



Overview

- Coronavirus spread fuels sell-off across global equity markets
- Perceived 'safe haven' assets shine against a backdrop of economic gloom
- Major central banks set to remain supportive

Equities fell sharply over the month as news emerged that the spread of the coronavirus was accelerating outside of China. As sentiment got increasingly worse through the month, market participants flocked towards perceived 'safe haven' assets.

All equity market sectors saw a decline with the worst hit being the most cyclical parts of the market (where companies performance tends to be closely linked to the business cycle).

Travel and leisure stocks such as airlines and hotels have experienced some of the sharpest falls as cautious consumers forgo holiday plans and governments continue to increase restrictions/guidance on unnecessary travel.

Core government bonds and commodities such as gold were the main beneficiaries against this backdrop, with government bond yields (which move inversely to the price) across several countries reaching new lows and gold surging to near all-time highs.

In the US, hopes that US interest rates would be lowered were bolstered by a statement from the US Federal Reserve chair, Jerome Powell. He said that while "the coronavirus poses evolving risks to economic activity" the central bank "is closely monitoring developments and their implications for the economic outlook".

Likewise, Incumbent Bank of England governor Mark Carney has said that coronavirus will hit the UK economy in the months ahead, raising expectations of an interest rate cut and increasing the chances of a difficult economic forecast for the chancellor in the upcoming Budget on 11 March. In Europe, the talk was more centred around the possibility of a fiscal response given that the European Central Bank (ECB) have already largely exhausted the monetary policy toolkit.

US

- US equity markets under pressure from coronavirus fallout
- Market turbulence increases calls for US central bank to cut interest rates
- US technology companies warn that supply chain issues could hurt earnings

US equity markets got off to a positive start with the broad US market reaching all-time highs before rising concerns over the spread of coronavirus triggered a sharp sell-off.

With concerns mounting over a global slowdown and the negative impact it could have on US corporate earnings - Goldman Sachs now sees no 'earnings growth' for US companies this year - US equity markets ended the month with their worst weekly decline since the Global Financial Crisis in 2008.

With market volatility rising, investors instead opted for perceived 'safe havens' such as government bonds, gold and the Japanese yen. With the ten-year US Treasury yield falling to a new low of 1.15%, hopes that US interest rates would be lowered were bolstered by a statement from the US Federal Reserve chair, Jerome Powell.

He said that while "the coronavirus poses evolving risks to economic activity" the central bank "is closely monitoring developments and their implications for the economic outlook".

With oil prices extending their losses from January, it was another challenging month for the energy sector. Airliners and banking stocks also had a tough month while sectors that are more sensitive to interest rate changes, for example real estate, fared slightly better but nonetheless still generated negative returns.

The adverse impact that the coronavirus is having on the supply chain for US technology companies was highlighted by a warning from Apple that it will fail to meet its quarterly revenue target due to its factories in China being closed. Microsoft, PayPal and Mastercard also issued similar warnings that their businesses would be hit by supply chain issues.

In economic news, US personal spending slowed in January although consumer spending continues to be supported by higher incomes and a strong labour market.

Europe

- Coronavirus fears fuel sharp sell-off in equity markets
- EU leaders edge closer to a unified fiscal response
- Italy readies €3.6bn stimulus package to tackle coronavirus

European equities fell sharply over the month as news emerged that the spread of the coronavirus was accelerating outside of China. It was the sudden surge of cases in Italy, which eventually resulted in entire towns being locked down, that spooked investors and led to frenzied selling in equities and a rally in the German Bund (viewed as a 'safe haven' asset).

Against this backdrop, all sectors in the broad market posted negative returns as fears of an impending economic slowdown began to dominate sentiment. The worst performing sectors were energy and industrials - the most cyclical parts of the market (whose performance tends to be closely linked to the business cycle).

Christine Lagarde, President of the European Central Bank (ECB), released a statement that they are "closely monitoring developments and their implications for the economy" and "stand ready to take appropriate and targeted measures, as necessary and commensurate with the underlying risks".

