Monthly Market Roundup

February 2020 (covering January 2020)

This marketing document is for consumer use in the UK and for Professional Clients, Financial Advisers and Qualified Investors as specified in the important information section.

Overview

- Equity market optimism dampened by coronavirus outbreak
- Improving economic data seen across regions
- Major central banks set to remain supportive

Following a stellar 2019, global equity markets began the new decade in a similarly buoyant fashion. The first half of January saw the US and China reaching 'Phase One' of an economic and trade agreement, which provided some much-needed assurance to market participants following months of uncertainty.

Economic data also showed signs of improvement globally, thus allaying near-term recession fears, while major central banks provided further support by signalling they would remain accommodative for the year ahead. And while Brexit did eventually happen on 31 January 2020, the transition period essentially resulted in everything remaining the same – for now.

However, this initial optimism was eventually dampened by a 'black swan' event nobody saw coming: the outbreak of the novel coronavirus that swiftly spread from China to other regions of the world. China's attempt to contain the virus has led to an unprecedented disruption to its economy, with lockdowns imposed on various cities, while a mixture of travel restrictions, quarantine measures and sheer fear have left bustling cities such as Shanghai unusually quiet. Given China's position within the global supply chain, it is evident that – just as the virus itself – the economic disruption has the potential to spill over to the rest of the world.

As sentiment turned during the month, market participants flocked towards perceived 'safe havens'. Government and investment grade corporate bonds performed well in this market environment, alongside gold and currencies such as the US dollar and the Japanese yen. Meanwhile, the US equity market maintained its lead against other major equity markets in what was a volatile month for equities.

US

- Strong start faded on coronavirus outbreak in China
- Tough month for energy stocks and airliners
- Interest rates on hold as economy grew by annualised 2.1% rate in the fourth quarter of 2019

The US equity market started the year in positive fashion, extending the strong gains made in 2019 before succumbing to a bout of weakness in the final week of January as an outbreak of coronavirus in China knocked market confidence.

Fears surrounding the economic impact of the epidemic, which has been declared as a global emergency, pushed the US equity market marginally into the red by month-end. In contrast, perceived 'safe havens' such as US Treasuries and gold rallied.

Concerns that global growth prospects could be harmed pushed commodity prices, led by oil and copper, lower. Against this backdrop, the energy and materials sectors in the S&P 500 index were the weakest performers with energy stocks enduring their worst January performance since 1990. Airliners also had a tough month as US carriers such as Delta and American joined their European peers in suspending all services to China.

Sector performance elsewhere was more upbeat however with consumer-related stocks holding up well and technology names pushing utilities for top billing. Equity gains in the technology space were once again skewed towards the big 'players' such as Microsoft, Amazon and Alphabet (owner of Google).

In their first meeting of 2020, the US Federal Reserve (Fed) left interest rates unchanged. The central bank suggested it would remain patient after cutting interest rates three times in 2019. While the Fed chair, Jerome Powell, expressed confidence in the US economy, which is supported by strong job gains and a confident consumer willing to spend. He also noted that global risks remain, for example Coronavirus.

Powell sounded cautious about inflation, which continues to fall short of the Fed's 2% target. It has not hit that rate of change sustainably since the central bank formally adopted the goal in 2012. Fed policymakers themselves do not expect it to eclipse 2% this year, based on their most recent set of projections.

The US economy expanded at a 2.1% annualised rate in the fourth quarter of 2019. While a smaller trade deficit and increased home construction provided support, business investment continued to deteriorate. Meanwhile, the car workers' strike at General Motors was a drag on the economy.

Europe

- Equity markets rattled by coronavirus fears
- Fourth quarter GDP below expectations
- Headline inflation continues to rise

European markets started off the month well, buoyed by positive economic data releases and the signing of the Phase One trade deal between the US and China. However, increasingly negative news flow from China about the spread and severity of the coronavirus led to a large sell-off across European (and global) stock markets.

Commodities, such as oil and copper, fell sharply, driven by fears of an impending economic slowdown as China began to 'shut down' cities in order to contain the virus. Against this backdrop, the German Bund yield, which had initially risen to an 8-month high of -0.16%, fell sharply to -0.43%. In terms of sector preference, stocks within the utilities sector were by far the strongest performers in the broad market, whilst energy stocks detracted most.

