Monthly Market Roundup
April 2019 (covering March 2019)

Global

- Global equity markets saw their largest quarterly gains since 2010
- Hopes for progress in US-China trade talks and optimism around US interest rates bolstered returns
- Markets climbed despite concerns over the health of the global economy

Global equity markets climbed in March to end the first quarter in positive territory amid hopes for progress in US-China trade talks and optimism that the US Federal Reserve (Fed) would remain less aggressive in raising interest rates. Driven mostly by gains in the US equity market, global stocks saw their largest quarterly gains since 2010.

A forecast from the US Federal Reserve (Fed) that it would not raise interest rates this year – and market expectations that it may even be forced to cut them – has encouraged optimism around the so-called ‘growth’ stocks (companies whose share prices are already inflated relative to their earnings or the value of their assets) whose share prices fell at the end of 2018 when it was assumed that the Fed would continue to raise interest rates.

That has eased concerns about slowing activity in major economies, ranging from the US and Europe to China, and how that could impact US corporate earnings. Instead, with interest rates likely to remain low, market sentiment around higher-growth stocks has grown positive once again, and tech has been a major beneficiary as the top performing sector in March for US equities.

The question of the UK’s departure from the European Union continued to dominate UK headlines in March. Despite this, the UK equity market provided a positive return during the month, continuing the upward trend that characterised the first two months of the year. European equity markets posted their third consecutive month of positive returns too, despite generally weak economic data.

Global emerging equity markets edged slightly higher during March although Asia, drawing benefit from the strong performance of India, was the only region to register gains.

Corporate bonds enjoyed another month of strong returns as macroeconomic factors dominated market sentiment. Despite the strong performance from corporate bond markets so far this year, credit spreads (the premium over government bonds that companies need to pay to borrow) remained wider than they were for much of 2018 and all of 2017.

US

- By the end of March the US equity market capped the best quarter since 2009
- Hopes for a trade deal between the world's two largest economies drove the US equity market higher
- Optimism around the Fed's decision not to raise interest rates this year provided a further boost to markets

The US equity market climbed in March to end the first quarter in positive territory amid hopes for a trade deal between the world's two largest economies and optimism that the US Federal Reserve (Fed) will remain less aggressive in raising interest rates. The US equity market capped the best quarter since 2009 and it had its strongest start to the year since 1998.

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That has eased concerns about slowing activity in major economies, ranging from the US and Europe to China, and how that could impact US corporate earnings. Instead, with interest rates likely to remain low, sentiment around higher-growth stocks has grown positive once again, and tech has been a major beneficiary as the top performing sector in March.

The oil price has rebounded since the end of last year, boosting the energy sector. In March the price of oil closed above US$60 a barrel for the first time since early November – capping its best quarter since 2009 – amid signs of thinning supplies from Siberia to the US shale fields. Russia, Saudi Arabia and other top exporters have squeezed production in response to a growing oversupply, while sanctions against Venezuela and investor pressure on US shale drillers have added to signs of a tighter market (restricted supply).

Lingering concerns over the health of the global economy, however, saw strong returns from more defensive sectors such as real estate and utilities (which tend to perform steadily regardless of the state of the economy). Financials were weak on the Fed's decision not to raise interest rates this year.

On the macroeconomic front, US economic growth cooled by more than initially reported last quarter on revisions to consumer and government spending, signalling mounting challenges to the economic expansion as it nears a record duration.

In terms of corporate news, a flurry of US megadeals has turned the first three months of 2019 into the second strongest start to a year for deal-making since the turn of the century. Lyft Inc., the ride-hailing company, surged in its debut after investors rushed to participate in the first big US technology listing this year. Fidelity National Information Services' US$43bn purchase of payments group Worldpay is the biggest financial services takeover since the financial crisis.

Europe

- European equity markets rallied for the third consecutive month
- Eurozone Composite PMI for March dropped, raising doubts of a recovery
- Germany's 10-year Bund yield fell below 0% for the first time since 2016

European equity markets posted their third consecutive month of positive returns despite generally weak economic data. The European Central Bank (ECB) cut growth forecasts and revised their guidance to now leave interest rates unchanged "at least to the end of 2019". Following the announcement, markets pushed out the probability of an interest rate rise from mid-2020 to early-2021. Unsurprisingly, financials were hit hardest by this news given the impact of negative deposit rates on banks' earnings – they are essentially paying the ECB to hold excess cash. Meanwhile, investors rushed into non-cyclical sectors (that tend to outperform when economic growth slows) and defensive sectors (that provide steady earnings despite economic performance) such as Consumer Staples, Utilities and Health Care, all of which performed strongly.