The main problem that the ECB faces is that they have already largely exhausted the monetary policy toolkit. Although interest rates can theoretically be cut even further, the extra boost it provides to the economy is unlikely to be impactful.

This really only leaves fiscal policy as the main response tool; an area where Europe still has firepower left in its arsenal - having been on a path of austerity for the last decade.

Already, we are starting to see a change in rhetoric coming out of Germany, who have historically been the main opponents to a looser fiscal policy (when government spending is higher than revenue) at the Eurozone level. The German finance minister recently announced the possibility of temporarily lifting the 'debt brake' - a policy where the government runs a balanced budget between what it raises in taxes and what it spends in total. In addition, several other leading EU officials have called for a unified fiscal response should the outbreak get more severe.

Meanwhile in Italy - the worst affected nation in Europe with over 1,500 registered cases and 52 people dead - Roberto Gualtieri, Italy's economy minister, announced a €3.6bn stimulus package (0.2% of GDP) to mitigate the impact of the outbreak.

Measures will include tax credits for companies which suffer a 25% or more fall in revenues, extra cash for the health system and tax cuts. Gualtieri also mentioned that the treasury would be seeking approval from the European Commission to increase the budget deficit for this year, suggesting that this could be the first of several stimulus packages.

UK

- UK equity market fell on fears the coronavirus could pose a serious challenge to economic growth
- Mark Carney: UK should prepare for economic growth downgrade
- Dramatic shift in sentiment from earlier in the month when there were encouraging signs about the direction of the UK economy

At the end of the month, the UK equity market saw its sharpest weekly fall since the financial crisis in 2008, as fears rose that coronavirus could pose a serious challenge to economic growth.

The market experienced a widespread sell off with travel and mining stocks the hardest hit. EasyJet and International Consolidated Airlines, along with other airlines and hotel groups, saw their share prices fall upon confirmation of the outbreak of coronavirus in Italy, described as a 'tipping point' by medical specialists.

Mining stocks fell on concerns about the impact on Chinese demand (China is the world's biggest consumer of raw materials). The share prices of oil majors were also lower as the price of crude oil fell in the face of coronavirus fears and a potential easing in political unrest in Libya.

Incumbent Bank of England governor Mark Carney has said that coronavirus will hit the UK economy in the months ahead, raising expectations of an interest rate cut and increasing the chances of a difficult economic forecast for the chancellor in the upcoming Budget on 11 March.

Mr Carney suggested that forecasts for the economy would need to be downgraded as the disruption caused by the coronavirus undermines the prospects for a meaningful economic rebound following Boris Johnson's decisive election victory in December.

It was a dramatic shift in sentiment from earlier in the month when there were encouraging signs about the direction of the UK economy and strong grounds for optimism, although clearly risks remained.

It was reported that UK real GDP growth (inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year) was close to 1.5% in 2019. This was similar to 2018 and higher than in most of the other major European economies. Evidence from an increasing number of sources had pointed to a pick-up in economic activity in the early part of 2020.

As political uncertainty lessened, consumer and business confidence had begun to improve accordingly. Until recent weeks, employment growth looked set to remain firm, real wages were set to increase further, growth in government spending had picked up and investment spending was about to strengthen. On this basis, overall rates of economic growth were expected to accelerate in the coming quarters.

This would have provided a natural support to the performance of domestic facing companies, but the impact on the economy from the coronavirus outbreak will only become clearer as companies outline how an exogenous shock such as this affects business.

Asia

- Japan and Korea see sharp rise in reported cases of coronavirus
- China's equity market resilient as reported cases peak
- Political uncertainty weighs on Thailand and Malaysia

Asian equity markets were generally weak over the month as the spread of the coronavirus outside China accelerated, raising concerns over the potential impact on global economic growth.

However, China's equity market proved surprisingly resilient and was the only market in the region to end February with a positive return, as reported cases of the virus peaked on the mainland.

Travel restrictions, business shutdowns and general anxiety over the epidemic are expected to see a severe contraction in China's 1Q GDP. However, equity market performance appears to be reflecting expectations that pent-up domestic demand will recover strongly in 2Q with the support of targeted government stimulus if need be.

