Monthly Market Roundup
September 2019 (covering August 2019)

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Global

- Global equity markets impacted by the escalating trade war between the US and China
- Mounting concerns about the outlook for global economic growth
- The brief inversion of the US and UK yield curves was perceived by some as a harbinger of recession

Global equity markets fell in August as bond yields plunged after China allowed its currency to fall through a key threshold, escalating the trade war between the US and China, which raised concerns about the outlook for global economic growth.

It was a month of dramatic reversals for US stocks, 'all-or-nothing days', in which market moves got to historical extremes. August saw as much volatility as an average four-year period. US equity market losses were led lower by the energy sector with oil prices falling to their lowest levels in a month and a half amid growing concerns that US-China tensions would weaken demand for crude oil. Financial stocks were also impacted by increasing trade tensions which drove the demand for so-called 'safe-haven' assets.

The UK and European equity markets also fell sharply at the beginning of the month, spooked by a reignition of US trade war rhetoric and the inversion of the US and UK yield curves. This relatively rare phenomenon was last seen in the UK in 2008 and means that it is cheaper for the government to borrow money, or sell bonds, over ten-years than it is on a shorter basis.

Investors normally require a higher return to lend money (buy bonds) for longer periods and the inverted yield curve signals a lack of confidence in the near-term economy. This short-term inversion of the status quo is perceived by some market commentators as a harbinger of recession. By month-end, however, a significant portion of the losses within European equity markets had been recouped following better than anticipated Eurozone economic data and some easing of trade war rhetoric by Trump.

Emerging equity markets were spooked that the US economy might be headed towards a recession following the inversion of the US yield curve. In a search for perceived 'safe havens', investors opted for government bonds and precious metals, such as gold and silver, over emerging equity markets.

Corporate bond markets delivered a positive return over the month as government bond yields in many countries reached record lows. The moves came amid concerns about a deterioration in economic growth and expectations of continued supportive central bank policy.

US

- It was a month of reversals for US stocks, 'all-or-nothing days' dominated
- Escalating trade war between the US and China raised concerns about the outlook for economic growth
- US equity market losses were led lower by energy and financial stocks

The US equity market ended August in negative territory as the escalating trade war between the US and China raised concerns about the outlook for economic growth. In a month of dramatic reversals for US stocks, 'all-or-nothing days', in which market moves got to historical extremes, dominated. The month saw as much volatility as an average four-year period.

Indeed, the US Treasury yield curve, specifically the difference between the 10-year US Treasury interest rate and the 2-year US Treasury rate, briefly inverted during the early part of the month. An inverted yield curve is considered to be a good predictor of recession, and markets sold off on fears that a recession would occur in the next year. This time, however, may well be different and there are no immediate signs of recession.

Meanwhile, the latest escalation in the trade war saw China announce that it would apply additional tariffs of between 5% and 10% on $75bn of US imports from September. The move is Beijing's response to Donald Trump's decision to impose 10% tariffs on $300bn more of Chinese imports from September, before announcing that he would delay imposing the duties on about half of those products until December.

US equity market losses were led lower by the energy sector with oil prices falling to their lowest levels in a month and a half amid growing concerns that US-China tensions would weaken demand for crude oil. Financial stocks were also impacted by increasing trade tensions which drove the demand for so-called 'safe-haven' assets. Lower long-term yields can also hurt bank profits, as it narrows the spread between what banks earn on longer-term assets, like loans, and the cost of shorter-term liabilities. Correspondingly, utilities, real estate and consumer staples stocks were in positive territory.

US economic growth decelerated in the second quarter by more than initially reported, with stronger consumer spending offset by weaker readings across other categories (such as weaker inventory and exports) which suggested that Donald Trump's trade actions are weighing more heavily on the pace of expansion. Consumer spending, which makes up about two-thirds of the economy, grew 4.7%, topping all forecasts with the biggest gain since 2014.

Gross domestic product expanded at an annualised pace of 2% in the second quarter. That was slower than the 2.1% growth reported in July's first reading and remained the weakest growth since the start of 2017.

In terms of corporate news, tobacco giant Philip Morris International confirmed it was in talks with Altria Group, more than a decade after the two firms separated. Meanwhile health care firm Johnson & Johnson was ordered to pay $572m for helping to fuel Oklahoma's opioid crisis.

