Monthly Market Roundup
July 2019 (covering June 2019)

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Global

- Optimism guided global equity markets in June
- Prospect of interest rate cuts and hope that the US-China trade war could still be resolved supported equity markets
- Rebounding from a rout in May, markets shrugged off concerns about a slowing global economy

Optimism guided global equity markets in June fuelled by the prospect of interest rate cuts by central banks globally and hope that the US-China trade war could still be resolved. Rebounding from a rout in May, markets shrugged off concerns about a slowing global economy to focus instead on the prospect of interest rate cuts around the world. Meanwhile, ahead of the highly anticipated US-China presidential meeting at the G20 gathering in Osaka hopes were high for a breakthrough in the trade war. A decision at the end of the month to resume trade talks after a six-week stalemate was set to further support global economic growth.

The US equity market was led higher by materials, energy and tech stocks. It was a reversal of fortune for the materials sector, supported by gold prices that hit six-year highs on the back of a weakening US dollar and heightened geopolitical tensions earlier in the month. The price of oil fuelled the share prices of energy stocks as US inventories dipped and exports hit a record high, while an incident involving oil tankers in the Gulf of Oman sent oil prices climbing higher. Utilities, real estate, consumer staples and health care – all traditionally defensive stocks and less sensitive to the business cycle – were the laggards during a month in which optimism reigned.

In the UK, markets recovered most of the ground lost during a volatile May, to end the two-month period broadly flat. UK equities rose steadily alongside international markets, soothed by an improving outlook for global economic growth, the prospect of improved US-Sino trade relations and a more accommodative tone (by leaving interest rates unchanged) from central banks including the US Federal Reserve. European equity markets also made strong gains in June as investors remained hopeful that US president, Donald Trump and president of China, Xi Jinping would move closer to a trade deal at the G20 summit.

Emerging equity markets rallied across the board during June with confidence boosted by growing expectations that central banks across several countries, including the US and China, stand ready to lower interest rates on global growth concerns - the futures market is currently pricing in three US interest rate cuts this year, starting in July. While a trade deal between the US and China remains elusive, the recently concluded G20 meeting in Osaka ended on a positive note with additional tariffs being delayed indefinitely.

Within fixed interest, many parts of the corporate bond market had their best month of returns so far this year. The euro denominated investment grade (bond rating that indicates a low risk of default) market had its best monthly return since July 2016. In part, this strong performance reflected an expectation that any resumption of Quantitative Easing (increasing supply of money) by the European Central Bank would include corporate bond purchases.

US

- The US equity market fluctuated near record highs in June
- Hopes for interest rate cuts and a resolution to the US-China trade dispute boosted market sentiment
- Returns were also supported by another low inflation reading which could make a cut in interest rates more likely

The US equity market fluctuated near record highs in June fuelled by the prospect of interest rate cuts by the US Federal Reserve (Fed) and hope that the US-China trade war could still be resolved. Rebounding from a rout in May, markets shrugged off concerns about a slowing global economy to focus instead on the likelihood that the central banks around the world don't want to take aggressive action by not increasing interest rates.

The US equity market was led higher by materials, energy and tech stocks, all boosted by optimism around global economic growth. Ahead of the highly anticipated US-China presidential meeting at the G20 gathering in Osaka hopes were high for a breakthrough in the trade war. A decision at the end of the month to resume trade talks after a six-week stalemate would further support global growth.

It was a reversal of fortune for the materials sector, supported by gold prices that hit six-year highs on the back of a weakening US dollar and heightened geopolitical tensions earlier in the month. The price of oil fuelled the share prices of energy stocks as US inventories dipped and exports hit a record high, while an incident involving oil tankers in the Gulf of Oman sent oil prices climbing higher. Escalating tensions with Iran prompted concerns that conflict could disrupt energy supplies from the Middle East. Utilities, real estate, consumer staples and health care – all traditionally defensive stocks and less sensitive to the business cycle – were the laggards during a month in which optimism reigned.

Market sentiment was also supported by another soft inflation reading. The Fed's preferred measure of inflation – the core personal consumption expenditures index – met expectations exactly, rising 1.6% on the previous year. The lack of price pressure could make it easier for the central bank to cut interest rates if signs of weak growth were to continue.

The latest inflation snapshot comes on the heels of a series of disappointing economic data reports. Recent data on durable goods orders received, housing, manufacturing, retail sales, and consumer confidence all heightened concerns that the US economy may be slowing. This follows a stronger than expected performance in the first quarter that was driven by exports and a build-up of inventories. With US-China trade tensions temporarily out of the way, the focus is expected to head back towards US economic data.