A sharp increase in new cases of coronavirus in South Korea saw its currency and equity market weaken sharply. The central bank disappointed those hoping for an interest rate cut, but the government appear to be considering a supplementary budget to help combat the impact of the epidemic.

Investor sentiment towards India recovered slightly after the Union Budget announcement disappointed with a lack of any major fiscal stimulus, but its market was not immune from the correction in global markets.

Fears of an impending economic slowdown took a toll on commodity prices, with Australia and Indonesia seeing their currencies and equity markets weaken. Meanwhile, political uncertainty weighed on Thailand and Malaysia. Thailand's Constitutional Court dissolved the Future Forward Party, a popular opposition party that has been critical of the military establishment and banned its leader from politics for 10 years. In Malaysia, Muhyiddin Yassin was sworn in as the Prime Minister following the unexpected resignation of Mahathir Mohamad.

Japan's equity market also weakened markedly, with concerns that the coronavirus outbreak will tip the economy into recession. Analysts had been expecting 4Q GDP growth to be weak, reflecting a rise in sales tax, the fallout from a powerful typhoon and the US-China trade war; but preliminary estimates suggested the economy contracted by 6.3% y-o-y, which was worse than had been expected. Monthly data for February saw factory activity suffer its steepest contraction in seven years.

While the Bank of Japan reiterated its readiness to support the economy through further use of monetary policy, it has also insisted that the economy is recovering moderately.

Corporate earnings have generally been modestly better than guided for. Organizers for the Tokyo 2020 Summer Olympics postponed training for volunteers but reiterated their commitment to go ahead with the games as planned.

Emerging Markets

- Equity markets retreat on coronavirus fears
 - Increased concerns over a global growth slowdown
 - Interest rates cut in several countries
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In a volatile month for emerging equity markets, initial gains were soon wiped out by concerns of a global growth slowdown as fears grew that the coronavirus could be more widespread than first thought.

As investors sought sanctuary in perceived relative 'safe haven' assets such as government bonds, yields sunk to unprecedented levels, bringing the 10-year US Treasury yield to a record low 1.15%. The Japanese currency and gold also attracted demand.

While all regions in emerging equity markets fell in value, losses in Asia were less pronounced due to the outperformance of China. The latter was the only country to record a gain last month despite being the epicentre of the virus (formally known as Covid-19).

By contrast, an outbreak of new virus cases being reported in Korea had a negative impact on local equities. However, weakness in Thailand and Malaysia - both popular tourist destinations - was also exacerbated by political uncertainties; Thailand's Constitutional Court ruled to disband the Future Forward Party, the third largest political party with 76 seats; and Malaysia's prime minister, Mahathir Mohamad, resigned.

Latin American equity markets fell sharply with commodity-exporting countries with the biggest exposure to China - namely, Brazil, Chile and Peru - suffering the largest falls. The materials and energy sectors were among the weakest performing sectors.

While central banks around the world stand ready to stabilise financial markets with expectations growing that the US could cut interest rates soon, the cost of borrowing was lowered in Brazil and Mexico.

The Central Bank of Brazil cut the benchmark interest rate (SELIC) from 4.5% to 4.25% (a new record low) and rates were reduced to 7.0% from 7.25% in Mexico. On the economic front, it was a mixed picture with both countries seeing growth in retail sales but a decline in industrial production.

All equity markets in the EMEA (Europe, Middle East and Africa) region lost ground with Greece, Poland and Turkey performing the worst. Due to expectations of weaker demand, the slump in oil prices (Brent crude oil fell 13.1%) had a negative impact on Russian equities, particularly energy stocks.

However, many Russian companies continue to report strong revenue and profit growth with Sberbank reporting a return of equity of 20% (The return on equity is a measure of the profitability of a business in relation to the equity).

Greek banking stocks also came under pressure due to reservations regarding the efficiency of the Hercules asset protection scheme (aims to bring down the amount of bad loans, without distorting the market through government subsidies) as the problem of the collateral for the state-guaranteed securities to be issued remains unsolved.

Sentiment towards Turkey was unnerved by growing military tension around the country's southern border with Syria.

