over the month from semiconductor businesses in particular as firms such as Teradyne and Texas Instruments announced solid company earnings results and improved outlooks. A further boost for chipmakers and tech more broadly came after it emerged that Washington officials were seeking to reignite trade talks with China.

Defensive groups of stock that are less sensitive to the business cycle, such as utilities and health care saw declines, as did energy stocks, which continued to be impacted by falling oil prices driven by concerns over global demand.

Signs of a solid economy competed with the trade war with China, which has continued to weigh on the economic expansion (in July became the longest on record) and fuels uncertainty for businesses. US economic growth slowed in the second quarter by less than forecast as consumer spending topped estimates. Gross domestic product (GDP) expanded at a 2.1% annualised rate, compared to forecasts for 1.8%.

Consumer sentiment was near historical highs in July. As such, consumer spending, the biggest part of the economy, increased by 4.3%, while government spending climbed 5% and offered the biggest boost in a decade.

In corporate news, merger and acquisition activity continued within the health care sector after pharmaceutical giant Pfizer announced that it had reached a deal with generics drug maker Mylan to create an off-patent pharmaceutical business. Pfizer is set to combine its Upjohn unit, which makes Viagra, with Mylan, the EpiPen maker, as part of a deal which is thought will have a significant impact on the industry.

Europe

- European equity markets flat in July
- US-China trade wars escalate and send shockwaves through the markets
- European Central Bank (ECB) paves the way for further interest rate cuts and increasing the money supply through quantitative easing (QE)

European equity markets started the month well and showed signs of continuing to rally. However, much of the gains were lost by the end of the month as a tweet from Trump reignited fears over the status of trade negotiations with Beijing and spooked investors.

At sector level, 'non-cyclical' (stocks whose performance is less correlated to the business cycle) areas of the market fared best with Consumer Staples, Information Technology and Utilities leading the pack. Meanwhile, Energy was the most significant detractor as fears of a global slowdown and falling demand weighed heavily on oil prices. Materials and Financials were also notable detractors as investors fled from anything economically sensitive.

Following the ECB press conference in July, monetary easing (when central banks increase the money supply in the economy) seems all but confirmed, with an interest rate cut in September and another wave of QE in Q4 2019 looking very likely. Equity and bond markets appear to have already priced this in. Should interest rates continue to decline, we would expect some action will also be taken to mitigate the negative impact on private lenders. Draghi himself suggested that any further rate cuts could include deposit tiering (economic measure used to mitigate impact on banks' earnings from negative interest rates). Importantly, a rethink on inflation appears likely too, as a "symmetrical" approach to the inflation target was mentioned again – that is, the ECB would have the flexibility to be above or below the specified target (currently 2%) depending on economic conditions.

In economic news, the latest Eurozone GDP figures were released and showed a quarter-on-quarter growth of 0.2% (half that of Q1 2019), in-line with market consensus and ECB forecasts. Headline inflation fell to 1.1% (down from 1.3% in June), largely driven by a fall in the Core rate to 0.9% (down from 1.1% in June). Meanwhile, the domestic picture remains resilient as the unemployment rate fell from 7.6% in May to 7.5% in June. In addition, Eurozone growth in retail sales jumped from -0.6% in May to 1.1% in June, well ahead of market consensus estimates of around 0.2%. Household consumption has remained robust and should continue to offset some of the weakness from falling exports.

Elsewhere in Europe, we have a new premiership in the UK with Boris Johnson at the helm. 'Deal or No-Deal', the UK looks set to leave the EU on 31st October 2019. Europe's top jobs have also been filled, with Christine Lagarde voted in as the successor to Mario Draghi at the ECB and Ursula von der Leyen succeeding Jean-Claude Juncker as President of the European Commission. Although too early to say for sure, previous comments by both Lagarde and von der Leyen suggest a status-quo in policy should not be expected.

UK

- The UK equity market provided a positive return during July
- Boris Johnson was elected as leader of the Conservative party and Prime Minister
- A resurgence in no-deal Brexit rhetoric saw Sterling fall to a two-year low versus the US dollar

The UK equity market provided a positive return during July, despite some periods of underlying volatility. Sterling weakness and signs of soothing trade tensions between the US and China supported the rise of the market's many international constituents.

Domestic politics dominated headlines during July, as Boris Johnson was confirmed as the United Kingdom's new Prime Minister mid-month. Mr. Johnson unveiled a new cabinet, placing pro-leave figures in high profile positions including Sajid Javid as Chancellor of the Exchequer, Pritie Patel as Home Secretary and Dominic Raab as Foreign Secretary. This coupled with the Prime Minister's assertion that the United Kingdom will leave the European Union at the end of October "do or die", saw the value of sterling fall to a two-year low against the dollar. The value of the pound fell to just 1.21 versus the US dollar and 1.09 versus the Euro at the end of July.