In terms of corporate news, US drugmaker AbbVie has agreed to buy Allergan, the Irish-domiciled maker of Botox, in a $63bn deal. It is the sector's latest blockbuster transaction driven by the need to replenish drug pipelines. Bristol-Myers Squibb's $90bn takeover of Celgene, struck in the first few days of January, helped unleash a wave of pharmaceutical deals this year. It was followed by Pfizer's $11.4bn purchase of oncology specialist Array BioPharma and Eli Lilly's $8bn buyout of Loxo Oncology.

Europe

- European equity markets rebounded in June
- European Central Bank (ECB) signalled further loosening of monetary policy
- Europe and South America agreed a 'historic' trade deal

European equity markets made strong gains in June as investors remained hopeful that Trump and Xi would move closer to a trade deal at the G20 summit. At a sector level, Consumer Discretionary, Materials and Industrials were the biggest gainers, whilst only one sector, Real Estate, returned negatively.

Meanwhile, in his latest speech, ECB President Mario Draghi suggested that the Central Bank will further loosen monetary policy (to stimulate economic growth) unless they see an improvement in economic data. The most likely course of action will be additional Quantitative Easing (increase supply of money) given the Bank still has enough headroom to purchase €1 trillion worth of assets. Furthermore, an increasingly dovish tone (less likely to take strong actions thereby not increasing interest rates) suggests an interest rate drop may also be on the agenda. However, we would not expect to see this without an introduction of a tiered deposit rate system (allowing banks to be exempt from paying the ECB's annual excess reserve charges) – which would at least reduce the impact on the earnings of banks that have been adversely impacted by the negative interest rate environment.

The Flash Eurozone Composite PMI (Purchasing Managers Index) – a figure that represents current and future business conditions – hit a seven-month high in June after reaching 52.1 (51.8 in May). A PMI of above 50 suggests economic expansion. Growth was driven by the Services component which saw its sharpest rise since November 2018. Meanwhile, the Manufacturing component continued its decline, as trade tensions and fears of a global slowdown continued to weigh heavily on the sector. Amidst relatively disappointing data across most of Europe, France was a beacon of light as the Composite PMI soared to 52.9 (51.2 in May). Growth was driven by both the Services and Manufacturing components, and new orders (another component of the manufacturing PMI survey indices) rose for the first time in eight months.

Elsewhere in the EU, one of the longest running trade negotiations ended in Brussels as an agreement between the EU and Mercosur (South American bloc) was finally reached. The agreement, two decades in the making, will eliminate tariffs on 93% of Mercosur exports to the EU, and 91% of goods that the EU exports to Mercosur. Although negotiations have now ended, the national parliaments of both blocs, as well as the EU Council and European Parliament will need to give final consent.

Invesco

UK

- UK equity markets provided a positive return during June
- The Bank of England voted to keep interest rates on hold at 0.75%, warning that it expects economic growth to be flat
- Merlin Entertainments, the owner of LEGOLAND and Alton Towers, received an unsolicited takeover bid worth £4.8 billion

The UK equity market provided a positive return during June. Markets recovered most of the ground lost during a volatile May, to end the two-month period broadly flat. UK equities rose steadily alongside international markets, soothed by an improving outlook for global economic growth, the prospect of improved US-Sino trade relations and a more accommodative tone from central banks including the US Federal Reserve. Against this backdrop international sectors including Materials and Healthcare outperformed.

Domestic politics continued to draw media attention during June, as the Conservative Party leadership contest began. However, markets appeared untroubled by the resurgent likelihood of an early general election or no-deal exit, as the candidates for Prime Minister mooted their plans to withdraw the United Kingdom from the European Union. The value of sterling against international currencies ended the month broadly flat, despite dipping to 1.25 versus the US dollar mid-month as the Bank of England cut its UK economic growth forecasts. The central bank's Monetary Policy Committee (MPC) voted to keep interest rates on hold at 0.75% during its June meeting, but warned that it expects economic growth for the second quarter to be flat. The MPC cited the impact of unwinding stockpiles, which had contributed to positive GDP growth in the first quarter, as companies in both the UK and EU prepared for the original 31 March 2019 Brexit deadline.

Economic data released during June showed that UK retail sales were comparatively lower during April and May compared to 2018. The dip in consumer confidence was compounded by strong data from 2018 – where retail sales received a boost from the hot weather and Royal Wedding. Meanwhile data released at the end of June showed that UK car production was 15% lower during May than over the equivalent period in 2018, reflecting a 12th consecutive month of declines.

