Invesco

Monthly Market Roundup
March 2019 (covering February 2019)

Global

- Trade continued to dominate global markets
- Fading fears of a global recession in 2019 improved sentiment further
- News that Trump was closer to accepting a border spending deal also buoyed stocks

Trade continued to dominate global markets in February as the economic superpowers raced to reach a deal that would avert a tariff increase on Chinese goods. Fading fears of a global recession in 2019 improved sentiment further. These reflected themes in the US equity market which saw February end in positive territory amid optimistic signs on the economy and trade discussions. Also buoying stocks was news that Trump was closer to accepting a border spending deal, averting another government shutdown.

In the UK, Brexit remained the dominant influence on market confidence. A series of votes in the House of Commons were interpreted by the market as reducing the likelihood of a so called 'no-deal Brexit'. The UK equity market provided a positive return during February. This consecutive month of positive gains saw the market recover ground lost during the December sell-off. European equity markets also continued their rally posting strong performance for another consecutive month.

Asia was the only region in emerging markets to register gains last month with sentiment boosted by progress in Sino-US trade talks. Equity markets in China were further bolstered by news that MSCI, a provider of global equity market indexes, is set to increase the weighting of China-listed shares in the MSCI Emerging Markets Index.

The rally in risk assets that began in January continued with corporate bond markets delivering another month of positive returns. One of the more significant catalysts for the rally this year has been the US Federal Reserve's (the Fed) move to a less aggressive approach to managing the supply of money. This was reaffirmed at its February meeting.

US

- US equity market drew strength from optimistic signs on the economy and trade discussions
- News that Trump was closer to accepting a border spending deal, averting another government shutdown, buoyed markets further
- Big tech stocks underperformed the broader market year-to-date

The US equity market ended February in positive territory amid optimistic signs on the economy and trade discussions. Also buoying stocks was news that Trump was closer to accepting a border spending deal, averting another government shutdown.

Information technology was the top-performing sector in February, however big tech stocks like Apple, Amazon, Alphabet and Microsoft still underperformed the broader market year-to-date. Materials and industrials stocks gained on US-China trade deal hopes. The healthcare sector lagged the broader market, driven by CVS Health Corporation, a US pharmaceutical company whose share price fell as it reported mixed fourth quarter results. Its lower-than-expected earnings forecast came amid its integration of health insurer Aetna and uncertainty over rebates weighing on its pharmacy benefit management business.

On the macro-economic front, solid US growth numbers have reined in fears of an economic downturn arriving this year and the delay to an increase in American tariffs on Chinese goods has buoyed investor sentiment further. Gross domestic product, the measure of goods and services rose at an annualised pace of 2.6% during the fourth quarter – a solid reading but slower than the robust 3.4% and 4.2% expansions clocked respectively in the previous two quarters as consumers reined in spending growth and residential investment continued to shrink.

US inflation numbers bolstered the US Federal Reserve's decision to be patient on raising interest rates. And with major central banks seemingly on pause or turning less aggressive, investor attention now appears firmly focused on the outlook for global trade and the chances of progress at the next round of talks between the US and China.

In terms of corporate news, General Electric's new chief executive took his biggest step towards breaking up the conglomerate by agreeing a US$21bn all-cash deal to sell most of its life sciences business and signalling that more disposals are in the pipeline. Elsewhere, Johnson & Johnson has continued the big pharma buying spree of recent months and bought robotic platform Auris Health for US$3.4bn in cash, as the world's largest healthcare group tries to speed up its move into digital surgery.

Europe

- European equity markets continued to rally into February
- Economic data still paints a mixed picture but there are signs of improvement
- Spanish Prime Minister calls for a snap election after failing to pass budget in parliament

2019 is proving to be a much better year for investors thus far as European equity markets continued their rally posting strong performance for another consecutive month. All sectors apart from Real Estate and Utilities returned positively. The top performing areas of the market this month were Financials, Industrials, and Materials. Being highly cyclical (when income fluctuates according to economic cycle), both sectors were hit particularly hard towards the back-end of 2018 when fears of a global slowdown and escalating trade tensions were at the forefront of investors' minds. Today, there is evidence that the Chinese authorities have implemented measures to help mitigate some of the impacts of a slowdown and President Trump has agreed to extend the March 1 tariff hike deadline on China which has eliminated fears of a full-blown trade war.

