Invesco Perpetual

Monthly Market Roundup
November 2017 (covering October 2017)

Global overview

- Global equity markets driven higher by economic data and earnings statements
- Brent crude broke through the elusive US$60 mark into month-end, prompting significant outperformance from the oil majors
- Markets appeared to shrug off the threat of North Korea, instability in Venezuela and recent developments in Washington and Catalonia

Optimism gripped global equity markets in October driven higher by positive economic data and strong earnings statements. Markets appeared to shrug off the threat of North Korea, instability in Venezuela and its effects on global oil prices, and recent developments in Washington and Catalonia to bolster business confidence and activity.

US companies have also been highlighting the prospect of possible tax reform as another reason for optimism. The White House has claimed that strong economic growth would pay for US$1.5 trillion of planned cuts to corporate and personal taxes. However, the steady stream of positive company earnings reports helped bolster the 'risk-on' mood which gripped markets towards the end of the month. US technology companies led the gains with Microsoft, Intel and Alphabet – the owner of Google – all reporting stronger than expected earnings, helping the technology sector reach an all-time high.

European stock markets advanced in October as the strong growth and modest inflation regime persisted. Economic activity indicators remained at multi-year highs and eurozone GDP growth for the third quarter of 2017 stood at 0.6%, beating the expected 0.5% figure. After years of ultra-loose policies, the European Central Bank took the first steps towards exiting its quantitative easing programme. As expected, it decided to reduce the monthly pace of net asset purchases by half (to €30bn per month) starting in January 2018, while extending the programme by another nine months until September 2018.

The UK equity market rose in October, against a backdrop of rising oil prices and continued monetary tightening. Economic data indicated modest growth in the UK economy with GDP rising faster than expected in the third quarter, increasing 0.4% between July and September. Third quarter results from the banking majors captured the headlines, as the absence of PPI provisions lead to a boost in profits for many. Meanwhile, there was little sign of progress in Brexit negotiations. Prime Minister Theresa May's strategy of prioritising an implementation period was passed largely unchallenged at the Conservative Party conference.

In Asia, equity markets rebounded strongly in October, with new record highs for a number of markets. South Korea was the region's best performing market, supported by news that an agreement with China had been reached to normalise relations following the recent fallout over the installation of THAAD (the US anti-missile system). Japan's equity market ended the month with solid gains in local currency terms, with the market benefiting from the large victory of the ruling coalition in the snap election on 22 October.

It was a positive month for global emerging equity markets as they extended their year-to-date gains over their peers in the developed world. Underpinned by an improving earnings outlook, emerging Asia led the advance with Korea, India and Taiwan topping the leader board. Russia, Brazil and Colombia saw a cut in interest rates, supply concerns pushed Brent crude oil above US$60 a barrel and the US dollar strengthened against a basket of emerging market currencies.

October was a positive month for bond markets with corporate bonds in general outperforming government bonds. The US Federal Reserve began to reduce the amount of stimulus it is providing to markets and the European Central Bank announced it will reduce asset purchases from January 2018. In the US, speculation continued on the appointment of the next chair of the US Federal Reserve and the 2018 budget passes, paving the way for tax cuts.

US

- The US equity market was boosted by strong earnings statements and upbeat economic growth
- Ambitious tax plans were another reason for optimism
- Once again, technology was the leading sector over the month

The US equity market ended October within touching distance of record highs boosted by strong earnings statements and upbeat economic growth. US companies have also been highlighting the prospect of possible tax reform as another reason for optimism.

Analysts' expectations for US corporate profits had been muted by the recent hurricanes, effectively lowering the hurdle for companies to surmount. However, the steady stream of positive company earnings reports helped drive the 'risk-on' mood which gripped markets towards the end of the month. More cyclical sectors (those which are more sensitive to the business cycle) such as financials, materials and industrials, outperformed more defensive areas (those which are less sensitive to the business cycle), though technology was once again the leading sector over the month.

Microsoft, Intel and Alphabet – the owner of Google – all reported stronger than expected earnings, helping the technology sector reach an all-time high of its own. Amazon is technically a consumer discretionary stock, but it has benefitted from the same phenomenon as its tech peers as consumers shift more of their purchases online. Amazon's cloud computing business has also grown rapidly.