In economic news, the euro zone grew by 0.1% in the fourth quarter of 2019, coming in below expectations of around 0.2%. France and Italy, the second and third largest members of the bloc, were both major drags to the figure. Meanwhile, most other countries, including Spain, Belgium and Austria continued to expand robustly.

In France, strikes and protests over President Macron's planned pensions reforms were likely to blame for growth contracting by 0.1%. While close production and trade links with a slowing Germany weighed on Italian manufacturing and industry and saw the economy contract by 0.3%.

It then came as some relief that Germany's IHS Markit Purchasing Manager's Index (PMI) data, used as a barometer of economic sentiment, was positive for January and is showing signs of having bottomed. The readings for the manufacturing and service components of the PMI both beat market expectations, as did the composite number.

The German ZEW Indicator of Economic Sentiment also registered another robust increase. Other forward-looking survey data have also been more positive: the European Commission's Economic Sentiment Indicator (ESI) rose to a five-month high of 102.8, comfortably beating the 101.8 consensus forecast.

Meanwhile, headline inflation in the euro area rose to 1.4% (1.3% in December), driven by rising energy prices from prior months. However, the core rate (which excludes more volatile components such as energy and food) fell from 1.3% to 1.1%, likely driven by slower services, on the back of weaker package holidays in Germany.

Elsewhere in Europe, politics in Italy is likely to be refreshingly dull for some time as Salvini's referendum attempts to bring in a 'first past the post' voting system was thrown out – the current voting system for parliament is 1/3 first past the post and 2/3 proportional representation. This decision has reduced the chances of an extremist government choosing the next president in 2022 given Salvini's far-right party Lega (League) had begun to gain popularity.

UK

- UK equity market reversed its post-election gains
- Bank of England held off from an interest rate cut
- UK left the EU with a withdrawal agreement paving the way for trade negotiations

The UK equity market reversed its post-election gains, puncturing the 'Boris Bounce' to end January in negative territory. Sterling strengthened on the day that Britain left the EU, while oil and metal prices came under pressure after the first cases of the coronavirus were confirmed in the UK.

At the sector level, the utilities sector made the strongest gains of the month as it continued to benefit from the Conservative's decisive election victory. The energy sector, however, continued to lag, and it was the weakest performer.

Meanwhile, the Bank of England (BoE) held off from an interest rate cut despite a surge in expectations that it would reduce rates for the first time in four years. In Mark Carney's last interest rate decision as Bank governor, the monetary policy committee (MPC) voted 7-2 to keep the main rate at 0.75%. The MPC decided the improvement in business sentiment since the general election made an immediate cut unnecessary.

However, on the eve of Brexit, the central bank dealt a blow to Boris Johnson's government by further downgrading its view of the underlying prospects for the economy to their lowest level since the second world war. The BoE said that at the end of this year, as the UK exits the single market, there will be disruption to the economy from higher trade tariffs.

It now thinks the economy will grow just 0.75% in 2020, down from an initial estimate of 1.25%. And the BoE foresees 1.5% growth in 2021, down from 1.75%.

Ahead of Mark Carney's final meeting as governor, attention had focused on the Purchasing Manager's Index figures (an indicator of economic activity) as the final indication as to whether the economic weakness seen at the end of last year would be extended into 2020 once the uncertainty of December's general election was out of the way. However, the 'modest bounce' in the key survey to a reading of 52.4 in January – up from December's 49.3 – was in "no man's land", according to some analysts. A figure below 50 signals a contraction in economic activity.

In company news, it was another challenging month for Ted Baker. The fashion retailer revealed that it had overstated its stock by £58m – more than double previous estimates, leading to a 25% writedown. This was further bad news for the company after a string of profit warnings last year, as well as the departure of two chief executives and its chairman. Fellow retailer Superdry warned that its profits would be wiped out by a nosedive in sales. It has blamed poor sales on a decision to cut discounting and a shortage of stock.