The drop in the Eurozone Composite PMI (Purchasing Managers' Index – which measures the productivity and therefore health of an economy) in March was a further bit of disappointing news to those thinking the economy had completely turned a corner. Following the Flash Composite PMI (early indicator of the final PMI number) release, Germany's 10-year Bund yield fell below 0% as investors fled to the perceived 'safe haven' asset (assets that typically maintain value through turbulent markets) and sent prices for the sovereign bond soaring. This effectively means that investors today are willing to pay more for a bond than they will receive if held to maturity.

In Germany, the Manufacturing component of the flash PMI dropped to its lowest level since at the peak of the Sovereign Debt Crisis in 2012, while the Services component of the flash PMI rose once again. The inverse move suggests that it is likely external factors (China slowdown, trade wars, Brexit) that are causing issues for the export-heavy economy. The fear for many will now be whether external weakness could eventually influence domestic market sentiment and negatively impact consumer spending and business investment. However, the most recent piece of data released for China (Manufacturing PMI released 31 March) rose to its highest level in six months – and exceeded all economist estimates. Although too early to say for sure, this does point to potential signs of a recovery which, if true, could provide a boost to Germany and other parts of Europe.

UK

- The UK equity market provided a positive return during March
- Brexit continued to dominate headlines as we approached the UK's original exit date of 29 March 2019
- The Chancellor's Spring statement highlighted the UK's "robust" economy despite political uncertainty

The UK equity market provided a positive return during March, continuing the upward trend that characterised the first two months of the year. Gains in the first quarter of 2019 saw the UK equity market recover the majority of losses from the final quarter of 2018, though headline levels remained lower than before the October sell-off.

The question of the UK's departure from the European Union continued to dominate the agenda during March. As we moved closer to the original exit date scheduled for 29 March 2019, currency markets continued to watch political developments closely. Sterling peaked at 1.33 versus the US dollar mid-month, as UK Parliament voted to reject a no-deal Brexit scenario and seek an extension of Article 50 from the EU. However, Parliament's subsequent rejection of all alternatives to the Prime Minister's deal saw the domestic currency weaken against both the US dollar and euro. After securing an extension from EU leaders, UK Parliament voted for a third time on the Prime Ministers deal. The vote, which took place on the UK's original exit date of 29 March 2019, was lost as Parliament voted again to reject the withdrawal agreement. The political impasse therefore continued in to month end.

In economic news the Chancellor of the Exchequer issued his Spring Statement mid-month, highlighting that the UK economy has been "remarkably robust" since the vote to leave the EU in June 2016. However, the Bank of England's Monetary Policy Committee voted unanimously to maintain UK interest rates at 0.75% during its March meeting, stating that "the economic outlook [for the UK] will continue to depend significantly on the nature and timing of EU withdrawal, in particular: the new trading arrangements between the European Union and the United Kingdom; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond."

The UK Manufacturing Purchasing Manager's Index (PMI – which measures the productivity and therefore health of an economy) rose to 55.1 from 52.1 in February, showing an increase in activity during the month. The increase in output was attributed to companies increasing stockpiles ahead of a potential no-deal Brexit at the end of March.

In company news, JD Sports announced a deal to consolidate its ownership of rival Footasylum and embattled department store Debenhams secured agreement from its lenders to seek refinancing. Clothing retailer Superdry faced a boardroom challenge from its founder and ex-Chief executive, who launched a bid to return to the company's Board of directors following a period of weak share price performance.

Elsewhere in the retail sector the potential merger between Sainsbury's and Asda was back in the news as the supermarkets announced they would sell up to 150 stores to meet regulatory requirements for the merger, while Majestic Wine announced plans to close stores and rebrand as Naked Wines.