In corporate news, Whitbread, the owner of Premier Inn, released trading results for the first quarter that highlighted the impact of persistent political uncertainty on the demand for business travel accommodation in the UK. Meanwhile, fashion retailer Ted Baker issued a profit warning mid-June, citing the impact of sustained promotional activity on margins, which illustrates the challenging trading conditions continuing for many retailers.

Defence contractor Babcock resisted an unsolicited take-over bid from rival defence company Serco during June, criticising the offer as having "no strategic merit". Meanwhile, Merlin Entertainments also received an unsolicited takeover bid from a consortium of investors during the month. The £4.8bn deal, led by Merlin's largest shareholder, was recommended by the company's board of directors.

Asia

- Asian markets end June higher on trade talk hopes
- Speculation over US rate cuts spur regional confidence
- Singapore, Korea and China rebound with regional currencies higher

Asian equity markets staged a recovery in June on renewed confidence of a breakthrough in US-China trade talks ahead of a meeting between President Trump and President Xi at the G20 summit in Osaka, Japan. The meeting concluded with an announcement that the two sides would resume negotiations while the US promised to temporarily halt a new 20% tariff on US$300bn worth of Chinese imports and to lower some restrictions on Chinese technology giant Huawei. China, in turn, agreed to increase its purchase of US food and agricultural products.

Market sentiment was further buoyed by indications from the US Federal Reserve (the Fed) that it would consider interest rate cuts soon as the global economic outlook remains opaque given weaker data and the net negative impact of ongoing trade tensions. Singapore, Thailand, Korea and China led regional market gains while all Asian currencies rose against the US dollar.

Chinese equities gained on positive trade news flow while the central government indicated its ongoing support for the domestic market. The People's Bank of China stated that it injected approximately US$108bn into the market in June to maintain liquidity in the banking system at a "reasonably sufficient level" while the Ministry of Finance issued new measures aimed at speeding up infrastructure spending. Macroeconomic data was mixed, with the purchasing managers' index (PMI) – a figure that represents current and future business conditions, in June flat with the previous month at 49.4 while May retail sales were up 2.1% month-on-month.

In line with regional peers, Korean equities similarly enjoyed some respite, ending June higher after the previous month's slide, with foreign buyers returning to the market as the domestic currency stabilised. Conversely, Indian equities dipped slightly in June following a mid-May rally on the back of the ruling The Bharatiya Janata Party (BJP) return to power. While the full-year macro outlook remains somewhat clouded, recent monthly indicators including PMI, industrial production and exports have been positive.

Meanwhile, Japanese equities ended the period higher as optimism over the possibility of the US and China coming to some form of reconciliation cheered markets higher. Expectations of the Fed cutting rates further added to the positive momentum seen across June ahead of the G20 summit where Trump and Xi would meet. Macroeconomic indicators for the period, however, were mixed with consumer price inflation lower in May, as was June manufacturing. The Bank of Japan's (BOJ) "tankan" survey (reflects business confidence) showed that corporate confidence has worsened as export manufacturers suffered from the US-China trade war and related global slowdown.

Emerging Markets

- Prospect of lower US interest rates spurs equity rally
- Trade tension between the US and China ease
- US dollar loses ground as gold prices hit six-year high

Emerging equity markets rallied across the board during June with confidence boosted by growing expectations that central banks across several countries, including the US and China, stand ready to lower interest rates on global growth concerns - the futures market is currently pricing in three US interest rate cuts this year, starting in July. While a trade deal between the US and China remains elusive, the recently concluded G20 meeting in Osaka ended on a positive note with additional tariffs being delayed indefinitely.

In terms of regional equity performance, Asia came top, closely followed by Latin America and EMEA (Europe, Middle East and Africa). While Singapore and Thailand led the gains in Asia, China also had a healthy month as President Trump signalled a reversal of his policy preventing US groups from selling software and equipment to the Chinese telecoms equipment maker Huawei. Strong demand for technology stocks provided extra lift to equity markets in Korea and Taiwan. All emerging market sectors advanced higher. Alongside technology, consumer discretionary and telecoms also performed well. The US dollar lost ground against a basket of emerging market currencies. Brent Crude oil rose by 3.2% and gold hit a six-year high on rising tension between the US and Iran.