Elsewhere, Greggs has struck a partnership with Just Eat, preventing delivery rivals Uber Eats and Deliveroo from offering the British bakery chain's sausage rolls and other products across the UK. Winning exclusive delivery rights for Greggs, one of the UK's most popular fast food groups, is a coup for Just Eat, which recently agreed a £6bn merger with Amsterdam-based Takeaway.com.

Meanwhile, J Sainsbury's CEO Mike Coupe will retire in May after nearly six years in the job, and 15 in total at the grocer. Simon Roberts, a former Boots boss who joined Sainsbury in July 2017 as Retail and Operations Director, takes over.

Asia

- Asian equities were lower on fears surrounding the coronavirus outbreak
- The US -China Phase One trade deal was signed
- Crude oil prices fell on fears that China's oil demand will suffer

Asian equity market performance was negative in January as optimism around the Phase One trade deal was overshadowed by the coronavirus outbreak in China. Most markets had a strong start to the year but sold off sharply as the speedy spread of the virus was beginning to be perceived as a threat to global growth.

Investors are particularly concerned that Chinese demand will be weakened as travel restrictions and quarantine measures reduce the flow of people and goods. Also, there is an increased risk of supply side disruptions as China is now a key component of global supply chains. Against this backdrop, the defensive sectors, such as healthcare, were among the better performers while the energy, industrials and materials sectors lagged.

The Chinese equity markets started the year with positive momentum. As expected, the US and China signed the US-China Phase One trade deal mid-January and the details were generally in-line with expectations.

The deal included increasing China's imports of US goods and services by more than $200bn over two years, a suspension of tariffs on US$160bn of Chinese goods and a halving to 7.5% of tariffs on US$120bn of US imports from China.

On the domestic front, China's fourth quarter GDP growth came in at 6.0% (year-on-year) resulting in the full-year 2019 growth figure meeting market expectations. At the same time, monthly data for December showed a broad improvement across industrial production, exports and retail sales. Elsewhere, in Taiwan, the technology sector led the market lower partly due to potentially weaker than expected sales for 5G smartphones in China and speculation surrounding order cuts from the Chinese technology company, Huawei. In Korea, GDP growth picked-up in the fourth quarter of 2019 with the magnitude of the upturn being stronger than market consensus.

The Japanese equity market was also dragged lower on fears surrounding the potential impact of the coronavirus outbreak on the Chinese economy. In particular, investor sentiment was dampened by the travel restrictions on Chinese tour companies, which is anticipated to negatively impact the Japanese tourism industry. Meanwhile, the Bank of Japan continued to leave monetary policy unchanged, refraining from taking interest rates deeper into negative territory.

Emerging Markets

- Market confidence knocked by outbreak of coronavirus in China
- Commodity prices fall on global growth slowdown concerns
- Interest rates lowered in South Africa, Turkey and Malaysia

Buoyed by encouraging economic data and the signing of the Phase One trade deal between the US and China, global emerging equity markets started the year in good spirits. However, sentiment soon turned sour following the outbreak of the coronavirus in Wuhan, China.

Fears that the threat of contagion could dampen the recovery in global growth triggered weakness in equity markets as investors sought refuge elsewhere in perceived 'safe havens' such as US Treasuries and gold.

While equity markets in China and Hong Kong fell in value, the weakest performers in the Asian region were Thailand and the Philippines – both popular tourist destinations. Export-oriented countries such as Taiwan and Korea also suffered although India was noticeably less affected.

Latin America was marginally the weakest performing equity market with all countries except Mexico finishing the month lower. Concerns over a potential slowdown in global growth pushed commodity prices, led by oil and copper, lower. This, in turn, sent local currencies down against the US dollar, which had a negative impact on local equity markets.

In the EMEA (Europe, Middle East and Africa) region, Hungary lost the most ground followed by South Africa. President Putin proposed sweeping changes to the existing political system in Russia, shifting powers away from the Presidency in favour of the Parliament and the Prime Minister. However, equity weakness in Russia was less pronounced despite Brent oil and natural gas prices declining by 11.9% and 15.9% respectively. It wasn't all negative news for the region however with Egypt, Turkey and the UAE generating positive returns for the month.