Economic data released during July showed that UK employment remained robust in the first half of 2019. Unemployment remained below 4%, whilst there were 350,000 more people in work during the three months to May this year than the previous year. Meanwhile, the housing market continued to face pressure particularly in London, where property prices fell on average 4.5% in the twelve months to May 2019, the fastest rate of decline since 2009.

In corporate news, Thomas Cook announced that it has agreed a £750 million restructuring deal with its largest shareholder. However, the move to recapitalise the business is expected to wipe-out remaining shareholders. On the final day of July, Next issued a very strong trading update, increasing its full-year profit guidance. Elsewhere there was further evidence of merger and acquisition activity during July, as a US private equity group announced a deal to buy UK defence supplier Cobham for £4 billion.

Asia

- Asian equities end July lower as trade talks hope fades
- Korea and India underperform, China also in the decline
- Bank of Japan says will ease policies should conditions worsen

Asian equities ended July lower as hopes of a positive outcome to US-China trade talks diminished. Negotiators met in Shanghai at the end of the month and while discussions were described as "constructive", no significant progress was made resulting in growing concerns that both sides could be preparing for a lengthier confrontation. The next round of talks is scheduled for September. Meanwhile, economic and political headwinds weighed on investor sentiment with India and Korea the worst performers and China ending the month lower. Conversely, Taiwan outperformed regional peers supported by a recovering technology sector while Australia also closed out the month in positive territory.

Chinese equities ended July lower, surrendering earlier gains when investor confidence rose ahead of trade talks with the US. The launch of the NASDAQ-styled Science and Technology Innovation Board, or STAR market, as part of the government's market reform program did lend some support to investor sentiment, but this faded towards the end of the period. Economic data was mixed: second quarter Gross Domestic Product (GDP) growth came in at 6.2% compared to 6.4% the previous quarter as trade war woes added to existing domestic pressures. The figure still remains within the government's full-year target of 6-6.5%. June figures were more positive with industrial production and retail sales beating expectations, and while the manufacturing purchasing mangers' index (indicates performance of manufacturing sector) edged up to 49.7 from 49.4, it remained below 50, indicating contraction.

Indian equities underperformed on market concerns over a proposal for an increase in taxes on foreign portfolio investors and high-income earners in the government's national budget – the first since the current prime minister of India, Modi's re-election. Meanwhile, macroeconomic data remained mixed with inflation below target and broader economic growth subdued. Korean equities also lost significant territory as a number of factors negatively impacted market confidence, including the Bank of Korea's surprise interest rate cut and lowering of its full year economic growth outlook, missile launches in North Korea, and a ramping up of regional trade frictions after Japan announced that it would tighten rules on exports to Korea of key materials used in the production of semiconductors.

Deteriorating global trade relations also impacted Japanese equities which ended July lower as optimism over an improvement in US-China relations waned. Mixed corporate earnings also weighed on investor sentiment as the ongoing trade war hit export-dependent firms. Domestically, industrial output fell by a more-than-expected 3.6% in June while the Bank of Japan (BOJ) stated that economic activity continues to face risks given current global uncertainties and signalled that it would introduce further monetary policy easing should the situation deteriorate further. It kept its short-term interest rate target unchanged at -0.1%.

Emerging Markets

- Investor confidence dented by global growth concerns
- Central banks react by cutting interest rates in Korea, Russia, Brazil, South Africa and Indonesia
- Pension reform bill in Brazil successfully passes its first hurdle in the Lower House

Emerging equity markets edged lower during July with investor sentiment unsettled by concerns over global growth and uncertainties around a US-China trade deal. Asia was the weakest performing region, followed by the EMEA (Europe, Middle East and Africa) region. Equity markets in Latin America finished flat on the month. From a country perspective Korea lost the most ground as its trade rift with Japan deepened with Turkey enjoying the biggest gains as investors reacted positively towards a larger than expected cut in Turkish interest rates. The cost of borrowing was also reduced in Brazil, Russia, South Africa, Korea and Indonesia. On 31 July, the US Federal (Fed) Reserve sanctioned the first cut in US interest rates in a decade. The US dollar extended its gains for the month against a basket of currencies following Fed Chair Powell's comment that the move was "not necessarily" the start of a rate-cutting cycle.