The eurozone Economic Sentiment Indicator (ESI) fell marginally from 106.3 in January to 106.1 in February. The ESI is a confidence indicator with 5 underlying components to represent the broad economy; Industrials (40%), Services (30%), Consumer (20%), Retail (5%), and Construction (5%). Despite weakness in the Industrials component – likely linked to weakness in exports – all other areas showed improvement relative to last month. Given the survey is usually done early in the month, any developments since (e.g. easing trading tensions) would not have been captured. Nevertheless, the ESI and GDP growth are a highly correlated set of figures and an ESI of 106.1 still points to positive (though unspectacular) economic growth.

In prior months we've spoken about some 'temporary' issues which have impacted survey results and GDP growth figures, such as the new Worldwide harmonized Light vehicles Test Procedure (WLTP) diesel regulations introduced in September, which led to a severe fall in car production and the 'Gilets Jaunes' protests in France. By way of update, most manufacturers have developed new compliant models and the most recent figures for Germany's auto related industrial production, which accounts for circa. 14% of the country's industrial production, saw it tick back up to pre-WLTP levels. In France, though the protests have continued, recent opinion polls now indicate falling levels of support for the 'Gilet Jaunes' and rising popularity for President Macron. As support continues to dwindle the severity of the protests are unlikely to go unabated.

Elsewhere in the EU, Spanish Prime Minister Pedro Sánchez called for a snap election, two days after parliament rejected his government's 2019 budget proposal. Financial markets largely ignored the news given this will be Spain's third general election in only four years. Essentially, any outcome from the election is unlikely to lead to major change in economic policy. However, this does add to the already congested political calendar with the Brexit deadline approaching in March, European Parliament elections coming up in May, and an array of state/regional elections throughout the continent this year. As such and once again, politics is likely to dominate headlines in 2019.

UK

- The UK equity market provided a positive return during February
- Sterling reached a nine-month high against the US dollar as a no-deal Brexit appeared less likely
- Marks & Spencer announced a joint venture with online retailer Ocado

The UK equity market provided a positive return during February. This consecutive month of positive gains saw the market recover ground lost during the December sell-off.

Political developments continued to dominate headlines as we moved closer to the scheduled date of Britain's exit from the European Union. The value of sterling, which fell in value versus international currencies for the first half of the month, strengthened to month end on rising expectations that the UK will avoid a no-deal exit from the EU on 29th March 2019. Theresa May's decision to allow Parliament to vote on whether to seek an extension of Article 50 saw the value of sterling rise to a nine-month high of 1.33 versus the US dollar and a twenty-month high of 1.17 versus the euro.

Amid continued political uncertainty the Bank of England (BoE) cut its UK growth forecast from 1.7% to 1.2% for the year, citing slowing global economic growth and Brexit related uncertainty. The downgrade represented the largest downward revision to BoE estimates since the EU Referendum result in 2016.

Economic data released during the period showed that inflation fell below 2% in January, primarily driven by lower energy prices, whilst UK retail sales growth was ahead of expectations. Meanwhile, the UK Purchasing Managers Index, a measure of confidence in the economy, fell to a thirty-month low in January.

In corporate news, Marks & Spencer announced a joint venture with Ocado during February. The deal, which will see M&S purchase half of Ocado's retail business, will be financed by a rights issue (new share issue to existing shareholders) and a dividend cut. ITV and the BBC also announced a joint UK streaming venture, aimed at rivalling media disruptors Netflix and Amazon Prime.

Elsewhere embattled cake chain Patisserie Valerie was rescued from administration, whilst sub-prime lender, Provident Financial received an unsolicited bid (when an investor seeks to purchase a company that is not looking for a buyer) from competitor Non-Standard Finance.

Asia

- Asian equity markets extended January gains
- China, Hong Kong and Taiwan lead on trade talk hopes
- Korea gave up gains, India mixed on near-term outlook

Asian equity markets continued January's gains through to February, ending the month higher as expectations of a resolution to US-China trade disputes strengthened. The US Federal Reserve's (Fed) relaxed stance on interest rates also helped to further lift the tone of the market, while oil prices also edged forward over the month. China, Hong Kong, Taiwan, and Australia equities were the region's top performers, and while the US dollar saw relative gains, several Asian currencies ended the month lower, including the Australian dollar, Indonesia rupiah and Korean won.