Within the Latin American region, new MSCI Emerging Market Index entrant Argentina came top although economic momentum for the country remains weak. While activity data in Brazil also disappointed, almost all confidence indicators accelerated in June as the Mercosur and European Union celebrated a potential trade agreement after almost 20 years of negotiation. Hopes for a cut in Brazilian interest rates were bolstered by a fall in inflation. On the political front, the key social security reform bill made further progress with the expectation that the first vote in the Lower House will be concluded by mid-July. Equity markets in Mexico closed higher after the country reached a temporary truce with the US to contain the flow of migrants into the latter in exchange for no escalation in tariffs on Mexican imports to the US. An unexpected cut in interest rates (50 basis points), coupled with higher copper prices supported the advance in Chile's equity markets.

Turkey was the strongest performing market in the EMEA region, followed by Russia and Poland. Opposition candidate Ekrem Imamogluwon the re-run on the Istanbul's mayoral election with 54% of the vote, ending 25 years of the Justice and Development (AKP) rule in the city. Aside from higher oil prices, Russia's equity markets also benefited from a reduction in interest rates. Easing inflation and slowing economic growth prompted the central bank to cut interest rates from 7.75% to 7.50%. Furthermore, Central Bank of Russia, Governor Elvira Nabiullina left the door open for more easing if there are no negative surprises.

Fixed Interest

- Central Banks continued their less aggressive tone (by not increasing interest rates) with the US Federal Reserve suggesting it may cut US interest rates and the European Central Bank (ECB) signalling it may implement more Quantitative Easing (QE)
- The Euro investment grade market had its best month return since July 2016
- Trade tensions eased, with the US backing away from adding to tariffs on Mexican imports

During June, the US Federal Reserve reaffirmed its recent dovish pivot (by not increasing interest rates) and opened the door to interest rates being cut (potentially as early as July). Meanwhile, ECB President, Mario Draghi, suggested that the ECB might be ready to restart QE as it seeks to stimulate the eurozone economy.

As markets responded to these developments, many parts of the corporate bond market had their best month of returns so far this year. The euro-denominated investment grade market had its best monthly return since July 2016. In part, this strong performance reflected an expectation that any resumption of QE by the ECB would include corporate bond purchases.

The other key driver of market sentiment was an announcement early in the month that the US would not impose tariffs on imports from Mexico. This reversal of Trumps' unexpected tariff threat provided strong support for both bonds and equities.

It was an active month for merger and acquisition activity. This included pharmaceutical company, Pfizer agreeing to pay US$11bn to buy biotech company, Array BioPharma to help develop its pipeline of cancer therapies. Rating agency, Standard and Poor's put Pfizer on watch for a credit rating downgrade following the announcement. Elsewhere, Jaguar Land Rover (JLR) announced it was partnering with BMW over the development of new electric car technologies. However, reflecting the ongoing difficulties the auto sector faces over Brexit and trade tariffs, JLR was downgraded by Moody's (another credit rating agency) to B1. Meanwhile, Fiat withdrew from its proposed merger with Renault citing unacceptable conditions imposed by the French Government on the deal.

In the financial sector, there were reports that troubled lender, Deutsche Bank, would create a "bad bank" to dispose of unwanted assets and significantly cut back its US equities trading, which has been a drain on profitability for several years. The move to cut costs at the bank has seen its credit risk fall and as a consequence its bonds rally.

There was good news for Tesco whose debt was upgraded to Baa3 from Ba1 by Moody's. The action means that Moody's joins Fitch in rating the grocer as investment grade. As such, Tesco's bonds will now be eligible for inclusion in many investment grade credit indices.

By the end of the month credit spreads (the premium over government bonds that companies need to pay to borrow) for both sterling and euro denominated investment grade were 15 basis points (bps) lower at 149bps and 114bps respectively. European currency high yield credit spreads were 62bps tighter at 384bps, while US high yield spreads tightened 52bps to 407bps.

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[1] (%)

	30.06.19	31.05.19	31.03.19	31.12.18	30.06.18
US Treasuries 2 year	1.75	1.92	2.26	2.49	2.53
US Treasuries 10 year	2.01	2.12	2.41	2.68	2.86
US Treasuries 30 year	2.53	2.57	2.81	3.01	2.99
UK Gilts 2 year	0.62	0.60	0.64	0.75	0.72
UK Gilts 10 year	0.83	0.89	1.00	1.28	1.28
UK Gilts 30 year	1.47	1.47	1.55	1.82	1.74
German Bund 2 year	-0.75	-0.66	-0.60	-0.61	-0.67
German Bund 10 year	-0.33	-0.20	-0.07	0.24	0.30
German Bund 30 year	0.27	0.43	0.57	0.88	1.02

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 June 2019. The yield is not guaranteed and may go down as well as up.

