Monthly Market Roundup

November 2019 (covering October 2019)

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Global

- Several positive catalysts in October, including a US interest rate cut, provided a boost to global equity market returns
- A raft of upbeat corporate results helped ease concerns that global economic growth is losing momentum
- Hopes for a US-China trade deal boosted sentiment

Global equity markets gained in October amid several positive catalysts including a US interest rate cut, positive news flow around US-China trade negotiations, and a raft of upbeat corporate results. The optimistic environment helped ease concerns that global economic growth is losing momentum.

Jay Powell, chairman of the US Federal Reserve (Fed), said uncertainty on the economic outlook justified the third interest rate cut this year, but a tentative US-China trade deal and the reduced risk of a no-deal Brexit could help support business confidence. News of the interest rate cut saw the US equity market close at a record high on the day. Earlier in the month the US equity market had reached another record high on rising optimism for a trade deal with China combined with solid corporate earnings.

While the UK equity market provided a flat return during October with domestic politics continuing to dominate, European markets made modest gains. Investor confidence was underpinned by alleviating US-China trade tensions, talk of increased government spending in Europe and faltering chances of a no-deal Brexit. Carrying on from last month, markets continued to witness a style rotation away from 'defensive' parts of the market and into more 'cyclical' and economically-sensitive equities.

In Japan, the equity market ended the month higher as the partial trade agreement between the US and China eased concerns about a global economic slowdown. It was a positive month for emerging equity markets too with all the regions recording gains. Asia led the advance, followed closely by Latin America. In terms of country performance, Hungary, Taiwan and Russia came top. However, while most equity markets advanced higher there were some exceptions, most notably Turkey, Chile and Saudi Arabia.

Bond markets were generally weaker during October. This followed signs of a potential easing of trade tensions between the US and China as well as an agreement between the UK government and European Union over Brexit. As the market's risk appetite increased, bond yields (which move inversely to bond prices) moved higher. Consistent with this "risk-on" sentiment, government bonds saw the biggest increase in yields.

US

- US Federal Reserve cut interest rates for the third time this year
- The health care sector received a boost from Biogen after it announced that it was seeking approval for its Alzheimer's drug
- The energy sector remained the laggard as the US's shale oil boom slows

The US equity market ended the month in positive territory after the US Federal Reserve (Fed) cut interest rates as expected and signalled that it was unlikely to move in either direction any time soon. Jay Powell, chairman of the Fed, said uncertainty on the economic outlook justified the third interest rate cut this year, but a tentative US-China trade deal and the reduced risk of a no-deal Brexit could help support business confidence. News of the interest rate cut saw the US equity market close at a record high on the day. Earlier in the month the US equity market had reached another record high on rising optimism for a trade deal with China combined with solid corporate earnings.

While not a uniformly positive picture, earnings season has helped ease concerns about the outlook for global economic growth. About 80% of companies in the S&P 500 index had topped expectations for profits by 24 October (source: Bloomberg), though Texas Instruments and Caterpillar both highlighted the uncertainty caused by trade tensions and global economic weakness.

The strongest performing sectors over the month were health care and technology, which retains its place as the top performing sector so far in 2019. Health care surged as biotech firm Biogen announced that it was seeking approval for its drug aducanumab and hailed a 'turning point' in the fight against Alzheimer's disease. Just months ago, Biogen had declared its clinical trials futile, but by studying a larger data set the drug had shown that it did work if it was taken at higher doses. Biogen announced that the US drug regulator was open to filing it for an approval. Pharmaceutical giants Merck and Pfizer reported strong corporate results.

Meanwhile, the energy sector remained the laggard as the US's shale oil boom slows. While real estate and utilities had performed well over the summer as concerns around recession mounted, they have since trimmed their gains as the rotation into value stocks continued (the move away from relatively expensive stocks exhibiting low earnings volatility and strong share price momentum and into cheaper, unloved sectors offering attractive valuations versus history).