Europe

- European equity markets retreat in August
- Increased government spending in Germany looking more likely
- Italian political woes continue as Deputy prime minister Salvini pulls plug on coalition

European equity markets suffered modest losses in August as lingering issues continued to weigh on investor sentiment. Global markets witnessed a sharp sell off at the start of the month as trade disputes between the US and China intensified following fresh tariffs from both sides. By month-end, a significant portion of the losses had been recouped following better than anticipated Eurozone economic data and some easing of trade war rhetoric by Trump.

Against this backdrop, there was stark polarisation in performance between ‘cyclical’ (stocks that are vulnerable to economic downturns) and ‘non-cyclical’ (defensive stocks that are less vulnerable to economic downturns) parts of the market. Investors continued to flock to traditionally ‘defensive’/non-cyclical sectors leading to a strong rally in Consumer Staples, Utilities and Health Care. At the other end, stocks within the Financials, Information Technology and Energy sectors detracted most.

The German Ifo Business Climate index fell for a fifth consecutive month as the economy continued to struggle amidst all the uncertainty (Brexit, trade wars, etc.). Despite recent struggles, Germany has significant leeway to support the economy should things continue to worsen. Relatively recently, there has been a substantial shift in economic sentiment and increasing public discussions around a move away from the ‘black zero’/balanced budget policy. Two of Germany's leading economists, Michael Huether and Marcel Fratzscher, denounced fiscal rules by imposing budget constraints to limit public debt, calling them “absurd” in light of the slowdown. It appears politicians are also starting to take note as Finance Minister Olaf Scholz announced that Germany could muster 50 billion euros of extra spending in an economic crisis, putting a number on a possible fiscal stimulus for the first time.

Matteo Salvini, leader of the far-right League party and deputy prime minister of Italy sent markets in a frenzy after pulling support for the collation between his party and the Five Star Movement. Fresh elections seemed all but confirmed till news emerged that Giuseppe Conte, leader of the Five Star Movement, was in talks to form a coalition with the Democratic Party. Should they succeed, the new coalition is likely to deliver a less expansionary budget (expanding the money supply in the economy), more compliance with the EU rules and the cancellation of a planned VAT rate hike – in essence, this should make for a more business friendly environment. Markets reacted favourably to the prospects of this new coalition with the FTSE MIB (the main benchmark index for Italian equities) gaining on the day of the announcement.

Invesco

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UK

- UK equity markets provided a negative return over August
- Economic data released during August, showed a slowdown in economic growth during the first half of 2019
- We continued to see merger & acquisitions activity (M&A) in August

Following two consecutive months of positive returns, the UK equity market provided a negative return during August.

The UK equity market fell sharply at the beginning of the month, spooked by a reignition of US trade war rhetoric and the inversion of the US and UK yield curves. This relatively rare phenomenon was last seen in the UK in 2008 and means that it is cheaper for the government to borrow money, or sell bonds, over ten-years than it is on a shorter basis. Investors normally require a higher return to lend money (buy bonds) for longer periods and the inverted yield curve signals a lack of confidence in the near-term economy. This short-term inversion of the status quo is perceived by some market commentators as a harbinger of recession.

The value of Sterling versus international currencies remained weak for much of August as the UK moved little closer to cementing its future trading arrangements with the European Union. Indeed, Boris Johnson's latest move to "prorogue" parliament until 14th October further elevated already heightened fears of a 'no-deal Brexit'. Meanwhile, the Bank of England's Monetary Policy Committee voted to hold the base rate at 0.75% during its August meeting. Economic data released during the month, showed a slowdown in economic growth during the first half of 2019, a result of weaker business investment and slowing global economic growth.

In company news, we saw further evidence of increasing M&A activity in August. Hong Kong investment firm CK Asset Holdings successfully bid for the UK's largest pubs and brewery group Greene King. The £4.6 billion deal valued the 200-year-old firm at a significant premium to its pre-bid share price. Elsewhere, drinks giant Diageo bought a majority stake in alcohol-free drinks producer Seelip, Sports Direct purchased fashion chain Jack Wills, and the London Stock Exchange agreed a deal to buy financial data analysis firm Refinitiv for US$27billion.