Asia

- Asian equity markets ended March higher on US-China trade talks
- Indian equities enjoy a pre-election rally, reversing earlier performance
- China continued positive momentum on trade, improving the macroeconomic outlook

Asian equity markets followed on from February's positive performance to close March higher as the year-start rally continued into their biggest quarterly gain in seven years. Investor confidence grew as a conclusion to US-China trade hostilities appeared to draw slightly closer, while a shift by major central banks – including the US Federal Reserve and the European Central Bank – towards a more expansionary monetary policy stance helped markets forward. India stocks rallied while Chinese equities built on last month's gains, edging ahead of Japan and Australia. Korean stocks were again lower as the corporate earnings outlook dragged on performance while Association of Southeast Asian Nations (ASEAN) markets broadly underperformed, including Thailand as the impact of recent elections remained unclear.

Indian stocks enjoyed a pre-election rally, posting their best monthly gains since 2016 as early opinion polls pointed to a return of Prime Minister Modi's coalition Government in the upcoming general election. This helped to ease concerns over potential near-term political instability should no clear winner emerge. Indian stock performance was also aided by a slight improvement in economic data: February's manufacturing Purchasing Managers' Index (PMI – which measures the productivity and therefore health of an economy), for example, was at 54.3 compared to 53.9 the previous month. Meanwhile corporate earnings growth expectations have also ticked upwards.

China's market recorded its biggest quarterly gain since 2009. Optimism over a possible resolution to trade disputes with the US proved a major factor in performance over the period as both sides indicated that negotiations are progressing forwards. Macroeconomic indicators were also positive with fixed asset investment, industrial production and retail sales all showing signs of improvement. China's Manufacturing PMI also rebounded to 50.5, reversing previous contractions and indicating improved health in the manufacturing sector (above 50 indicates expansion). The market was further supported by the positive sentiment stemming from the February announcement that global index provider MSCI will increase its weighting of China-listed shares in the MSCI Emerging Markets Index to 3.3% from a current 0.7% by November of this year.

Japanese equities were generally lower over March as corporate earnings growth forecasts remained negative. The Bank of Japan's quarterly 'Tankan' survey showed a deterioration in corporate confidence due to uncertainties in the global economy and financial markets, as well as uncertainties due to global trade disputes which have greatly affected Japan's export sector. And while the manufacturing PMI came in at 49.2 compared to 48.9 in February, it still showed that the broader manufacturing sector was in contraction. Retail sales growth was also lower than market expectations.

Korean stocks were lower with most industries underperforming as corporate earnings growth weighed on investor confidence. Economic data issued over the period was also lacklustre: the manufacturing PMI rose to 48.8 from 47.2 in February, but still in contraction as new orders also contracted for a fifth consecutive month as demand from both home and overseas markets remained weak. Exports to China, its biggest market, have been significantly lower as a result of US-China trade disputes.

Emerging Markets

- Asia, led by India, drove performance in emerging markets
- It was a tough month for Turkey due to political concerns ahead of the local elections
- Brazil was held back by weak economic activity data

Global emerging equity markets edged slightly higher during March although Asia, drawing benefit from the strong performance of India, was the only region to register gains. The rally in Indian stocks was broad as all sectors ended up with positive returns. Equity markets in Latin America were dragged lower by weakness in Brazil and Chile. In emerging Europe, Turkey was the weakest performer as market sentiment towards the country was adversely impacted by currency woes leading up to the municipal elections. Voters also went to the polls in Thailand although the results of the general election here won't be announced for another month.

In terms of sector performance, real estate was the best performing in emerging markets, followed by communication services. The biggest detractors were industrials and utilities. Despite the prospect that US interest rates are unlikely to be increased this year, the US Federal Reserve unexpectedly revised down their interest rate projections for 2019 and 2020 – the US dollar gained ground against a basket of emerging market currencies. The Turkish lira and Brazilian real depreciated the most, down 4.2%. By contrast, the Indian rupee added 2.1% on the back of easing geopolitical tensions and hopes of the ruling party coming back to power in the upcoming elections. Supply constraints pushed oil prices up.

Stronger oil prices and improving sentiment underpinned by a resilient labour market and healthy retail sales growth pushed Colombia to the top of the leader's board in Latin America, although the region itself posted a negative month for equities. Brazil's performance was tainted by weak activity data – industrial production fell in January, contrary to expectations – and in politics, former president Temer was arrested, and the pension reform bill faced further delays. Stabilising economic activity provided support to Mexico's equity market, which closed the month in positive territory, albeit modestly. Consumer confidence in Mexico continued to increase in February, rising to its highest level on record, stretching back to 2001. The upward move coincided with polls showing the country's new president becoming even more popular with the public.