The improvement in US-China relations was again the main performance driver as the two trading partners indicated that they are moving closer to agreeing on a deal which could see the US lifting tariffs and China acting on pledges for greater market reform. The announcement of an extension of the deadline for trade talks helped further raise investor confidence in the region, which saw Hong Kong financials and the Taiwanese technology sector record the biggest gains over the month.

This boost in confidence also helped China continue to outperform despite mixed macroeconomic data. The official Purchasing Managers' Index (PMI), that indicates the health of an economy, fell to 49.2 in February from 49.5 the previous month, indicating further slowing of the country's large-scale manufacturing sector. However, exports beat market estimates, increasing to 9.1% in January ahead of the Lunar New Year holidays, compared to the decrease of 4.4% in December. With a slowdown in the broader economy, expectations remain high that the central government will continue to roll out measures over time aimed at supporting domestic growth.

Japanese equities were also buoyed by improvements in US-China talks, with export-dependent sectors benefitting as investors shrugged away concerns over weaker economic data. Japanese manufacturing activity, for example, fell in February at the fastest pace in over two years on lower export orders.

While improving US-China relations gave the market some cause for cheer, the breakdown in US-North Korea talks in February, combined with lower inflation figures and weaker corporate earnings, weighed on South Korean equities which gave back the previous months' gains, ending February as one of the weakest performers. Economic data was also mixed, with the manufacturing PMI shrinking to 47.8 from 48.3 in January, the fastest decrease seen since 2015 as new export orders fell for the seventh consecutive month.

Indian equities ended the month slightly lower as investor concerns remain over earnings and corporate governance issues. While the India growth story continues to look positive, the near-term economic outlook is mixed: gross domestic product (the measure of goods and services produced) rose 6.6% in the fourth quarter compared to 7% the previous quarter, forcing the central bank to shift policy to a more neutral stance, where interest rates and inflation remain relatively stable. Clashes with Pakistan in an election year have further weighed on confidence.

Emerging Markets

- Asian equity markets boosted by progress in Sino-US trade talks
- Weighting of Chinese listed shares to be increased in MSCI Emerging Markets Index
- Confidence towards South Africa rattled by Eskom bailout

Asia was the only region in emerging markets to register gains last month with sentiment boosted by progress in Sino-US trade talks. Equity markets in China were further bolstered by news that MSCI, a provider of global equity market indexes, is set to increase the weighting of China-listed shares in the MSCI Emerging Markets Index. Over a six-month period beginning in May, the weighting of Chinese listed shares in the benchmark will ultimately increase to 3.3% from 0.72%. Equity performance elsewhere in the region was more mixed however with strength in Taiwan offset by weakness in Indonesia. While equity markets in India got off to a good start, drawing inspiration from a cut in interest rates, gains were later trimmed back as geopolitical tensions rose with neighbouring Pakistan. Korean stocks also experienced a disappointing end to the month due to the failure of talks between the US and North Korea in Vietnam.

Following a strong start to the year, Latin American equity markets lost some ground in February but remain the best performing region year-to-date. Weakness was led by Brazil as investors awaited more clarity on pension reform from the government. President Jair Bolsonaro plans to save US$270 billion over a decade with his proposed pension overhaul plan by revising the tax rate, increasing the retirement age and creating savings accounts, as part of efforts to tackle the country's account deficit and boost economic growth. Underscoring the challenges Bolsonaro faces, Brazil's economy slowed sharply in the fourth quarter, expanding only by 0.1%, down from a revised 0.5% rate in the previous quarter. Mexico's economy also slowed more than expected in the fourth quarter amid austerity measures (policies that help a government reduce its deficit) implemented after President's Lopez Obrador's inauguration. Retail sales unexpectedly dropped by 1.3% in December from a year earlier. There was better economic news from Colombia however as the economy rebounded last year – 2018 GDP growth was 2.7% - as low interest rates boosted investment and household spending. Colombia's equity market responded positively and now tops the emerging markets' leader board after two months of trading in 2019.