Poland and the Czech Republic were the weakest performing equity markets in the EMEA region with market sentiment towards EU countries in general being soured by the increased likelihood of a no-deal Brexit. Russian stocks also closed lower, in line with those in South Africa. By contrast, equity markets in Turkey and the United Arab Emirates generated healthy returns. Due to easing inflation and slowing economic growth, the Bank of Russia cut interest rates by 25 basis points (to 7.25%) for a second consecutive month and left the door open for more to follow, if there are no negative surprises. The South Africa Reserve Bank also lowered interest rates - from 6.75% to 6.5% - amid the global growth slowdown. While maybe not ideal for its long-term credibility, the decision by the Central Bank of the Republic of Turkey, citing an improved outlook for inflation, to cut interest rates by 425 basis points to 19.75% was favourably received by equity investors. The Turkish lira rallied 4.6% versus the US dollar, its biggest monthly advance for more than six months.

Performance in Latin American equity markets was mixed with gains in Brazil being offset by weakness elsewhere in the region. Pension reform in Brazil took a big step forward following the approval of the bill in the Lower House, a key development. Furthermore, the estimated savings of 900 billion Brazilian real from the planned reforms comfortably exceeded market expectations of R$700bn. Meanwhile, Brazil's central bank delivered a strong message that it is poised to pump more stimulus into an ailing economy after lowering interest rates by 50 basis points to a record low of 6%. The unexpected resignation of Mexico's well known and fiscally prudent Finance Minister, Carlos Urzúa - on grounds of disagreement on economic matters - unnerved some investors on fears it could increase the likelihood of a potential credit rating downgrade for the country.

Fixed Interest

- Expectations of central bank policy once again drove returns
- The US Federal Reserve (Fed) cut interest rates by 25 basis points (bps)
- The European Central Bank (ECB) continued to prepare the market for an easing of monetary policy by making credit more easily available

July was another strong month for bonds with yields (which move inversely to bond prices) falling in many markets. The key catalyst for this rally was once again expectations about central bank policy.

The German 10-year Government bond yield reached an all time low of -0.44% by the 31 July 2019. Italian Government bond yields briefly fell below 1.5% for the first time since October 2016. Gilt yields were also lower. However, US Treasury yields were higher on the month.

Corporate bonds also benefitted from the expectation of easier monetary policy. At an index level they outperformed government bonds with credit spreads (the premium over government bonds that companies need to pay to borrow) tightening. Credit spreads for European (sterling and euro) high yield investment grade bonds are now just below their 5 year averages.

A 25bps cut in US interest rates was fully priced in to the market throughout July. Indeed, by the middle of July, the market was pricing in a 40% probability of the rate being cut by 50bps. However, by the time of the 31 July meeting, these expectations had rescinded, with the market expecting just 25bps. The accompanying statement to the Fed's decision that the cut represented a mid-cycle adjustment rather than the beginning of a substantial reduction in interest rates was however met with some disappointment by the market. As a result, bond yields increased, and the dollar strengthened following the Fed's first cut in interest rates for over a decade.

In Europe, expectations of future monetary policy easing by the ECB through increasing the money supply, also helped support the bond market. At its July meeting the ECB indicated its concern about the ongoing low level of inflation and that it anticipated interest rates being at their current level or even lower until the middle of 2020.

Against this backdrop of easier monetary policy data from Deutsche Bank shows that €600bn worth of European corporate debt now has a negative yield. At the start of the year the figure was virtually zero. Supply in both sterling and euro denominated investment grade markets eased during July with the total value of new corporate bonds issued in line with that of July 2018. High yield bond markets were more buoyant, with issuance levels ahead of those in July 2018. However, year-to-date high yield bond issuance remains below that for the same period last year.

Government Bonds

Yield to maturity[1] (%)

	31.07.19	30.04.19	30.04.19	31.01.19	31.07.18
US Treasuries 2 year	1.87	1.75	2.27	2.46	2.67
US Treasuries 10 year	2.01	2.01	2.50	2.63	2.96
US Treasuries 30 year	2.52	2.53	2.93	3.00	3.08
UK Gilts 2 year	0.44	0.62	0.76	0.76	0.77
UK Gilts 10 year	0.61	0.83	1.19	1.22	1.33
UK Gilts 30 year	1.32	1.47	1.69	1.72	1.77
German Bund 2 year	-0.78	-0.75	-0.58	-0.56	-0.57
German Bund 10 year	-0.44	-0.33	0.01	0.15	0.44
German Bund 30 year	0.12	0.27	0.66	0.75	1.09

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 2019. The yield is not guaranteed and may go down as well as up.