In terms of US economic growth, the economy expanded at the weakest pace of 2019 as business investment declined. Gross domestic product (GDP) – the value of all goods and services produced by the US – expanded at an annualised 1.9% rate during the third quarter, according to the Commerce department, exceeding estimates. This compares with 2% growth in the second quarter.

Corporate news over the month included the announcement that Prologis, the world's largest warehouse company, has agreed to acquire Liberty Property Trust for US$12.6bn in a deal that emphasises the robust demand for such properties. Meanwhile, US utility groups Avangrid and PPL have held talks about a deal to combine all or parts of their business that would create a company worth more than US$67bn. If the two companies decided to merge their entire operations, it would form one of the largest publicly traded utilities in the US and the deal would rank as the biggest utility tie-up this year.

Europe

- European equity markets buoyed by easing US-China trade tensions
- Eurozone third-quarter GDP surprises on the upside
- German 10-year Bund yield hits 3-month high

European markets made modest gains in October as investor confidence was underpinned by alleviating US-China trade tensions, talk of increased government spending in Europe and faltering chances of a no-deal Brexit. Carrying on from September, markets continued to witness a style rotation away from 'defensive' parts of the market and into more 'cyclical' and economically-sensitive equities. At sector level, this was exemplified by industrials leading the rally. At the other end, consumer staples was by far the worst performing sector in the market again.

In economic news, the eurozone grew by 0.2% in the third quarter of 2019, beating consensus estimates who were expecting growth to stagnate. The positive figure was largely driven by robust growth in France (0.3%) and Spain (0.4%), the second and fourth largest economies in the union. Latest data out of Germany also indicates that the country probably avoided a technical recession (two successive quarters of negative growth), which many commentators had been suggesting was likely. Meanwhile, the headline eurozone inflation rate dropped to 0.7% (0.8% in September) dragged down by a fall in energy prices. The core rate, which excludes some of the more volatile components, edged up to 1.1% (1.0% in September).

The fiscal debate in Germany continued and the recent rally in the 10-year Bund yield would imply that investors are expecting the government to increase spending. Christian Kastrop, a former official at the German finance ministry and one of the architects of Germany's "black zero" policy – this is where the government runs a balanced budget between what it raises in taxes and what it spends in total - is now arguing for reforms to ensure the German economy is fit for the future. This echoes the sentiment of several leading German economists, as well as leaders of the European Central Bank, European Commission and the International Monetary Fund, and adds further pressure on politicians to increase public expenditure.

UK

- The UK equity market provided a negative return over October
- Sterling made gains against international currencies as the government negotiated a revised Withdrawal Agreement with the European Union
- Parliament voted in favour of an early general election

The UK equity market provided a negative return during October. The market fell sharply at the beginning of the month, with the FTSE 100 index posting its worst single day return in more than three years. The market was volatile due to renewed concerns around economic growth, supported by the release of worse-than-expected Purchasing Manager's Index (an indicator of economic activity) data for the UK's services sector. The measure fell below 50, signalling a contraction. Equity markets recovered losses throughout October to end the month slightly lower overall.

UK politics continued to dominate the domestic agenda and influence currency markets during October. The value of Sterling rose sharply mid-month on news that the Prime Minister Boris Johnson had negotiated a revised Withdrawal Agreement with the European Union. The markets took comfort from the decreased likelihood of a no-deal exit on 31 October 2019. However, uncertainty persisted as the Government agreed an extension to Article 50 at month end and succeeded in calling an early general election.

In company news, there were several high-profile Chief Executive changes during October. Imperial Brands announced the departure of its longstanding Chief Executive Officer Alison Cooper at the start of the month, whilst BP confirmed that Bernard Looney, Head of Exploration, would replace Bob Dudley as Group CEO in 2020. Meanwhile the new CEO of Smith & Nephew announced he was stepping down after less than two years in the role as result of a gap in his renumeration.

WHSmith announced plans to expand in the US with the US$400million purchase of a Las Vegas travel company. Meanwhile, Vodafone revealed plans to close 1,000 stores, some 15% of its European real estate, as part of a wider initiative to better respond to changing consumer demands. There was further merger & acquisition activity during the month, as UK technology firm Sophos, was bought by a US private equity group.