Year-to-date gains in the EMEA (Europe, Middle East and Africa) region were also cut back with Qatar, South Africa and Turkey being the weakest performers in February. Sentiment towards South Africa was adversely affected by the unveiling of a US$4.8 billion government bailout for Eskom, the struggling state-owned power monopoly. Ratings agency Fitch warned that the country could see their ratings downgraded if Eskom's turnaround plan failed. This knocked market confidence towards the rand, which depreciated by 5.9% against the US dollar. Downward revisions of 2019 consensus corporate earnings estimates weighed on Turkish equity markets. Russian equities also finished the month lower despite a 6.7% increase in Brent crude oil prices.

Fixed Interest

- The rally in corporate bond markets continued in February
- The US Federal Reserve (Fed) reiterated its recent less-aggressive approach
- New issuance in European investment grade corporate bond markets was strong

The rally in corporate bond markets that began in January continued with both high yield and investment grade delivering another month of positive returns.

One of the more significant catalysts for the rally this year has been the US Federal Reserve's (the Fed) move to a less aggressive approach to managing the supply of money. This was reaffirmed at its February meeting. The minutes from the meeting highlighted that the Federal Open market Committee (FOMC) - the committee that makes decisions on monetary policy- participants thought it desirable to announce a plan to stop reducing the Fed's balance sheet before too long. This, and other more neutral statements has led the market to push out its expectations of further interest rate hikes.

In the UK, Brexit remained the dominant influence on sentiment. A series of votes in the House of Commons were interpreted by the market as reducing the likelihood of a so called 'no-deal Brexit'. Further helping this narrative was the Labour party's decision to move to support a second referendum on membership of the European Union. Sterling rallied from the perceived reduction in political risk with the pound rising to a peak of US$1.32 in late February.

At its latest monetary policy meeting, officials from the European Central Bank (ECB) warned that the slowdown in economic growth in the Eurozone might be deeper and broader than previously thought. The ECB has maintained that it has all the instruments it needs should the economy weaken further. One such tool, which is gaining increasing attention are TLTRO (Targeted Longer-Term Refinancing Operations). This is a programme that the ECB has used in the past that provides long-term loans to the banks. The suggestion it might be deployed again has helped to support bonds in the banking sector.

In corporate bond markets, GE, which has been at the centre of recent concerns about the increase of corporate indebtedness, announced that it was selling its Biopharmaceutical business. GE will use the proceeds from the sale to reduce its debt.

Investment Grade (IG) corporate bond issuance has been strong. Barclays report that the past month was the busiest February since 2015 for new IG supply. Combined, January and February have seen the highest level of issuance since the global financial crisis. In part this increase reflects US non-financial issuers. Ford, Colgate-Palmolive, Coca Cola and Altria were among the US companies issuing. Domestic issuers were also taking advantage of the favourable conditions to issue in size. For example, German Engineer Siemens sold four bonds totalling €3bn in tranches up to 20 years. Another example was Finnish power company Fortum, which raised €2.5bn in multi-year tranches (bonds with varying maturities to appeal to a variety of investors) up to 10-years.

Government Bonds

Yield to maturity (%)

	28.02.19	31.01.19	30.11.18	31.08.18	28.02.18
US Treasuries 2 year	2.51	2.46	2.79	2.63	2.25
US Treasuries 10 year	2.72	2.63	2.99	2.86	2.86
US Treasuries 30 year	3.08	3.00	3.29	3.02	3.12
UK Gilts 2 year	0.83	0.76	0.78	0.73	0.78
UK Gilts 10 year	1.30	1.22	1.36	1.43	1.50
UK Gilts 30 year	1.82	1.72	2.08	1.77	1.89
German Bund 2 year	-0.52	-0.56	-0.60	-0.61	-0.54
German Bund 10 year	0.18	0.15	0.31	0.33	0.66
German Bund 30 year	0.81	0.75	0.99	1.01	1.30

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 2019.

Corporate Bonds

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

	28.02.19		31.01.19		30.11.18		31.08.18		28.02.18	
£ AAA	2.22	73	2.16	76	2.43	77	2.14	55	2.18	53
£ AA	2.05	79	2.01	84	2.21	92	2.01	75	2.07	68
£ A	2.74	138	2.72	144	2.96	153	2.68	130	2.68	116
£ BBB	3.33	199	3.33	207	3.55	221	3.15	176	2.99	148
€ AAA	0.68	65	0.74	75	0.86	74	0.65	59	0.74	38
€ AA	0.43	69	0.51	80	0.60	82	0.47	68	0.50	46
€ A	0.83	102	0.90	115	1.00	119	0.81	97	0.76	68
€ BBB	1.52	166	1.63	182	1.77	190	1.45	151	1.21	98
European High Yield (inc € + £)	4.47	416	4.76	467	4.97	493	4.10	378	3.73	297

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 2019.