All emerging market sectors fell in January with real estate and energy being the weakest performers. Losses in defensive sectors such as health care were less marked.

Three central banks cut interest rates. Bank Negara Malaysia lowered its benchmark overnight policy rate from 3.0% to 2.75% - its lowest level since 2011. The South African Reserve Bank cuts its benchmark interest rate from 6.5% to 6.25% in order to stimulate the slowing economy, while lowering its inflation forecast.

Finally, the Central Bank of the Republic of Turkey reduced its benchmark one-week repo rate from 12.0% to 11.25% but stressed the need to maintain a "cautious" monetary policy stance to keep the disinflation process on track.

Fixed Interest

- Geopolitical concerns and the emergence of the coronavirus led to increased demand for government bonds
- Falling government yields (which move inversely to prices) benefitted interest rate sensitive areas of the corporate bond market
- Italian government bonds benefitted from the poor electoral performance of the Lega party

Driven by falling government bond yields, investment grade (IG) corporate bonds enjoyed a strong start to the year. Sterling IG had its best January since 2015 and euro IG its best January since 2014. On the other hand, returns within the US IG market were more muted. Given the risk-off tone, high yield bonds were weaker on the month although income compensated for falling prices.

Two external factors increased demand for government bonds. First, geopolitical concerns in the Middle East and second, concerns about the emergence of the coronavirus in China. Within individual markets, country specific events had a further important influence on returns.

In the UK, weaker economic data at the start of the month raised expectations that the Bank of England might cut UK interest rates. However, mid-month, the prospect of a rate cut became more uncertain following better-than-expected employment data and a survey of the expectations of UK companies, which suggested that the UK economy was stronger than expected. UK interest rates were subsequently held at 0.75%.

Although significant from a political point of view, the UK's formal withdrawal from the European Union at the end of the month had minimal immediate impact on bond markets.

Italian bonds benefitted from the weaker-than-expected performance of the opposition Lega party in an important regional election in the north of the country. The result helps to strengthen the ruling coalition in the near-term and so reduce political risk. Elsewhere, Greek bonds benefitted from rating agency Fitch's decision to upgrade the country's sovereign debt to BB.

Indicative of the very low level of yields that now exist in the European bond market was the issuance of a new additional tier 1 (AT1) bond by Austrian Bank, Erste. These are the lowest ranked form of European bank debt created after the banking crisis, and so, typically, pay a relatively high level of interest. Erste Bank, was able to issue a heavily oversubscribed AT1 bond with a coupon of 3.375%. In March last year, it issued an AT1 bond with a coupon of 5.125%.

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] (%)
	31.01.20	**31.12.19**	**31.10.19**	**31.07.19**	**31.01.19**
US Treasuries 2 year	1.31	1.57	1.52	1.87	2.46
US Treasuries 10 year	1.51	1.92	1.69	2.01	2.63
US Treasuries 30 year	2.00	2.39	2.18	2.52	3.00
UK Gilts 2 year	0.50	0.55	0.50	0.44	0.76
UK Gilts 10 year	0.52	0.82	0.63	0.61	1.22
UK Gilts 30 year	1.04	1.33	1.14	1.32	1.72
German Bund 2 year	-0.67	-0.60	-0.66	-0.78	-0.56
German Bund 10 year	-0.43	-0.19	-0.41	-0.44	0.15
German Bund 30 year	0.07	0.35	0.11	0.12	0.75

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 2020. The yield is not guaranteed and may go down as well as up.

Corporate Bonds										Yield to maturity[1] (%)/Spread[2] (bps)
	31.01.20		**31.12.19**		**31.10.19**		**31.07.19**		**31.01.19**	
£ AAA	1.32	55	1.54	56	1.49	67	1.59	66	2.16	76
£ AA	1.26	63	1.49	65	1.40	73	1.43	70	2.01	84
£ A	1.76	108	2.04	113	1.97	123	2.04	124	2.72	144
£ BBB	2.25	154	2.56	161	2.54	178	2.55	176	3.33	207
€ AAA	0.09	53	0.26	49	0.14	56	0.08	56	0.74	75
€ AA	-0.03	57	0.12	57	0.03	62	-0.07	61	0.51	80
€ A	0.28	80	0.43	78	0.35	85	0.23	83	0.90	115
€ BBB	0.72	115	0.90	115	0.84	126	0.74	127	1.63	182
European High Yield (inc € + £)	3.53	348	3.61	324	3.96	386	3.93	385	4.76	467

