Invesco Perpetual

Monthly Market Roundup
February 2017 (covering January 2017)

Global overview

After a strong start to 2017, the post-US election stock rally cooled off towards month end, as investors paused to reassess the wider impact of President Donald Trump's extensive policy proposals. The proposal to reduce taxes and regulations was widely welcomed by the market; however, the potential impact of increased tariffs and stronger immigration policies concerned investors. Nevertheless, improving commodity prices, primarily among precious metals, encouraging core economic data prints and the continued strengthening of manufacturing conditions helped the MSCI AC World index to hold onto gains from December. The index returned 0.92% (total return, sterling) in January. More cyclically oriented areas of the equity market (those more sensitive to economic cycles) continued to benefit from the evolving shift towards an expansionary fiscal policy. In particular, stocks in materials, especially in mining, and the industrial sectors were among the better performers, while perceived 'defensive' sectors, such as consumer staples and telecommunication services, continued to lag. Share performance of oil companies, however, was adversely impacted by news of disappointing corporate earnings and concerns over rising oil output, especially in the US. The number of active US oil rigs rose to the highest level since November 2015 towards month end.

US stock markets picked-up where they left off in December, as equity indices sharply rose to all-time highs in response to a flurry of executive orders during President Trump's first week in office. Overall, US stocks have rallied significantly following Trump's unexpected election success, largely propelled by the prospects of lower corporate taxes, deregulation of certain sectors and great fiscal spending. However, US stocks then retreated in the final days of the month. Nevertheless, the S&P 500 index managed to remain in positive – albeit flat – territory, returning 0.08% (total return, sterling) in January. At the sector level, stocks in better performing materials and consumer discretionary sectors led returns, while most others were essentially flat, with telecommunications and energy lagging behind.

In the UK, the FTSE All-Share index rallied through the first half of January but fell into month end, broadly in sync with the US dollar, which weakened against sterling following the inauguration of Trump as US President. Cyclical sectors continued to outperform, with materials and financials the best performers in January. Expectations of increased global infrastructure spending spurred gains for UK-listed mining companies, while increased nervousness around the US administration prompted a rise in gold prices. On the macroeconomic front, UK GDP rose 0.6% in the fourth quarter of 2016, exceeding expectations, driven principally by continued service sector growth and consumer spending. The UK's 2% GDP in 2016 marginally outperformed the eurozone, which grew 1.8% in the year. Consumer credit slowed in December, indicating a dip in consumer confidence into year end. UK inflation hit 1.6% in December, the highest rate since June 2014.

After a strong rally in December, European equity markets stayed flat in January in local currency terms, as investors paused to weigh the potential impact of President Trump's policies on the global economy. Cyclical sectors continued to perform better than other areas amid rising growth and inflation expectations. Industrials led performance in the FTSE World Europe ex-UK Index, followed by the basic materials sector, while the oil and gas and utilities sectors led detractors. Meanwhile, the recovery in the eurozone region showed further signs of strengthening, with unemployment rate in the region dropping to 9.6%, a level not seen since May 2009. Moreover, eurozone Manufacturing PMI (Purchasing Managers Index) expanded at the strongest pace in nearly six years to 55.2 (figures above 50 indicate economic expansion). Estimate-beating headline inflation also jumped to 1.8% in January (highest level since February 2013), but core inflation number (excluding energy and food) remained constant at 0.9%. Nevertheless, the pickup in consumer prices is expected to intensify the debate around the future of the European Central Bank's quantitative easing programme.

Turning to Japan, in local currency terms equity market performance was flat in January after a strong finish to 2016, with investors reacting negatively to comments from US President Trump on the strength of the US dollar and potential changes in US trade policy. While the yen strengthened relative to the US dollar after a period of weakness, the performance of economically sensitive sectors in the equity market was supported by solid overseas economic indicators. Japan's exports rose in December for the first time in 15 months on strong sales of electronics and car parts, a positive sign for exporters, even as US protectionism threatened to hurt trade across the region and to impact external demand. There was also further evidence of tightening in Japan's labour market, while household spending was also better-than-expected. The Bank of Japan revised its growth forecast upward for 2017 from 1.3% to 1.5%.