Fixed Interest

- Coronavirus concerns led the market to favour the perceived relative safety of government bonds
- Italian bonds came under pressure
- High yield bonds were the weakest area of the bond market

Coronavirus was the dominant influence on financial market returns during February. As the virus spread across more countries, concerns about its impact on global economic growth intensified.

Core government bonds were the main beneficiaries of the deterioration in sentiment with government bond yields (which move inversely to the price) across several countries reaching new lows.

By 28th February 2020, the yield of US 10-year treasuries had fallen to 1.15%. This represents a fall of 36 basis points (bps) on the month and means the yield is more than 20 bps below its previous record low of 1.35%, reached in August 2016.

By the end of the month, markets were pricing in more than 3 cuts in US interest rates by the end of 2020. This compares to just one and a half cuts being priced in as recently as 19th February 2020.

UK government bonds followed a similar pattern, with yields on 10-year Gilts falling to a record low of 0.44%. Meanwhile, German 10-year government bond yields fell to -0.60% from -0.43% at the start of February.

The main exception to the positive returns within developed government bond markets was Italy, which has been at the centre of the European outbreak of the virus. Yields on Italian government bonds often rise in periods of market volatility and were 16bps higher on the month.

Along with these top level concerns, there were some single name issues that made headlines during the month. One of the more prominent was Kraft Heinz. The company's bonds came under pressure this month following poor results and importantly a decision by the company to maintain its current level of dividend.

Against this backdrop, rating agencies S&P and Fitch both downgraded the company to high yield from investment grade. Moody's put the company on notice for a future potential downgrade, but for now maintained its investment grade rating.

Despite the overall deterioration in sentiment, investment grade corporate bonds held up relatively well, with income from coupons helping to offset falling prices. In line with the weakening global economy sentiment, performance was weakest for those areas of the market, which are generally considered to be higher risk and more sensitive to the economic cycle such as high yield and financials.

European high yield credit spreads (the premium over government bonds that companies need to pay to borrow) increased 74bps on the month to 422bps. The rise in investment grade credit spreads was less severe with euro investment grade spreads rising 19bps. Sterling investment grade spreads were 17bps 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 ¹ (%)				
	29.02.20	31.01.20	30.11.19	31.08.19	28.02.19
US Treasuries 2 year	0.91	1.31	1.61	1.50	2.51
US Treasuries 10 year	1.15	1.51	1.78	1.50	2.72
US Treasuries 30 year	1.68	2.00	2.21	1.96	3.08
UK Gilts 2 year	0.31	0.50	0.54	0.40	0.83
UK Gilts 10 year	0.44	0.52	0.70	0.48	1.30
UK Gilts 30 year	0.94	1.04	1.21	1.02	1.82
German Bund 2 year	-0.77	-0.67	-0.63	-0.93	-0.52
German Bund 10 year	-0.61	-0.43	-0.36	-0.70	0.18
German Bund 30 year	-0.15	0.07	0.15	-0.18	0.81

Source: Bloomberg LP, Merrill Lynch data. Data as at 29 February 2020. The yield is not guaranteed and may go down as well as up.

Corporate Bonds	Yield to maturity ¹ (%) / Spread ² (bps)									
	29.02.20		31.01.20		30.11.19		31.08.19		28.02.19	
£ AAA	1.32	64	1.32	55	1.52	63	1.42	67	2.22	73
£ AA	1.29	76	1.26	63	1.46	70	1.27	70	2.05	79
£ A	1.81	124	1.76	108	2.02	121	1.90	128	2.74	138
£ BBB	2.33	173	2.25	154	2.58	174	2.49	184	3.33	199
€ AAA	0.09	66	0.09	53	0.18	55	-0.07	63	0.68	65
€ AA	-0.01	71	-0.03	57	0.09	62	-0.19	68	0.43	69
€ A	0.33	99	0.28	80	0.41	86	0.13	91	0.83	102
€ BBB	0.79	137	0.72	115	0.89	127	0.64	135	1.52	166
European High Yield (inc € + £)	3.92	422	3.53	348	3.82	364	3.81	377	4.47	416