[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 28 February 2019

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.14	-0.7	0.5	-2.0	-0.9	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.86	-1.8	-3.4	-4.2	-4.6	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.14	-0.3	0.4	1.0	0.8	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.50	1.4	1.9	-1.1	3.4	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	9.74	0.9	0.1	0.0	-1.8	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.46	-0.1	0.0	0.1	-0.1	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.31	1.0	0.3	0.0	0.4	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	315.84	-0.1	-2.4	-3.3	-1.7	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	111.39	2.3	-1.8	0.3	1.7	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.32	0.3	-1.0	1.0	-3.4	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	14.09	6.3	1.6	-4.1	-1.9	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	3.75	2.9	-3.0	-7.5	-3.3	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1125.90	1.2	0.5	0.9	1.0	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	30.83	0.4	-0.1	0.5	0.8	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	31.58	1.2	-4.2	-3.6	-2.4	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.35	0.5	-1.5	-1.5	-0.8	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.75	-1.1	-4.1	-2.3	-4.2	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	18.68	7.5	5.6	-1.9	1.9	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.71	-2.4	-3.0	-1.3	0.6	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.68	-1.6	-1.1	2.8	1.3	-5.2	2.0	1.7	-12.4	-5.0	-0.9

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

Global equity and commodity index performance - figures to 28 February 2019 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	3.1	2.7	-3.1	11.1	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	2.6	1.6	-1.2	10.1	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	3.5	3.9	-4.9	12.2	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	3.8	3.9	-7.0	14.5	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	0.2	6.2	0.5	9.0	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	2.7	2.8	-3.0	10.8	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	4.0	2.0	0.9	11.6	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	3.2	1.4	-3.0	11.5	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	3.6	3.1	-6.6	13.7	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	5.2	3.1	-8.9	17.0	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	3.2	6.1	-0.1	12.2	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	4.0	4.1	-2.4	10.4	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	4.2	4.5	-1.3	10.6	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	5.0	5.1	-2.5	10.8	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	3.1	2.3	-6.9	9.1	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	2.8	3.4	0.9	9.4	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	4.7	8.1	2.9	13.2	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	4.7	3.9	4.6	11.4	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	4.3	4.5	-2.4	11.3	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	2.7	3.7	-7.0	10.6	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	-2.1	7.8	11.8	11.2	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	-2.1	5.1	8.3	7.4	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	3.4	10.8	-3.1	6.3	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	2.3	2.6	-3.7	6.6	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	2.3	2.3	-3.1	6.0	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	2.6	4.2	-6.3	9.9	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	0.5	0.8	-8.3	4.4	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	2.6	3.9	0.6	8.0	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	2.7	8.3	3.6	11.1	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	13.8	13.6	7.9	17.9	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	0.8	3.4	0.6	4.8	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	4.6	5.1	-6.1	6.8	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	-0.4	4.7	-5.5	7.6	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	-1.4	6.4	7.1	4.0	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	-3.8	4.6	-1.9	3.2	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	1.0	1.1	-3.1	6.0	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	-1.0	-0.5	-6.5	-0.3	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	3.0	7.0	5.0	12.3	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	6.0	10.0	-0.3	10.1	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	2.6	-3.4	-6.4	7.7	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	2.9	-4.3	-6.5	6.9	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	2.3	6.8	-1.3	9.8	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	-3.7	9.9	16.5	10.7	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	-4.2	8.7	-13.1	5.2	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	-4.4	10.6	36.8	12.5	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	-10.6	2.0	10.2	7.1	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	-2.8	5.3	2.7	9.1	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	4.1	13.1	-15.2	28.6	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	6.3	12.7	-18.1	26.7	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	1.9	1.2	-4.2	8.0	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	-0.5	7.9	9.4	2.7	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	-1.5	-46.5	-58.3	-48.2	-7.0	42.1	101.0	-38.9	-65.7	225.8

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.

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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Contact us

Client Services
Telephone 0800 085 8677
Email enquiry@invesco.com

www.invesco.co.uk

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Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
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