Most Asian equity markets enjoyed a strong start in 2017 as investors focused on hopes for increased fiscal spending in the US and improving global growth. There was a divergence in performance between markets, with Hong Kong, partly helped by a solid performance from property developers, and South Korea being notable outperformers. From a sector perspective, cyclicals fared well, with materials achieving strong gains, while so-called 'defensive' sectors, such as consumer staples, lagged behind. In particular, China's equity market was supported by the better than expected fourth quarter GDP year-over-year growth, which saw 2016 GDP growth of 6.7%, in line with expectations. This demonstrated that the rebalancing of its economy is on track, with consumption contributing 65% of GDP growth. Elsewhere, the Indian equity market recovered, supported by rising expectations for an expansionary budget and fading concerns about a potential slowdown in growth due to demonetisation. While Australia's equity market marginally declined on some concerns around early policy moves by President Trump, its mining sector was boosted by rising commodity prices of gold and copper.

Emerging equity markets enjoyed a positive start to the year, drawing support from a wide range of economic indicators that pointed towards a pick-up in growth rates. Latin America was the strongest performing region, aided by the double-digit returns (in US dollar terms) from Brazil. Aside from technology, equity sectors in Latin America registered gains in January, led by materials, financials and utilities. Performance was more mixed in the EMEA (Europe, Middle East and Africa) region, with strength in the Polish equity market being offset by weakness in Greece, while Russia's equity market struggled to advance. However, with foreign demand for Russian commodities and manufactured goods holding up well, the economy is showing further signs of recovery. Overall, emerging market sectors posted positive returns during January, with cyclical stocks in materials, technology and consumer discretionary leading gains. Most emerging market currencies also traded higher as the US dollar declined, although the Turkish lira and Mexican peso continued to weaken.

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US

- US stock indices reached new all-time highs on the back of President Donald Trump's action-filled first week in office
- Start of 2017 sees the strongest US manufacturing production growth for almost two years
- Acceleration in US economic growth points to a period of higher inflation

After a strong start to 2017, the post-US election stock rally cooled off towards month end as investors paused to reassess the wider impact of President Donald Trump's extensive policy proposals. The proposal to reduce taxes and regulations was widely welcomed by the market; however, the potential impact of increased tariffs and stronger immigration policies concerned investors. Nevertheless, the S&P 500 index managed to extend its run of positive monthly gains, returning 0.08% (total return, sterling) in January. At the sector level, stocks in better performing materials and consumer discretionary sectors led returns, while most others were essentially flat, with telecommunications and energy lagging behind. Share performance of companies in the oil and gas sector was impacted by several disappointing corporate earnings results and concerns over rising oil output, especially in the US.

In economic news, initial US Commerce Department readings showed that the US economy continued to expand, with GDP growing – albeit somewhat slower – at a 1.9% annual rate in the fourth quarter of 2016. Growth was restrained by a wider trade deficit, primarily due to a decline in the export of soybeans. However, supported by a rise in wages, US consumer spending accelerated in December, as households bought more durable goods, especially automobiles, while cold weather boosted demand for utilities. Steady consumer spending and rising business investment suggested that the economy would continue to expand at a healthy pace in 2017. In a separate report, the National Association of Realtors said its pending homes sales index rose by 1.6% in December. While the housing market continues to recover and support the economy, economists only see a modest impact on home sales from higher mortgage rates, as the tightening labour market starts to boost wage growth. US Department of Labor data prints showed US wage growth accelerating in December at the quickest pace since 2009. According to the data released, estimate beating average hourly earnings climbed 2.9% from December 2015, marking it as the swiftest year-on-year growth since the 2008-2009 financial crisis. Although wages have been far slower to recover, December's jump in hourly earnings was the first real sign that strong job growth was beginning to push wages higher. Yields on 10-year US Treasuries spiked after the employment data release, signalling that investors are starting to become concerned that the economy is heading towards a period of higher inflation for the first time since the financial crisis. In the 12 months through December, the core personal consumption expenditures price index (excluding food and energy) advanced 1.7%, remaining below the US Federal Reserve's 2.0% inflation target.