Source: Bloomberg LP, Merrill Lynch data. Data as at 29 February 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 28 February 2020

	Current value	Change over:				YTD (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
		1 month (%)	3 months (%)	6 months (%)	6 months (%)									
Euro/US Dollar	1.10	0.0	0.2	-0.5	-1.7	-1.7	-4.4	14.1	-3.2	-10.2	-12.0	4.2	1.9	
Euro/GB Sterling	0.86	1.7	0.9	-5.2	1.8	1.8	1.3	4.2	15.7	-5.1	-6.4	2.1	-2.4	
Euro/Swiss Franc	1.06	-0.7	-3.2	-2.1	-1.9	-1.9	-3.7	9.2	-1.6	-9.5	-2.0	1.6	-0.5	
Euro/Swedish Krona	10.58	-0.1	0.5	-1.8	0.8	0.8	3.2	2.7	4.4	-2.7	6.6	3.2	-3.9	
Euro/Norwegian Krone	10.36	3.2	2.6	3.4	5.2	5.2	0.6	8.4	-5.4	6.2	8.4	13.7	-5.4	
Euro/Danish Krone	7.47	0.0	0.0	0.2	0.0	0.0	0.3	0.2	-0.5	0.2	-0.2	0.0	0.4	
Euro/Polish Zloty	4.33	1.4	0.2	-1.4	1.8	1.8	2.7	-5.1	3.3	-0.6	3.2	1.8	-8.6	
Euro/Hungarian Forint	338.16	0.0	0.6	2.4	2.1	2.1	3.3	0.5	-2.0	-0.3	6.5	2.1	-7.6	
US Dollar/Yen	108.09	-1.0	-1.3	1.8	-0.5	-0.5	-2.8	-3.6	-2.8	0.5	13.7	21.4	12.7	
US Dollar/Canadian Dollar	1.34	1.8	0.9	0.7	3.2	3.2	8.4	-6.4	-2.9	19.1	9.4	7.1	-2.7	
US Dollar/South African Rand	15.67	7.7	6.5	1.7	11.9	11.9	16.1	-9.9	-11.2	33.8	10.2	24.1	4.5	
US Dollar/Brazilian Real	4.47	6.7	6.8	7.3	11.3	11.3	17.2	1.8	-17.8	49.0	12.5	15.3	9.9	
US Dollar/South Korean Won	1200.32	2.1	1.8	-1.1	3.9	3.9	4.4	-11.6	2.7	7.5	4.1	-0.7	-8.2	
US Dollar/Taiwan Dollar	30.14	0.2	-1.2	-4.0	0.7	0.7	3.1	-8.6	-1.2	3.8	6.1	2.7	-4.1	
US Dollar/Thai Baht	31.52	2.2	4.3	3.0	5.9	5.9	-0.7	-9.2	-0.5	9.5	0.6	6.9	-3.1	
US Dollar/Singapore Dollar	1.39	2.6	2.0	0.3	3.6	3.6	1.9	-7.7	2.2	6.9	4.9	3.4	-5.8	
US Dollar/GB Sterling	0.78	1.6	1.0	-4.3	3.7	3.7	6.2	-8.7	19.3	5.8	-5.9	1.9	4.6	
GB Sterling/South African Rand	20.09	6.0	5.8	6.7	8.2	8.2	9.6	-1.4	-25.7	26.6	3.7	26.6	9.2	
Australian Dollar/US Dollar	0.65	-3.7	-3.8	-3.3	-7.3	-7.3	-9.6	8.1	-0.9	-10.9	-8.4	-14.2	1.6	
New Zealand Dollar/US Dollar	0.63	-4.5	-2.6	-1.3	-7.2	-7.2	-5.2	2.0	1.7	-12.4	-5.0	-0.9	6.4	

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 28 February 2020 (%)