Elsewhere litigation financer Burford Capital was subject to a "short-attack" from US Research firm Muddy Waters at the beginning of August. The company robustly defended itself against the accusations and later announced a series of corporate governance enhancements to soothe the market. Meanwhile Ferguson, the FTSE 100 industrial supplies producer, revealed it is considering moving to a US exchange in response to pressure from an activist investor.

Asia

- Asian equities lower as trade war weighs on investor sentiment
- US Treasury labels China a currency manipulator as yuan hits decade low
- Hong Kong worst performer as local unrest adds to ongoing US-China woes

Asian equity markets ended August significantly lower as an uptick in US-China trade frictions together with increased concerns over the global economic outlook amid a fall in global bond yields impacted investor confidence. President Trump announced on 1 August that the US would place an additional 10% tariff on US$300bn worth of imports from China, while Beijing later responded with its own tariffs on US$75bn worth of US goods. Investor sentiment was further dampened by the US Treasury's labelling China a currency manipulator after the yuan sank to its lowest level in 11 years. Hong Kong was the worst performing market as ongoing Sino-US trade pressures were compounded by a scaling up of local street protests and outbreaks of civil unrest, with Singapore, Australia and Korea also among the leading underperformers.

Chinese equities underperformed as the re-escalation in trade tensions with the US impacted market performance and further highlighted the difficulty in attempting to predict the outcome of ongoing discussions between the two sides. Domestically, monthly economic indicators were broadly weaker, with industrial production slowing to a more-than-expected 4.8% year-on-year in July while fixed asset investment rose 5.7% over the first seven months of the year. The manufacturing purchasing managers' index (PMI) slipped to 49.5 in August compared to 49.7 in July, and still below a reading of 50, indicating contraction in sector growth.

Korean equities extended the previous month's losses as a number of domestic economic headwinds and a continuing trade spat with neighbouring Japan impacted performance. A number of export-oriented companies, including several leading technology firms already hurting from the fallout caused by the US-China trade war, have voiced concerns over the near-term outlook amid current volatility. Elsewhere, Indian equities ended August lower as the rupee depreciated against the dollar. A softening domestic economy saw the Reserve Bank of India (RBI) cut its key lending rate by 35 basis points – more than the expected 25 basis points – as second quarter growth came in at a six-year low at 5.0%, raising expectations of greater monetary policy support. The RBI cut its full-year 2020 gross domestic product growth forecast to 6.9% from 7.0%.

In Japan, equity markets also ended the month lower as concerns grew over the impact of trade frictions between the US and China, with market movement largely dictated by trade news flow. However, despite the negativity surrounding trade issues, Japan's economy grew at a greater-than-expected 1.8% in the second quarter, supported by household consumption and capital expenditure and pointing to a greater resilience to exogenous factors than initially suspected. However, other indicators proved mixed with industrial output rebounding in July against a decline in retail sales while export growth remained weak.

Emerging Markets

- Confidence towards equity markets spooked by US recession fears
- Chinese yuan suffers sharp fall against the US dollar
- Turbulence in Argentina following surprising election vote

Emerging equity markets were spooked that the US economy might be headed towards a recession following an inversion of the US yield curve – this is where short-dated US Treasury bonds of two years' maturity pay more than long-term ones of ten years' duration. In a search for perceived 'safe havens', investors opted for government bonds and precious metals, such as gold and silver, over equities during August. The US dollar also rose against a basket of emerging market currencies with the Chinese yuan falling by 3.8% (its weakest month since January 1994) as it breached the psychological 7.0 level. The depreciation prompted the US to label China a "currency manipulator". In terms of regional equity performance, Latin America registered the biggest losses, followed by EMEA (Europe, Middle East and Africa) and then Asia. All sectors in emerging markets closed lower with real estate and financials being the laggards.

Equity markets in Argentina had a dreadful month following the defeat of incumbent President Macri in the primary elections as it raised concerns over a potential sovereign default. Market volatility elsewhere in Latin America was far more constrained by comparison although equity weakness was a feature throughout. A sharp 8% decline in the value of the Brazilian currency dragged down the country's equity returns in US dollars. In Mexico, most of the losses in equities were pared following a decision by Banxico (the central bank) to lower interest rates by 25 basis points to 8.0%. The accompanying statement left the door open to further cuts due to weakening economic growth and slowing inflation.