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 2020. 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 January 2020

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.11	-1.1	-0.5	0.2	-1.1	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.84	-0.5	-2.5	-7.7	-0.5	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.07	-1.5	-2.9	-2.9	-1.5	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.68	1.7	-0.8	-0.1	1.7	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	10.21	3.7	-0.4	4.0	3.7	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.47	0.0	0.0	0.1	0.0	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.30	1.0	0.8	0.2	1.0	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	337.30	1.9	2.6	3.4	1.9	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	108.40	-0.2	0.3	-0.3	-0.2	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.32	1.9	0.6	0.3	1.9	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	15.01	7.2	-0.6	4.6	7.2	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	4.28	6.5	6.6	12.3	6.5	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1195.97	3.5	2.2	0.6	3.5	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	30.36	1.5	-0.4	-2.6	1.5	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	31.22	4.9	3.4	1.7	4.9	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.37	1.5	0.3	-0.7	1.5	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.76	0.5	-1.8	-7.1	0.5	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	19.82	6.7	1.4	13.6	6.7	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.67	-4.7	-2.9	-2.2	-4.7	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.65	-4.1	0.8	-1.4	-4.1	-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 January 2020 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	-0.6	5.3	8.2	-0.6	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	-2.9	2.2	5.2	-2.9	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	1.7	8.4	11.1	1.7	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	-2.8	3.9	5.4	-2.8	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	-4.7	2.4	3.5	-4.7	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	-0.9	5.1	8.1	-0.9	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	-0.9	5.1	6.5	-0.9	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	0.0	6.7	9.3	0.0	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	2.0	10.6	12.5	2.0	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	-3.2	3.7	3.3	-3.2	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	1.7	5.9	7.2	1.7	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	-0.8	3.5	7.1	-0.8	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	-1.2	3.5	6.9	-1.2	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	-2.7	1.7	5.7	-2.7	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	-2.0	0.9	6.5	-2.0	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	-1.5	2.3	6.8	-1.5	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	-0.8	3.0	9.6	-0.8	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	0.1	4.0	7.1	0.1	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	-2.5	2.5	4.3	-2.5	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	-0.8	6.6	9.3	-0.8	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	-3.0	4.4	11.8	-3.0	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	-3.0	2.7	0.3	-3.0	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	-1.7	-0.3	0.6	-1.7	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	-3.3	2.2	0.1	-3.3	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	-3.4	1.1	-2.0	-3.4	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	-3.3	6.2	9.0	-3.3	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	0.1	11.8	13.1	0.1	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	0.2	10.8	11.9	0.2	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	-6.7	-2.1	-4.2	-6.7	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	-2.4	1.6	1.5	-2.4	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	-2.0	-1.8	-2.8	-2.0	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	-4.2	1.2	6.2	-4.2	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	-3.6	1.7	4.7	-3.6	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	-5.7	-4.6	-7.0	-5.7	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	-7.9	-9.7	-10.5	-7.9	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	-4.1	-5.1	-10.4	-4.1	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	-1.2	1.8	9.4	-1.2	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	-8.3	-2.8	-3.5	-8.3	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	5.0	6.1	5.1	5.0	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	-2.1	1.2	8.9	-2.1	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	-1.9	1.2	7.8	-1.9	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	-3.7	2.4	3.7	-3.7	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	-5.6	0.0	-1.5	-5.6	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	1.4	4.1	10.2	1.4	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	-7.5	-0.5	-1.5	-7.5	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	-2.6	18.0	-39.5	-2.6	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	-7.6	-9.4	-17.8	-7.6	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-14.6	-2.5	-9.7	-14.6	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	-15.6	-4.5	-12.0	-15.6	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	-8.2	-3.3	-3.8	-8.2	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	4.4	5.1	11.1	4.4	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	-55.3	-71.9	-73.9	-55.3	-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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