Asia

- Asian equities rallied as US-China trade deal hopes helped investor sentiment
- Taiwan outperformed as optimism about the technology sector outlook grew
- Indian equities gained on global positive sentiment and better-than-expected corporate earnings

Asian equity markets rallied in October driven by a tentative truce in the US-China trade war. Within the region, Taiwan outperformed as optimism on the technology outlook grew, while Indian equities were helped by a positive corporate earnings season and expectations for further tax reductions.

Chinese equities ended the month higher on hopes of a preliminary trade deal with the US. On 11 October, US President Donald Trump announced that the US had agreed to suspend the tariffs schedule for 15 October, while China agreed to buy up to US$50bn in US farm products and accept more American financial services. Meanwhile, China's economic data was mixed. While China's third quarter 2019 GDP growth slowed to 6.0% from 6.2% in the second quarter and economic indicators disappointed, industrial production was ahead of expectations.

In Taiwan, the equity market made all-time highs driven by progress on the US-China partial trade deal and positive corporate earnings revisions in the technology sector. Major Taiwanese technology companies are expected to benefit from a recovery in the semiconductor industry and an upswing in 5G-related demand. Elsewhere, Indian equities rallied on the back of global positive investor sentiment, better-than-expected corporate earnings and the potential for further tax reductions aimed at boosting equity investment. Also, during the month, the Reserve Bank of India cut policy rates by 0.25%, in line with consensus expectations. Meanwhile, Korean equities benefited from easing macroeconomic uncertainty along with an anticipated recovery in technology demand. Conversely, the Thai equity market was the region's worst performer as recent macroeconomic data highlighted weakness in external demand and domestic consumption.

In Japan, the equity market ended the month higher as the partial trade agreement between the US and China eased concerns about a global economic slowdown. Within the equity market, second quarter 2019 reporting by Japanese companies with March fiscal year-ends began this month and so far, negative surprises have slightly outweighed positive surprises. Meanwhile, the Bank of Japan decided to leave monetary policy unchanged, refraining from taking interest rates deeper into negative territory.

Emerging Markets

- Several emerging countries cut interest rates
- Hopes for a US-China Phase I trade deal increased
- Landmark pension reform passed in Brazil

It was a positive month for emerging equity markets with all the regions recording gains. Asia led the advance, followed closely by Latin America. In terms of country performance, Hungary, Taiwan and Russia came top. However, while most equity markets advanced higher there were some exceptions, most notably Turkey, Chile and Saudi Arabia. All sectors in emerging markets finished in positive territory, apart from communication services, with healthcare, technology and energy enjoying the best gains. Following a cut in US interest rates the US dollar lost some ground against a basket of other currencies. Commodity prices, led by natural gas, were mostly up although Brent crude oil prices dipped modestly lower.

Hopes for a US-China Phase I trade deal and lower interest rates in Asia - they were cut by 0.25% in India, Korea and Indonesia respectively – boosted sentiment towards the region. As part of the agreement, it was suggested that China would reportedly purchase US$40-50 billion of US agricultural products annually and strengthen intellectual property provisions while the US would delay tariff increases for Chinese goods.

After many false dawns Brazil finally approved its landmark pension changes that will see the retirement age rise to 65 for men and 62 for women. The move is likely to significantly improve the government's finances – the pension overhaul is expected to save almost US$200 billion over the next ten years. In other developments, interest rates were cut for the second consecutive month in Brazil, taking them down to 5%, a new historic low. Equity markets in Mexico and Colombia also advanced higher. To support the Mexican economy, President Andres Manuel Lopez Obrador announced plans to unveil a set of major infrastructure projects drawn up by the private sector. Meanwhile, anti-government protests over high living costs and wealth inequality in Chile knocked investor confidence towards the country. Following the protests, President Sebastian Pinera declared a state of emergency in several cities including the capital Santiago and announced a package of social measures. Argentina's equity market fell as capital control measures were brought in after the defeat of Mauricio Macri to Personist leader Alberto Fernandez in the Presidential elections.