Corporate Bonds

Yield to maturity[1] (%)/Spread[2] (bps)

	31.07.19		30.06.19		30.04.19		31.01.19		31.07.18	
£ AAA	1.59	66	1.78	67	2.03	65	2.16	76	2.16	57
£ AA	1.43	70	1.67	73	1.87	72	2.01	84	2.05	78
£ A	2.04	124	2.28	128	2.52	127	2.72	144	2.71	132
£ BBB	2.55	176	2.83	184	3.04	180	3.33	207	3.17	176
€ AAA	0.08	56	0.25	63	0.46	56	0.74	75	0.71	57
€ AA	-0.07	61	0.07	68	0.24	61	0.51	80	0.51	65
€ A	0.23	83	0.41	92	0.58	87	0.90	115	0.83	92
€ BBB	0.74	127	0.97	142	1.16	139	1.63	182	1.41	138
European High Yield (inc € + £)	3.93	385	3.99	384	4.08	381	4.76	467	3.98	364

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 2019. The yield is not guaranteed and may go down as well as up.

1 Yield to maturity – is the total return anticipated on a bond if the bond is held until it matures.

2 Credit spread – difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality.

Global currency movements – figures to 31 July 2019

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.11	-2.6	-1.3	-3.2	-3.4	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.91	1.7	5.9	4.3	1.3	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.10	-0.8	-3.7	-3.3	-2.2	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.69	1.3	0.4	3.2	5.3	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	9.82	1.2	1.4	1.7	-0.9	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.47	0.1	0.0	0.0	0.0	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.29	1.1	0.1	0.7	0.0	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	326.07	1.0	0.7	3.2	1.5	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	108.76	0.8	-2.4	-0.1	-0.7	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.32	0.8	-1.5	0.5	-3.3	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	14.35	1.9	0.3	8.2	-0.1	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	3.81	-1.0	-2.8	4.6	-1.8	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1188.32	2.8	2.1	6.8	6.6	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	31.17	0.6	0.9	1.5	1.9	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	30.70	0.0	-3.7	-1.6	-5.1	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.37	1.6	1.0	2.1	0.8	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.82	3.9	6.5	7.4	4.0	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	17.44	-2.4	-6.4	0.4	-4.8	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.68	-2.5	-2.9	-5.9	-2.9	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.66	-2.4	-1.8	-5.2	-2.4	-5.2	2.0	1.7	-12.4	-5.0	-0.9

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

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance is not a guide to future returns.

Global equity and commodity index performance - figures to 31 July 2019 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	0.5	1.1	9.4	18.0	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	-0.1	-0.4	5.6	13.3	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	1.1	2.5	13.3	22.8	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	0.6	-0.4	6.0	17.0	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	-1.1	-2.5	0.7	9.5	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	0.4	0.9	8.6	17.1	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	1.1	1.7	8.8	16.7	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	1.4	1.7	11.3	20.2	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	2.2	1.3	12.9	23.9	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	0.6	-0.7	5.8	17.7	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	0.3	-0.3	7.3	16.6	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	0.3	0.8	11.4	18.2	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	0.3	-0.2	10.4	17.3	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	-0.3	0.9	13.7	20.1	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	-1.7	-1.3	9.1	15.4	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	-2.1	-5.2	1.2	7.8	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	1.1	0.5	12.1	21.2	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	0.2	1.5	10.6	17.7	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	2.0	1.1	12.6	20.1	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	-0.4	-1.0	7.6	15.9	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	0.7	13.8	16.7	32.6	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	1.0	6.0	5.7	16.0	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	-2.4	-2.7	6.6	9.6	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	2.0	2.6	10.6	15.2	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	2.2	3.2	11.6	15.7	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	1.3	0.0	6.8	14.4	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	-1.8	-5.2	0.3	4.2	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	3.7	7.1	18.6	24.8	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	-2.3	-4.5	1.9	10.2	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	-1.6	-4.7	13.5	17.6	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	-0.2	-1.1	6.0	10.3	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	0.9	-1.3	9.0	11.3	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	-5.0	-8.1	-8.2	-0.8	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	0.5	-1.0	-2.2	3.2	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	0.6	1.2	0.5	7.8	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	-1.0	2.8	6.3	11.6	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	-4.8	-3.7	4.1	4.8	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	-1.2	-4.6	-0.2	8.8	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	2.9	8.6	18.7	23.3	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	0.9	-3.1	1.2	6.2	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	1.2	-3.3	3.6	7.5	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	-1.3	-2.2	3.4	11.0	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	0.1	4.2	-1.7	13.0	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	-3.8	-7.4	-6.3	2.8	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	2.6	10.8	1.0	19.0	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	-1.2	41.4	6.7	27.7	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	-5.0	-7.9	-16.0	-5.7	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-5.1	-11.3	2.6	26.7	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	0.6	-8.3	8.9	29.6	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	-1.2	-2.6	0.5	6.6	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	1.1	11.3	8.0	11.4	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	38.0	84.8	179.6	47.0	-7.0	42.1	101.0	-38.9	-65.7	225.8

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated.

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance is not a guide to future returns.

Investment risks

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