In corporate news, US manufacturers enjoyed a strong start to 2017, with output growth speeding up since the end of 2016 and new order growth accelerating to a 28-month high. The US Manufacturing PMI (Purchasing Managers Index) came in at 55 in January (with a reading of above 50 signalling economic expansion), up from 54.3 in December 2016. This indicated a robust and accelerated improvement in overall business conditions across the US manufacturing sector. Meanwhile, with fourth quarter 2016 corporate earnings season in full swing, of the 169 companies in the S&P 500 that have reported earnings as at 27 January 2017, 65.7% have reported earnings above analyst expectations. While this is above the long-term average of 64% (since 1994), it is below the average over the past four quarters of 71%. In terms of revenue, 49.7% of companies have reported revenue above analyst expectations in the fourth quarter of 2016 – below the long term average of 59%.

Elsewhere, global merger and acquisition activity picked-up in January, recording the highest volume in the first month of any year since 2000. Europe topped North America on the list of target regions for the first time since 2008. Among the more notable deals, Swiss biotechnology company Actelion agreed to be purchased by American multinational medical devices and pharmaceutical manufacturer Johnson & Johnson, in a US$30bn all-cash deal. It would boost Johnson & Johnson's drug pipeline and diversify its prospects at a time when its largest product, arthritis drug Remicade, faces cheaper competition from its domestic rival, global pharmaceutical company Pfizer. The acquisition continues the consolidation trend in the healthcare and pharmaceutical industry.

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Europe

- European equity markets remained flat in January
- Eurozone unemployment rate dropped to 9.6% – the lowest it's been since 2009
- Eurozone headline inflation rose to 1.8% in January, exceeding the 1.5% expectations

In local currency terms, European equity markets stayed flat in January. After a strong rally in the prior month, investors paused to weigh policies announced so far by the new US administration and their potential impact on the global economy.

Within European equity markets, cyclical sectors continued to perform better than other areas amid rising growth and inflation expectations. The industrials sector was the standout performer in the FTSE World Europe ex-UK Index, followed by the basic materials sector. Meanwhile, the oil & gas and utilities sectors led the detractors.

On a stock level, Zodiac Aerospace, the French aeronautical equipment manufacturer, was among the strongest performers in January. The company's share price surged 32% after announcing its takeover by Safran, the aircraft-engine maker, in an all-French deal. Italian lender UBI (Unione di Banche Italiane) was also among the top performers in January, with the share price rising to the highest level in seven months after signing a contract to buy three regional banks, in what was seen as value-accretive acquisitions. Conversely, Swiss processed-food company Aryzta was among the biggest detractors in January. The company's stock price plunged by almost 38% after issuing a profit warning due to difficulties in introducing new products in the US market. Satellite operator Eutelsat was also a major detractor this month. European satellite companies fell in January on news that Sky is planning to offer full Sky TV service without the need of a satellite dish in the UK.

From a macroeconomic perspective, Europe has made a strong start to 2017. The recovery in the eurozone region showed further signs of strengthening, with the latest economic confidence index jumping to the highest level since 2011 and the eurozone unemployment rate dropping to 9.6%, a level not seen since May 2009. Moreover, the euro-area Manufacturing PMI (Purchasing Managers Index) rose to 55.2 in January, expanding at the strongest pace in nearly six years (figures above 50 indicate expansion, below 50 indicate contraction). This positive set of data was complemented by the initial release of the eurozone GDP growth figures for the fourth quarter of 2016, which stood at 0.5%, up from 0.4% in the prior quarter.

With regards to inflation in Europe – for long a contentious topic among market participants – data showed headline inflation jumping to 1.8% in January (highest level since February 2013) and exceeding the consensus forecast of 1.5%. The change was largely due to the rise in global energy prices compared to last year rather than a drastic variation in underlying domestic price dynamics, as suggested by the eurozone core inflation number (excluding energy and food items), which remained constant at 0.9%. Nevertheless, the pickup in consumer prices is expected to intensify the debate around the appropriate degree of monetary stimulus, and bring into question the future of the European Central Bank's quantitative easing programme.