Aside from Turkey, equity performance in emerging Europe was mixed with gains in Russia, Hungary and Greece being offset by losses in Czech Republic and Poland. Russia benefited from higher oil prices and the increased possibility of an interest rate cut later this year following comments from central bank officials. Renewed volatility in the Turkish lira prompted some equity investors to sell ahead of the local elections. Initial reports suggest that President Erdogan's political party had lost control of the two largest cities, Istanbul and Ankara, but have subsequently announced plans to challenge the outcomes.

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Fixed Interest

- Corporate bonds delivered another month of strong performance
- The European Central Bank announced measures designed to stimulate the eurozone economy
- The US Federal Reserve and European Central Bank continued their pivot toward more accommodative policy to encourage economic growth

Corporate bonds enjoyed another month of strong returns in March as macroeconomic factors dominated market sentiment. Despite the strong performance from corporate bond markets so far this year, credit spreads (the premium over government bonds that companies need to pay to borrow) remained wider than they were for much of 2018 and all of 2017.

The US Federal Reserve (Fed) continued its pivot toward less restrictive monetary policy with the projection of the Federal Open Market Committee (FOMC) members for US interest rates (known as the 'dot-plot') revised lower. The projection has now shifted to no interest rate hikes this year and just one in 2020. This compares to a projection of two hikes in 2019 and one in 2020 in the last 'dot-plot' in December. The Fed's policy shift has helped push down yields on US Treasuries with the market now pricing in cuts to the interest rate in 2019/20.

In the Eurozone, the European Central Bank (ECB) announced a new Targeted Long-Term Refinancing Operation (TLTRO). The programme is designed to enable banks to borrow money at favourable conditions over a two-year period to stimulate the economy. The ECB also updated its forward guidance, stating that there will be no change in eurozone interest rates until the end of 2019. This more relaxed attitude comes amid a softening of economic data, underlined by the latest survey of German manufacturing activity. The survey showed activity at its lowest level for 6 years. The weakness helped push the yield on the 10-year Bund back into negative territory for the first time since 2016.

Brexit remained the key influence on the sterling bond market. In broad terms, any sign of a delay in the UK's withdrawal from the European Union helped support corporate bonds. At the same time, the ongoing uncertainty helped UK government bonds to rally, with 10-year Gilt yields at their lowest level since September 2017.

Focusing on some issuer level news, US conglomerate, GE, which has been the focus of concerns about US corporate indebtedness, announced the options it was considering that would reduce leverage (debt levels). Among the considerations is the option to buy back some of its existing debt.

Elsewhere, as part of its financing plans for the purchase of Liberty Global, Vodafone raised £3.4bn through the sale of the largest sterling convertible bond (a bond that can be converted into company shares). The company had expected that the bond would be treated as equity by rating agencies. However, both Moody's and S&P have classed the bond as debt, increasing the firms leverage. Overall, issuance levels for Investment grade (IG) euro-denominated bonds were below levels seen in 2018. Sterling IG issuance on the other hand was significantly higher.

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 (%)

	31.03.19	28.02.19	31.12.18	30.09.18	31.03.18
US Treasuries 2 year	2.26	2.51	2.49	2.82	2.27
US Treasuries 10 year	2.41	2.72	2.68	3.06	2.74
US Treasuries 30 year	2.81	3.08	3.01	3.21	2.97
UK Gilts 2 year	0.64	0.83	0.75	0.82	0.82
UK Gilts 10 year	1.00	1.30	1.28	1.57	1.35
UK Gilts 30 year	1.55	1.82	1.82	1.92	1.71
German Bund 2 year	-0.60	-0.52	-0.61	-0.52	-0.60
German Bund 10 year	-0.07	0.18	0.24	0.47	0.50
German Bund 30 year	0.57	0.81	0.88	1.08	1.16

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 March 2019.