Corporate Bonds

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

	30.06.19		31.05.19		31.03.19		31.12.18		30.06.18	
£ AAA	1.78	67	1.84	74	1.97	73	2.30	76	2.12	69
£ AA	1.67	73	1.72	80	1.79	78	2.15	94	2.05	81
£ A	2.28	128	2.43	141	2.47	137	2.88	155	2.70	136
£ BBB	2.83	184	2.99	201	3.04	197	3.53	226	3.14	181
€ AAA	0.25	63	0.40	67	0.45	62	0.88	82	0.67	61
€ AA	0.07	68	0.23	74	0.25	66	0.58	85	0.49	71
€ A	0.41	92	0.60	105	0.64	98	1.00	122	0.82	101
€ BBB	0.97	142	1.22	162	1.29	159	1.77	194	1.42	151
European High Yield (inc € + £)	3.99	384	4.45	446	4.30	412	5.18	522	4.16	399

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 June 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 30 June 2019

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.14	1.8	1.4	-0.9	-0.9	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.90	1.2	4.1	-0.4	-0.4	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.11	-0.8	-0.6	-1.4	-1.4	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.55	-0.6	1.2	3.9	3.9	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	9.70	-0.9	0.3	-2.1	-2.1	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.46	-0.2	0.0	-0.1	-0.1	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.24	-1.0	-1.4	-1.1	-1.1	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	322.99	-0.7	0.6	0.6	0.6	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	107.90	-0.4	-2.7	-1.5	-1.5	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.31	-3.1	-1.9	-4.0	-4.0	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	14.08	-3.5	-2.9	-2.0	-2.0	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	3.85	-1.8	-1.9	-0.8	-0.8	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1156.38	-2.7	1.7	3.8	3.8	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	30.97	-1.8	0.4	1.3	1.3	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	30.69	-2.7	-3.3	-5.1	-5.1	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.35	-1.5	-0.2	-0.7	-0.7	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.79	-1.0	2.4	0.1	0.1	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	17.88	-3.0	-5.4	-2.5	-2.5	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.70	1.2	-1.1	-0.4	-0.4	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.67	2.8	-1.2	0.0	0.0	-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 30 June 2019

(%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	6.6	4.2	17.4	17.4	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	6.3	2.7	13.4	13.4	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	6.9	5.6	21.4	21.4	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	5.9	2.1	16.3	16.3	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	6.3	0.7	10.8	10.8	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	6.6	4.1	16.6	16.6	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	7.3	3.2	15.4	15.4	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	7.1	4.3	18.5	18.5	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	7.5	3.9	21.3	21.3	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	7.1	2.1	17.0	17.0	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	2.5	2.6	16.2	16.2	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	5.1	4.8	17.9	17.9	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	4.5	3.4	16.9	16.9	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	6.8	6.2	20.4	20.4	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	5.7	7.6	17.4	17.4	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	2.5	0.6	10.1	10.1	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	7.6	2.7	19.9	19.9	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	3.9	4.4	17.4	17.4	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	3.9	4.1	17.8	17.8	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	3.6	3.4	15.7	15.7	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	9.0	17.3	31.6	31.6	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	5.7	8.1	14.9	14.9	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	4.8	3.9	12.2	12.2	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	3.7	3.3	13.0	13.0	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	4.0	3.3	13.1	13.1	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	2.9	2.9	13.0	13.0	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	-2.3	0.9	6.1	6.1	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	4.7	9.3	20.3	20.3	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	6.7	-0.1	12.8	12.8	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	2.8	-3.6	19.4	19.4	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	6.5	5.2	10.5	10.5	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	2.2	0.8	10.3	10.3	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	4.4	-0.5	4.4	4.4	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	2.4	-1.7	2.7	2.7	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	0.4	1.0	7.1	7.1	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	6.8	6.6	12.8	12.8	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	-0.7	2.2	10.0	10.0	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	6.2	-2.1	10.1	10.1	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	3.7	8.0	19.7	19.7	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	2.8	-2.4	5.2	5.2	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	3.3	0.3	6.3	6.3	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	6.4	0.8	12.4	12.4	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	6.2	4.6	12.9	12.9	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	3.5	1.3	6.9	6.9	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	6.2	7.2	16.0	16.0	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	26.6	31.8	29.2	29.2	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	5.8	-4.9	-0.7	-0.7	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	1.6	-0.6	33.5	33.5	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	8.8	-3.3	28.9	28.9	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	3.4	-0.9	7.9	7.9	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	8.6	9.0	10.2	10.2	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	23.5	96.5	6.5	6.5	-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.

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