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UK

- The FTSE All-Share index rallied through the first half of January but fell into month end
- UK GDP rose by 2% in 2016; CPI hit a two-year high
- Reynolds American accepted US$49.4bn from British American Tobacco to create a combined entity

The FTSE All-Share index rallied through the first half of January but fell into month end, broadly in sync with the US dollar, which weakened against sterling following the inauguration of Donald Trump as the 45th US president. This correlation was more pronounced for the UK's blue chip FTSE 100 index due to the high proportion of US dollar denominated earnings among its constituents. Cyclical sectors continued to outperform, continuing the trend established throughout the second half of 2016, with materials and financials the best performers in January. Expectations of increased global infrastructure spending spurred gains for UK-listed mining companies, notably Glencore and Anglo American, while increased nervousness around the new-look US administration prompted a rise in gold prices – perceived to be a safe haven for investors through periods of increased uncertainty.

On the macroeconomic front, UK GDP rose 0.6% in the fourth quarter of 2016, exceeding expectations, driven principally by continued service sector growth and consumer spending. The UK's 2% GDP in 2016 marginally outperformed the eurozone, which grew 1.8% in the year. Consumer credit slowed in December, however, with credit card lending and other loans below recent averages, indicating a dip in consumer confidence into year-end. UK inflation hit 1.6% in December, as consumer prices rose 0.5% in the month, the highest rate since June 2014, as Bank of England governor Mark Carney warned that policymakers have little tolerance for above-target inflation levels.

Corporate news flow picked up through the month with some notable merger and acquisition activity. Reynolds American accepted a revised US$49.4bn cash and shares offer from British American Tobacco; they will acquire the remaining 57.8% of Reynolds that it doesn't already own, creating a combined entity poised to exploit next generation products and achieve business synergies, particularly in the nascent, but rapidly expanding, US e-cigarette market. Wholesaler Booker Group accepted a £3.7bn bid from Tesco which will extend the supermarket's reach across the country's fast-changing food industry.

BAE Systems received government backing to develop a new TFX fighter jet in partnership with Turkish Aerospace Industries; the £100m contract was endorsed by UK Prime Minister Theresa May during her visit to Turkey into month-end.

BT provided an update on accounting irregularities in its Italian division; the group indicated that the extent and complexity of malpractice in that part of the business was greater than previously identified, giving rise to a significant rise in the cost estimates for correcting the historic errors. BT also issued a profit warning, attributing disappointing third quarter earnings to the above issue alongside a more challenged outlook for domestic public services contracts.

EasyJet's share price fell as the budget airline reported a greater-than-expected impact of recent sterling weakness. Investment in capacity across the group's core business supported an 8% increase in passengers, but the group was negatively impacted by the December attack on Berlin's Christmas market and severe weather conditions.

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Asia Pacific

- Strong Asian equity market performance on optimism surrounding US fiscal spending
- China sustained positive economic momentum
- Japan's equity market stalled by US policy uncertainty

Most Asian equity markets started off the year strongly, as investors focused on hopes for increased fiscal spending in the US and improving global growth. There was a divergence in performance between markets, with Hong Kong being a notable outperformer. From a sector perspective, cyclicals fared well, with materials achieving strong gains, while defensive sectors, such as consumer staples, lagged.

China's equity market was supported by the better than expected fourth quarter GDP year-over- year growth of 6.8%. This led to full year GDP growth of 6.7% (2016), which was in line with estimates. Importantly, this data demonstrated that rebalancing is on track, with consumption contributing 65% of GDP growth. Elsewhere, the Indian equity market recovered from December lows, supported by rising expectations for an expansionary budget and fading concerns about a potential slowdown in growth due to demonetisation. Despite some worries about US protectionism, the Korean equity market gained over the period partly due to a rally in the technology sector, driven by robust corporate earnings. In particular, the share price performance of Samsung Electronics was strong on the back of its fourth quarter results and share buyback activity. In Singapore, the equity market benefited from stronger than expected GDP growth, while Hong Kong's good start to the year was partly helped by a solid performance from property developers. Conversely, the Australian equity market marginally declined on some concerns around early policy moves by the US president. However, the Australian mining sector was boosted by rising commodity prices.

In local currency terms, the performance of Japan's equity market was flat in January after a strong finish to 2016, with growing concerns surrounding the presidency of Donald Trump. In particular, investors reacted negatively to comments from the US president on the strength of the US dollar and potential changes in US trade policy.