Corporate Bonds

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

	31.03.19		28.02.19		31.12.18		30.09.18		31.03.18	
£ AAA	1.97	73	2.22	73	2.30	76	2.27	58	2.11	61
£ AA	1.79	78	2.05	79	2.15	94	2.14	75	2.03	74
£ A	2.47	137	2.74	138	2.88	155	2.81	130	2.63	125
£ BBB	3.04	197	3.33	199	3.53	226	3.29	178	3.05	161
€ AAA	0.45	62	0.68	65	0.88	82	0.74	56	0.72	50
€ AA	0.25	66	0.43	69	0.58	85	0.57	64	0.55	61
€ A	0.64	98	0.83	102	1.00	122	0.91	93	0.79	82
€ BBB	1.29	159	1.52	166	1.77	194	1.51	144	1.27	117
European High Yield (inc € + £)	4.30	412	4.47	416	5.18	522	4.12	367	3.86	327

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 March 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 31 March 2019

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.12	-1.3	-2.2	-3.4	-2.2	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.86	0.4	-4.3	-3.4	-4.3	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.12	-1.6	-0.8	-2.1	-0.8	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.43	-0.7	2.7	1.1	2.7	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	9.67	-0.6	-2.4	2.3	-2.4	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.47	0.1	0.0	0.1	0.0	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.30	0.0	0.3	0.5	0.3	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	321.16	1.7	0.0	-0.7	0.0	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	110.86	-0.5	1.2	-2.5	1.2	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.33	1.4	-2.1	3.4	-2.1	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	14.50	2.9	0.9	2.5	0.9	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	3.92	4.6	1.1	-3.1	1.1	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1137.40	1.0	2.1	2.5	2.1	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	30.85	0.1	0.9	1.3	0.9	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	31.73	0.5	-1.9	-1.9	-1.9	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.36	0.3	-0.5	-0.8	-0.5	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.77	2.1	-2.3	0.1	-2.3	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	18.89	1.1	3.1	2.5	3.1	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.71	0.0	0.6	-1.9	0.6	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.68	-0.1	1.3	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 31 March 2019 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	1.4	12.6	-2.4	12.6	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	0.3	10.4	-1.9	10.4	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	2.4	14.9	-2.8	14.9	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	-0.6	13.8	-6.2	13.8	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	0.9	10.0	1.8	10.0	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	1.2	12.1	-2.5	12.1	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	0.2	11.8	-0.8	11.8	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	1.9	13.7	-1.7	13.7	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	2.7	16.8	-3.4	16.8	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	-2.1	14.6	-8.6	14.6	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	1.0	13.3	1.8	13.3	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	1.9	12.5	-0.6	12.5	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	2.1	13.0	0.3	13.0	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	2.3	13.4	-2.0	13.4	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	0.1	9.2	-5.9	9.2	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	0.0	9.4	0.6	9.4	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	3.0	16.7	3.4	16.7	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	1.0	12.4	4.3	12.4	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	1.7	13.1	0.8	13.1	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	0.1	10.7	-5.8	10.7	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	0.9	12.2	2.7	12.2	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	-1.1	6.2	1.9	6.2	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	1.6	8.0	2.7	8.0	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	2.7	9.4	-1.8	9.4	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	3.3	9.5	-1.1	9.5	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	-0.1	9.8	-4.9	9.8	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	0.7	5.1	-7.5	5.1	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	1.9	10.0	2.4	10.0	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	1.6	12.8	5.2	12.8	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	5.1	23.9	9.5	23.9	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	0.3	5.1	-0.7	5.1	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	2.4	9.4	-3.3	9.4	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	-2.5	4.9	-8.6	4.9	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	0.4	4.4	8.2	4.4	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	2.8	6.1	8.9	6.1	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	-0.2	5.8	-5.5	5.8	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	8.0	7.6	7.6	7.6	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	0.1	12.4	3.3	12.4	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	0.7	10.9	1.8	10.9	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	0.1	7.7	-11.2	7.7	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	-0.8	6.0	-12.1	6.0	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	1.6	11.5	1.6	11.5	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	-2.5	7.9	8.4	7.9	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	0.3	5.6	-14.2	5.6	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	-3.8	8.2	22.9	8.2	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	-8.5	-2.0	-3.3	-2.0	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	-4.4	4.4	-4.6	4.4	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	4.4	34.3	-17.9	34.3	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	5.2	33.3	-17.7	33.3	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	0.7	8.9	-4.7	8.9	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	-1.5	1.1	8.8	1.1	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	4.7	-45.8	-55.3	-45.8	-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.

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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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