Russia was one of the best performing equity markets in the EMEA (Europe, Middle East and Africa) region. Sentiment towards the country was bolstered by another cut in interest rates, which were reduced to 6.5% from 7.0%. Citing lower inflation and economic growth, the Bank of Russia left the door open for further interest rate cuts. Russian energy companies benefited from rising gas prices (natural gas rose by 13%). In South Africa, mining stocks got a lift from higher gold prices. Equity markets in Turkey were volatile over concerns about potential US sanctions in the aftermath of the Turkish raids in Syria.

Fixed Interest

- Bond yields increased over the month
- The US Federal Reserve cut US interest rates by 0.25%
- Corporate bond issuance remained strong as companies sought to capture attractive funding costs

Bond markets were generally weaker during October. This followed signs of a potential easing of trade tensions between the US and China as well as an agreement between the UK government and European Union over Brexit. As the market's risk appetite increased, bond yields (which move inversely to bond prices) moved higher. Consistent with this "risk-on" sentiment, government bonds saw the biggest increase in yields.

Central bank policy was a further important influence on bond market returns. Following on from the European Central Bank's September announcement that it would be resuming asset purchases in November, the US Federal Reserve (Fed) signalled that it too would soon seek to expand its balance sheet. However, the Fed Chair made clear when making the announcement that this was a technical adjustment rather than a resumption of quantitative easing or a signal of the bank's monetary policy stance. As October progressed, the market's expectation that US interest rates would be cut increased. By the time of the 29 October announcement, a 0.25% cut was fully priced in. The market was therefore focused on the subsequent press conference as it sought to gauge the Fed's future policy. The market's interpretation of the conference was that the Fed may now pause in its current easing cycle.

The resumption of bond purchases by the European Central Bank and the very low level of bond yields led to further high levels of bond issuance. This included companies seeking to access the market for the first time as well as others using the more favourable interest rate environment to refinance existing debt at more attractive levels. There were also examples of companies switching their outstanding loans to the bond market. Loans are typically much less restrictive for the issue, so the fact that companies were adjusting their capital structure in this way highlights just how low borrowing costs have got in the bond market. A point further highlighted by packaging manufacturer, Crown European Holdings. The BB rated company was able to raise €550m at just 0.75%. Bloomberg report this to be the lowest ever financing cost for a non-investment grade issuer in the eurozone.

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] (%)
	31.10.19	30.09.19	31.07.19	30.04.19	31.10.18
US Treasuries 2 year	1.52	1.62	1.87	2.27	2.87
US Treasuries 10 year	1.69	1.66	2.01	2.50	3.14
US Treasuries 30 year	2.18	2.11	2.52	2.93	3.39
UK Gilts 2 year	0.50	0.37	0.44	0.76	0.75
UK Gilts 10 year	0.63	0.49	0.61	1.19	1.44
UK Gilts 30 year	1.14	0.97	1.32	1.69	1.86
German Bund 2 year	-0.66	-0.77	-0.78	-0.58	-0.62
German Bund 10 year	-0.41	-0.57	-0.44	0.01	0.39
German Bund 30 year	0.11	-0.07	0.12	0.66	1.02

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

Corporate Bonds										Yield to maturity[1] (%)/Spread[2] (bps)
	31.10.19		30.09.19		31.07.19		30.04.19		31.10.18	
£ AAA	1.49	67	1.40	72	1.59	66	2.03	65	2.25	65
£ AA	1.40	73	1.30	76	1.43	70	1.87	72	2.07	79
£ A	1.97	123	1.90	131	2.04	124	2.52	127	2.78	138
£ BBB	2.54	178	2.49	189	2.55	176	3.04	180	3.29	192
€ AAA	0.14	56	0.10	67	0.08	56	0.46	56	0.69	60
€ AA	0.03	62	-0.02	71	-0.07	61	0.24	61	0.53	71
€ A	0.35	85	0.29	94	0.23	83	0.58	87	0.92	104
€ BBB	0.84	126	0.78	135	0.74	127	1.16	139	1.59	164
European High Yield (inc € + £)	3.96	386	3.87	383	3.93	385	4.08	381	4.44	424