Aside from Egypt, all equity markets in the EMEA region lost ground with Turkey, Poland and South Africa registering the biggest declines. Weakness in Russia and Saudi Arabia reflected a fall in oil prices although Russia's budget for this year has the lowest break-even - this equates to the point where government spending matches tax revenues - oil price in over a decade at US$49.20 a barrel. Meanwhile, Turkey's inflation rate resumed its decline as it dropped to 15% in August from a year earlier, compared with an increase of 16.7% in July. South Africa averted a second recession in as many years after economic growth rebounded in the second quarter. The economy grew by an annualised rate of 3.1% in the three months to June.

Fixed Interest

- Government bond markets extended gains with yields in many countries reaching record lows
- The 10-year US Government bond yield moved lower than the 2-year for the first time since 2007
- For the first time all German Government bonds had a negative yield

During August, corporate bond markets delivered a positive return as government bond yields in many countries reached record lows. The moves came amid concerns about a deterioration in economic growth and expectations of continued supportive central bank policy.

Indicative of the demand for core government bonds, in early August the 30-year German Government bond (Bund) yield fell below zero for the first time. As a result, yields are now negative across all maturities of Bund. Mid-month the German Government was able to issue a zero-coupon 30-year Bund with a negative yield of -0.11%. The amount raised was below the targeted €2bn. This perhaps suggests there is a limit to how low yields can go. Nonetheless, that Germany was able to raise anything at such punitive levels shows just how bond markets have become distorted by the interest rate environment. By 31 August 2019, $17trn of the world's bonds had a negative yield. At the start of the year the figure was $7trn.

In the US, the 30-year government bond reached a record low yield of 2.0% while the 10-year yield fell below 1.50%. This strong performance of bonds with long maturity dates means that for the first time since May 2007, 10-year US Government bonds yield less than their 2-year counterparts. This inverted yield curve shape is interpreted by many in the market as a signal that an economy is heading to recession.

Politics was the other important influence on returns. In the UK, the start of Boris Johnson's premiership and his much tougher negotiating stance with the European Union over Britain's exit raised fears of a no-deal Brexit. Meanwhile, in Italy, the ruling populist coalition collapsed leading to a rise in Italian bond yields. However, as expectations of a resolution increased, Italian Government bonds (BTP) rallied. After falling 55 basis points on the month, the 10-year BTP ended August with a yield of 0.998% - the first time it has ever been below 1%.

Alongside these macroeconomic considerations, there were some company specific news of note. Two high profile examples were Kraft Heinz and General Electric (GE). Poor results and a signal from management that retention of its investment grade rating was a secondary priority weighed on Kraft Heinz's bonds. Credit rating agency, S&P has since put the investment grade company on negative outlook. Meanwhile, GE came under pressure after the Bernie Madoff Ponzi scheme whistle blower, Harry Markopolos, published a report accusing the US conglomerate of accounting fraud. GE strenuously denied the claims and stated that Markopolos' motivation was market manipulation.

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] (%)

	31.08.19	31.07.19	31.05.19	28.02.19	31.08.18
US Treasuries 2 year	1.50	1.87	1.92	2.51	2.63
US Treasuries 10 year	1.50	2.01	2.12	2.72	2.86
US Treasuries 30 year	1.96	2.52	2.57	3.08	3.02
UK Gilts 2 year	0.40	0.44	0.60	0.83	0.73
UK Gilts 10 year	0.48	0.61	0.89	1.30	1.43
UK Gilts 30 year	1.02	1.32	1.47	1.82	1.77
German Bund 2 year	-0.93	-0.78	-0.66	-0.52	-0.61
German Bund 10 year	-0.70	-0.44	-0.20	0.18	0.33
German Bund 30 year	-0.18	0.12	0.43	0.81	1.01