While the yen strengthened relative to the US dollar after a period of weakness, the performance of economically-sensitive sectors in the equity market was supported by solid overseas economic indicators. At home, Japan's exports rose in December for the first time in 15 months on strong sales of electronics and car parts – a positive sign for exporters, even as US protectionism threatened to hurt trade across the region and to impact external demand.

There was also further evidence of tightening in Japan's labour market, with the jobs-to-applicants ratio rising to 1.43 in December from 1.41 in November. Household spending was also better-than-expected, while the Bank of Japan revised its growth forecast for 2017 from 1.3% to 1.5%, and its 2018 growth forecast from 0.9% to 1.1%.

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Emerging Markets

- A positive start to 2017 for emerging equity markets
- Interest rates were cut by 75 basis points in Brazil, and they rose in Turkey
- Mixed performance for commodities – oil prices edged lower, while gold and copper rallied

Emerging equity markets enjoyed a positive start to the year, drawing support from a wide range of economic indicators that pointed towards a pick-up in growth rates. Latin America was the strongest performing region, aided by the double-digit returns (in US dollar terms) from Brazil. Equity markets in emerging Asia also enjoyed a healthy start to 2017, with Korea and Hong Kong doing particularly well. Performance was more mixed in the EMEA (Europe, Middle East and Africa) region, with strength in the Polish equity market being offset by weakness in Greece. All emerging market sectors posted positive returns during January, with materials, technology and consumer discretionary leading the gains. Most emerging market currencies also traded higher as the US dollar lost some of its recent shine, although the Turkish lira and Mexican peso continued to weaken. Performance in the commodity markets varied as energy prices edged lower, whereas gold and copper both rose in value.

Brazil was the best performing market in the emerging markets index. Sentiment towards the country was boosted by a larger-than-expected interest rate cut. The central bank reduced its benchmark rate by 75 basis points to 13% on the basis of widespread disinflation and disappointing economic activity. Inflation closed 2016 below the 6.5% top end of the target. On the activity front, data was weak, especially concerning industrial production. However, leading indicators for January were looking stronger, with a broad recovery in confidence levels. Despite a deterioration in relations between the US and Mexico over the planned construction of a border wall and the possible imposition of US trade tariffs on imports from its southern neighbour, the Mexican equity market advanced higher. Trade in the Mexican peso was volatile at times, but finished the month only 0.5% down. Aside from technology, all other sectors in Latin America registered gains in January, which were led by materials, financials and utilities sectors.

Poland, bolstered by improving domestic economic data, outperformed the EMEA region, with financials and materials leading the way. Following a strong finish to 2016, Russia's equity market struggled to advance further in January. Hopes for a further cut in interest rates were boosted by CPI inflation slowing to a 4 ½ year low of 5.4% in December, the lowest end-year reading in the post-Soviet era. With foreign demand for Russian commodities and manufactured goods holding up well, the economy is showing further signs of recovery. Forward-looking indicators, such as business surveys, also point to acceleration in economic activity. Greek banks bore the brunt of the government's failure to break yet another deadlock in bailout talks, as the International Monetary Fund deliberated its participation in the third bailout programme. Meanwhile, interest rates in Turkey were increased.

MSCI US$ price index return	**(%, US$)**
	Jan 2017
Emerging markets	5.4
Developed markets	2.4
Latin America	7.5
Emerging Asia	6.2
EMEA	2.1
Top five by country	
Brazil	10.6
Poland	10.5
Peru	9.1
Korea	7.7
Hong Kong	7.7
Bottom five by country	
Greece	-7.7
Egypt	-1.9
Russia	-0.3
Indonesia	0.1
UAE	0.7

Source: MSCI Indices, Bank of America Merrill Lynch, 31 January 2017.

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Fixed Interest

- The sell-off in bond markets resumed
- The eurozone's improving economic data led eurozone bond yields higher
- German and French bond yields rose to 12 month highs

After moderating in December, the sell-off in bond markets resumed in January. The increase in yields has been greatest in the eurozone, with French, German, Austrian, Italian and Spanish government bond yields all now at 12 month highs. Gilt yields were also higher, with the 10-year yield rising from 1.24% to 1.42% over the month. The US market, which led the sell-off in the final months of 2016, was more subdued, with the 10-year US Treasury yield rising just 1 basis point to 2.45%. The weakness in government bond markets in turn weighed on corporate bond markets, with negative returns in the more interest rate sensitive investment grade bond markets.