	1 month	3 months	6 months	YTD	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada												
MSCI World (US\$)	-9.6	-6.6	2.4	-8.9	28.4	-8.2	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US\$)	-10.8	-9.8	-0.6	-12.2	22.7	-10.1	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US\$)	-8.3	-3.3	5.4	-5.8	34.1	-6.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US\$)	-10.6	-9.0	0.5	-11.7	26.8	-13.5	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US\$)	-8.7	-3.8	5.1	-9.7	18.9	-14.2	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US\$)	-9.7	-6.6	2.6	-9.3	27.7	-8.8	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	-11.2	-9.2	-1.2	-10.6	25.3	-3.5	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	-9.6	-5.9	3.3	-8.3	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	-7.5	-1.4	9.6	-4.4	36.7	-2.8	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	-10.9	-9.3	1.0	-11.4	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	-6.8	-4.2	1.6	-4.3	22.9	-8.9	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa												
FTSE World Europe ex-UK €	-9.1	-7.0	1.6	-8.3	27.6	-10.5	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-10.0	-8.1	1.0	-9.6	26.9	-10.0	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	-10.4	-10.0	-0.6	-11.0	30.5	-8.0	12.7	8.9	11.9	2.7	22.2	20.4
DAX	-10.8	-10.2	1.6	-10.3	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	-7.7	-5.8	1.9	-8.0	16.8	-11.4	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-8.5	-5.4	5.7	-6.1	33.8	-13.2	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	-8.8	-6.6	0.8	-7.4	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-10.3	-9.5	-1.0	-10.5	28.5	-7.4	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-8.4	-5.9	4.1	-8.5	27.8	-13.6	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US\$)	-17.8	-10.1	3.1	-17.0	52.7	0.2	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US\$)	-13.0	-9.3	-4.1	-14.4	20.0	-7.5	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-8.4	-8.2	-4.5	-10.5	12.1	-8.5	21.0	2.6	5.1	10.9	21.4	26.7
UK												
FTSE All-Share	-11.0	-9.8	-4.3	-11.9	19.2	-9.5	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	-11.4	-10.5	-5.8	-12.0	17.3	-8.7	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	-9.7	-7.7	1.9	-11.5	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-9.4	-1.7	5.2	-8.9	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-9.6	-5.1	4.5	-7.5	39.3	-4.9	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan												
Hong Kong Hang Seng	-6.2	-2.5	3.2	-7.0	13.0	-10.5	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-3.2	-0.3	-0.5	-5.6	22.3	-24.6	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-5.2	-5.6	-0.7	-6.4	9.4	-6.5	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	-6.8	-2.8	8.2	-5.9	23.3	-8.6	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-8.7	-6.2	2.4	-9.6	7.7	-17.3	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	-10.8	-8.4	-13.2	-13.4	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-9.1	-12.6	-13.5	-13.1	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	-11.1	-15.6	-16.1	-14.8	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	-6.4	-6.6	2.9	-7.0	15.9	7.5	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	-6.1	-2.4	3.9	-7.8	14.5	-9.9	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	-7.4	-5.4	1.0	-3.1	23.4	-2.8	11.8	11.8	2.6	5.6	20.2	20.3
Topix	-10.7	-11.4	2.6	-12.2	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	-8.9	-9.7	3.2	-10.6	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US\$)	-7.5	-3.6	5.5	-7.8	19.5	-13.7	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America												
MSCI EM Latin America (US\$)	-14.7	-7.9	-2.3	-17.0	17.9	-6.2	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US\$)	-11.7	-4.4	3.7	-8.8	11.8	-15.3	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US\$)	-16.1	-9.0	-2.2	-19.5	26.7	-0.2	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US\$)	-11.1	0.2	6.3	-10.7	-20.7	-50.7	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US\$)	-13.6	-7.7	-19.0	-19.0	-16.0	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities												
Oil - Brent Crude Spot (US\$/BBL)	-11.4	-18.7	-13.0	-22.4	34.0	-24.2	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US\$/BBL)	-16.2	-18.9	-19.8	-26.7	35.1	-25.3	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-8.1	-11.2	-6.1	-14.0	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US\$/Troy Ounce)	1.0	9.0	3.2	4.4	18.7	-1.7	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	-0.7	-63.5	-76.4	-50.9	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8

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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