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

Corporate Bonds

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

	31.08.19		31.07.19		31.05.19		28.02.19		31.08.18	
£ AAA	1.42	67	1.59	66	1.84	74	2.22	73	2.14	55
£ AA	1.27	70	1.43	70	1.72	80	2.05	79	2.01	75
£ A	1.90	128	2.04	124	2.43	141	2.74	138	2.68	130
£ BBB	2.49	184	2.55	176	2.99	201	3.33	199	3.15	176
€ AAA	-0.07	63	0.08	56	0.40	67	0.68	65	0.65	59
€ AA	-0.19	68	-0.07	61	0.23	74	0.43	69	0.47	68
€ A	0.13	91	0.23	83	0.60	105	0.83	102	0.81	97
€ BBB	0.64	135	0.74	127	1.22	162	1.52	166	1.45	151
European High Yield (inc € + £)	3.81	377	3.93	385	4.45	446	4.47	416	4.10	378

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

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.10	-0.8	-1.6	-3.3	-4.2	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.90	-0.8	2.1	5.4	0.6	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.09	-1.2	-2.8	-4.1	-3.4	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.79	0.9	1.6	2.8	6.3	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	10.02	2.1	2.4	2.9	1.1	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.46	-0.1	-0.3	-0.1	-0.2	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.38	2.0	2.1	1.7	2.0	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	331.35	1.6	1.8	4.9	3.2	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	106.31	-2.3	-1.8	-4.6	-3.0	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.33	0.9	-1.5	1.1	-2.4	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	15.19	5.9	4.1	7.8	5.7	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	4.15	8.7	5.7	10.5	6.8	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1210.50	1.9	1.8	7.5	8.6	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	31.33	0.5	-0.7	1.6	2.5	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	30.61	-0.3	-2.9	-3.1	-5.3	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.39	1.0	1.0	2.6	1.8	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.82	0.5	3.5	9.2	4.6	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	18.46	5.8	0.2	-1.2	0.7	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.67	-1.6	-2.9	-5.0	-4.5	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.63	-3.8	-3.5	-7.3	-6.1	-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 August 2019 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	-2.0	5.0	4.1	15.6	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	-3.1	2.9	-0.3	9.8	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	-1.0	7.1	8.4	21.6	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	-3.4	2.9	-1.3	13.0	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	-4.8	0.0	-4.4	4.2	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	-2.2	4.7	3.4	14.5	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	-1.3	7.1	3.2	15.1	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	-1.6	6.9	6.2	18.3	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	-2.5	7.1	6.3	20.9	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	-4.9	2.4	-4.4	11.8	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	0.4	3.3	4.4	17.1	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	-0.8	4.6	6.3	17.3	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	-1.4	3.3	4.5	15.6	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	-0.7	5.8	7.6	19.2	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	-2.1	1.8	3.7	13.1	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	-1.4	-1.0	-2.9	6.3	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	-0.4	8.4	6.6	20.8	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	-0.2	3.9	5.4	17.4	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	-1.6	4.3	6.2	18.2	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	-1.6	2.1	3.1	14.0	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	-4.7	4.6	13.5	26.3	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	-6.4	-0.2	1.0	8.5	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	-2.4	-0.2	0.5	6.9	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	-3.6	2.0	4.3	11.1	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	-4.1	2.0	4.7	11.0	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	-1.1	3.1	3.0	13.2	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	-2.2	-6.1	-2.4	2.0	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	-1.8	6.7	13.4	22.5	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	-7.1	-3.1	-7.8	2.4	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	-1.6	-0.4	-1.9	15.7	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	-5.0	1.0	0.0	4.8	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	-1.9	1.1	2.2	9.2	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	-2.8	-3.6	-10.4	-3.6	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	-1.0	1.9	-1.8	2.2	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	-0.8	0.1	3.6	6.9	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	-2.8	2.8	2.4	8.5	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	-0.3	-5.7	4.8	4.5	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	-5.4	-0.7	-8.3	2.9	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	-2.4	4.2	9.3	20.3	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	-3.4	0.2	-4.7	2.6	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	-3.8	0.5	-3.2	3.5	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	-4.4	0.5	-3.3	6.1	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	-8.1	-2.3	-6.2	3.9	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	-0.4	-0.8	-2.6	2.4	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	-9.2	-1.1	-4.0	8.0	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	-50.4	-37.9	-40.8	-36.7	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	-6.4	-5.9	-19.1	-11.7	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-4.6	-8.5	-6.0	20.9	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	-5.9	3.0	-3.7	21.9	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	-4.4	-2.3	-5.7	1.9	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	7.1	17.6	16.2	19.4	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	27.3	117.0	261.4	87.1	-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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