The increase in yields reflected improving economic data in the eurozone and market concerns about the impact this might have on central bank stimulus. Alongside positive survey data, the first official estimate of economic growth in the eurozone for the final three months of 2016 showed an acceleration to 0.5% (an annual rate of 1.8%). Meanwhile, eurozone consumer prices rose at their fastest annual rate in three years in December. In Germany inflation increased to 1.9% year-on-year - its highest level since 2013.

Despite the signs of improvement, the European Central Bank (ECB) remains committed to its program of monetary stimulus, with President of the ECB, Mario Draghi, suggesting that it was unlikely that there would be a change in policy until the end of 2017.

The Italian constitutional court ruled on former Prime Minister Metteo Renzi's proposed electoral reforms. Yields on Italian government bonds spiked higher as the market interpreted the result as increasing the likelihood of early elections and potential political deadlock. Meanwhile, in France, Benoit Hamon won the French Socialist party's primary election to choose its candidate for the Presidential election. The hard left candidate's victory added to pressure on French government bonds. Meanwhile, on the right, stronger polling for Emmanuel Macron against Francois Fillon added to uncertainty.

Merrill Lynch reports the following index returns. German Bunds -1.3%, Italian government bonds -2.5%, French government bonds -2.7% and Gilts -1.8%. This weakness fed through to corporate bond markets, with sterling investment grade corporate bonds returning -1.0% and euro investment grade corporate bonds returning -0.6%. European currency high yield bonds, however, delivered a positive return of 0.8%.[1] Amid strong demand, investment grade corporate bond issuance was high, with Barclays reporting €57.2bn of new eurozone supply and £5.2bn of new sterling supply.

[1] All return data is sourced from Merrill Lynch and shows total local currency returns.

Government Bonds					Yield to maturity (%)
	31.01.17	31.12.16	31.10.16	31.07.16	31.01.16
US Treasuries 2 year	1.20	1.19	0.84	0.66	0.77
US Treasuries 10 year	2.45	2.44	1.83	1.45	1.92
US Treasuries 30 year	3.06	3.07	2.58	2.18	2.74
UK Gilts 2 year	0.14	0.08	0.26	0.11	0.34
UK Gilts 10 year	1.42	1.24	1.25	0.69	1.56
UK Gilts 30 year	2.05	1.88	1.88	1.55	2.35
German Bund 2 year	-0.70	-0.77	-0.62	-0.63	-0.49
German Bund 10 year	0.44	0.21	0.16	-0.12	0.33
German Bund 30 year	1.15	0.94	0.79	0.34	1.06

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 2017.

Corporate Bonds										Yield to maturity (%)/Spread[2] (bps)
	31.01.17		31.12.16		31.10.16		31.07.16		31.01.16	
£ AAA	2.02	41	1.83	39	1.86	39	1.52	40	2.56	66
£ AA	2.03	76	1.90	78	1.95	82	1.67	87	2.77	120
£ A	2.68	129	2.54	131	2.60	135	2.32	142	3.30	176
£ BBB	3.07	179	2.96	185	3.05	187	2.80	199	3.89	243
€ AAA	0.88	68	0.71	68	0.61	58	0.38	60	0.97	78
€ AA	0.54	75	0.42	77	0.37	66	0.21	68	0.71	84
€ A	0.83	104	0.71	106	0.65	92	0.51	96	1.03	119
€ BBB	1.36	149	1.25	153	1.16	139	1.02	143	1.85	198
European High Yield (inc € + £)	4.16	365	4.26	390	4.21	391	4.59	446	5.91	564

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 2017.

[2] Credit spread - difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality. Option Adjusted Spread (OAS) is used to account for the optionality inherent in many corporate bonds.