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

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.12	2.3	0.7	-0.6	-2.8	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.86	-2.8	-5.4	0.1	-4.1	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.10	1.1	-0.1	-3.8	-2.3	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.76	0.3	0.7	1.1	6.0	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	10.25	3.4	4.4	5.9	3.4	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	4.26	-2.5	-0.6	-0.6	-0.7	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	328.61	-1.9	0.8	1.5	2.3	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	108.04	0.0	-0.7	-3.0	-1.4	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.32	-0.6	-0.2	-1.7	-3.5	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	15.10	-0.3	5.3	5.6	5.1	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	4.02	-3.3	5.4	2.5	3.5	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1170.24	-2.4	-1.5	0.5	5.0	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	30.49	-1.8	-2.2	-1.3	-0.3	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	30.19	-1.3	-1.7	-5.4	-6.6	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.36	-1.6	-1.0	0.0	-0.2	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.77	-4.8	-5.4	0.7	-1.6	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	19.54	5.0	12.0	4.9	6.6	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.69	2.1	0.7	-2.2	-2.2	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.64	2.4	-2.2	-3.9	-4.6	-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 October 2019 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	2.6	2.7	3.8	21.2	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	2.1	2.9	2.6	16.6	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	3.0	2.5	5.1	25.8	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	2.8	1.4	1.0	18.6	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	4.2	1.1	-1.4	10.7	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	2.8	2.8	3.8	20.4	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	0.6	1.3	3.0	18.2	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	2.2	2.4	4.2	23.2	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	3.7	1.7	3.0	26.1	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	2.6	-0.4	-1.1	17.2	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	-0.9	1.3	1.0	18.1	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	1.0	3.5	4.3	22.3	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	0.9	3.2	3.0	21.0	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	0.9	4.0	4.9	24.8	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	3.5	5.6	4.2	21.9	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	0.5	4.4	-1.1	12.5	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	2.7	6.4	6.9	28.9	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	1.4	3.0	4.6	21.2	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	-0.5	1.8	2.9	22.2	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	2.0	2.6	1.6	18.9	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	8.7	7.0	21.8	41.8	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	2.6	-2.3	3.6	13.3	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	3.1	0.8	-1.9	10.5	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	-1.4	-2.1	0.4	12.8	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	-1.9	-3.1	0.1	12.1	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	0.6	2.7	2.7	17.5	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	0.5	1.2	-4.1	5.4	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	0.8	1.0	8.1	26.0	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	3.3	-2.2	-6.6	7.8	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	0.8	-0.1	-4.8	17.4	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	3.6	-1.1	-2.2	9.1	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	4.9	4.9	3.6	16.8	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	1.0	2.9	-5.5	2.1	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	1.0	-2.5	-3.5	0.5	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	2.5	-0.9	0.3	6.8	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	-2.0	-5.6	-3.0	5.4	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	3.9	7.4	3.5	12.6	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	3.3	-0.7	-5.3	8.0	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	-0.4	-0.9	7.6	22.1	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	5.0	7.6	4.3	14.2	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	5.4	6.5	3.0	14.6	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	4.0	1.3	-0.9	12.4	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	4.5	-1.5	2.7	11.3	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	3.5	5.9	-2.0	8.9	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	6.4	-1.0	9.7	17.8	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	-4.8	-48.8	-27.6	-34.6	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	-7.0	-9.2	-16.4	-14.4	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-2.8	-7.4	-17.9	17.3	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	-0.2	-7.9	-15.5	19.4	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	1.8	-0.4	-3.0	6.1	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	2.5	5.8	17.7	17.9	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	-5.1	-7.3	71.2	36.2	-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

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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