Global equity and commodity index performance – figures to 31 January 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	2.4	6.5	5.2	2.4	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	1.4	7.9	8.5	1.4	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	3.6	5.1	1.9	3.6	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	2.3	9.2	7.0	2.3	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	5.5	0.9	5.1	5.5	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.7	6.2	5.3	2.7	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	0.6	10.2	9.2	0.6	16.5	0.2	10.0	29.7	10.2
S&P 500	1.9	7.8	6.0	1.9	12.0	1.4	13.7	32.4	16.0
NASDAQ	4.4	8.5	9.4	4.4	8.9	7.0	14.8	40.1	17.5
Russell 2000	0.4	14.7	12.4	0.4	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	0.9	4.8	7.0	0.9	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	0.1	6.3	7.0	0.1	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-0.4	6.6	6.5	-0.4	3.2	8.8	7.4	20.5	18.1
CAC 40	-2.3	5.6	7.5	-2.3	8.9	11.9	2.7	22.2	20.4
DAX	0.5	8.2	11.6	0.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	-0.1	2.9	10.7	-0.1	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-3.1	9.2	11.5	-3.1	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	0.9	5.9	2.0	0.9	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-1.3	5.6	7.3	-1.3	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	1.5	7.2	9.1	1.5	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	-0.3	17.6	26.1	-0.3	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	1.6	8.8	11.9	1.6	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	4.3	4.7	1.4	4.3	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	-0.3	3.0	7.3	-0.3	16.8	1.0	1.2	20.8	12.3
FTSE 100	-0.6	2.7	7.4	-0.6	19.1	-1.3	0.7	18.7	10.0
FTSE 250	0.5	3.9	6.3	0.5	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	1.2	7.8	11.4	1.2	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-3.1	-0.3	-1.4	-3.1	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	6.2	2.0	7.8	6.2	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	1.8	1.9	6.0	1.8	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	5.9	8.7	8.4	5.9	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	2.1	1.7	5.2	2.1	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	2.0	3.0	2.6	2.0	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	0.0	-2.4	1.5	0.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	5.7	-2.4	-9.2	5.7	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	2.2	5.7	4.7	2.2	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	4.0	-0.6	-0.6	4.0	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	4.4	2.6	9.7	4.4	1.5	-16.9	15.6	-1.5	19.8
ASX 200	-0.8	6.7	3.2	-0.8	11.8	2.6	5.6	20.2	20.3
Topix	0.2	9.4	16.2	0.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	-0.4	9.3	14.9	-0.4	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	5.8	2.4	4.6	5.8	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	7.6	-2.9	6.7	7.6	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	2.2	-10.3	-7.6	2.2	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	10.7	-0.7	14.6	10.7	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	18.4	4.8	7.1	18.4	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	4.7	-0.7	2.3	4.7	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	0.7	19.1	34.2	0.7	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	-1.9	12.6	27.0	-1.9	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-0.2	3.2	6.3	-0.2	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	4.7	-4.9	-10.2	4.7	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	-16.8	-6.7	22.0	-16.8	101.0	-38.9	-65.7	225.8	-59.8

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as at 06 February 2017.

Global currency movements – figures to 31 January 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.08	2.7	-1.7	-3.4	2.7	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.86	0.7	-4.3	1.6	0.7	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.07	-0.2	-1.6	-1.4	-0.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.44	-1.5	-4.8	-1.2	-1.5	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	8.90	-2.0	-1.8	-5.6	-2.0	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.1	0.0	0.0	0.1	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.32	-1.8	0.4	-0.8	-1.8	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	310.00	0.3	0.5	-0.5	0.3	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	112.80	-3.5	7.6	10.5	-3.5	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.30	-3.0	-2.8	0.0	-3.0	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.48	-1.9	0.0	-2.9	-1.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.15	-3.2	-1.2	-3.0	-3.2	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1151.66	-4.6	0.8	3.5	-4.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	31.17	-4.0	-1.1	-2.1	-4.0	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	35.09	-2.1	0.2	0.9	-2.1	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.41	-2.6	1.4	5.2	-2.6	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.79	-1.8	-3.0	5.5	-1.8	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	16.95	0.0	2.7	-7.7	0.0	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.76	5.1	-0.3	-0.2	5.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.73	5.2	2.2	1.4	5.2	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 06 February 2017.

Contact us

Client Services
Telephone 0800 085 8677
Email enquiry@invescoperpetual.co.uk

www.invescoperpetual.co.uk

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