The industrials sector reported strength in aerospace and construction. Though financial stocks were in positive territory, the rally had begun to fade for the sector. Doubts started to emerge that the Republican party could come together to pass a meaningful tax cut package, and the hurricane season tends to ensure that insurers' profits will be worse than expected. Telecoms was the worst performing sector, dragged lower by AT&T after the company said that it lost 90,000 video subscribers in the third quarter and that a string of natural disasters would reduce its revenue and earnings in the quarter.

An overall solid earnings season confirmed that the economy had continued to improve. Indeed, confidence in the outlook for the US economy was boosted when third quarter growth came in higher than expected. GDP rose at an annual rate of 3%, suggesting that hurricanes Harvey and Irma had little impact on the economy overall. Analysts had expected growth of 2.5%. The rise marks the strongest consecutive quarters of GDP growth in three years.

The strong showing made a December rise in interest rates even more likely. It could also help Republicans push through ambitious tax plans, with the White House claiming that strong growth would pay for US$1.5 trillion of planned cuts to corporate and personal taxes. Further positive economic data showed that the number of Americans filing for first-time jobless benefits fell to the lowest level since 1973. The 4.2% unemployment rate is the lowest level since 2001.

In terms of corporate news, enthusiasm for deal making has picked up pace following low levels of activity in the early part of the year. Many chief executives had avoided doing large deals because they wanted to see how the Trump administration would push through promises of reform. Now, however, some boards have grown tired of waiting. In the past month, transactions included the US$9.3bn merger between Lennar and CalAtlantic Group, which is set to create the biggest US homebuilder, and Pfizer announced that it was considering the sale or spin-off of its consumer healthcare business.

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Europe

- European equity markets advanced in October
- Eurozone third quarter GDP growth beat expectations and inflation remained subdued
- As expected, the European Central Bank decided to reduce its monthly bond-buying volume by half, starting in January

European stock markets advanced in October as the strong growth and modest inflation regime persisted. Economic activity indicators remained at multi-year highs and eurozone GDP growth for the third quarter of 2017 stood at 0.6%, beating the expected 0.5% figure.

On a sector level, technology was the strongest performer in the region, followed by utilities. Meanwhile, the healthcare sector was the leading detractor. On a stock level, Neste, the Finnish refining company with a focus on cleaner fuels, was the standout performer in October after posting stronger than expected third quarter earnings results. This was followed by the Swiss semi-conductor maker and Apple supplier AMS, whose share price surged amid larger than anticipated demand for iPhone X. Conversely, SES, the French media and cable company, was among the largest detractors after reporting disappointing earnings and reducing its end of year profitability targets. Nokia, the global communications company, was also a big laggard in October impacted by weaker growth expectations in the telecom networks market.

On the macroeconomic front, growth in the eurozone remained very healthy. The region posted its eighteen consecutive GDP quarterly expansion. On a year-on-year basis, GDP growth hit 2.5% – the best since early 2011. This expansion continued to be largely fuelled by domestic factors (household consumption and investment) and underpinned by strong job creation. The euro-area unemployment rate declined to 8.9% in September, falling to the lowest level since January 2009 and beating economists' estimates. Despite the bloc's strengthening economy, a sustained pick-up in prices remained subdued. Eurozone headline inflation retreated to 1.4% in October (from 1.5% a month earlier), while core inflation (excluding food and energy) dropped to 0.9% from 1.1%.

On the monetary policy front, after years of ultra-loose policies, the European Central Bank (ECB) took the first steps towards exiting its quantitative easing (QE) programme, given the solid economic activity indicators in the region. As expected, the ECB governing council decided to reduce the monthly pace of net asset purchases by half (to €30bn per month) starting in January 2018, while extending the programme by another nine months until September 2018. The policy to keep interest levels on hold "well past" the end of net purchases was kept unchanged. The ECB also gave guidance to the market about its debt reinvestment plans, which are intended to continue even after the end of QE.

The actions of the ECB governing council clearly acknowledge the robust and sustainable uptick in the European economy. They also reflect the 'patient and persistent' approach for ending the stimulus programme described by ECB president Draghi, in order to allow for inflation pressures to build further and to avoid any adverse consequences on financial markets (i.e. taper tantrum).

UK

- Brent crude oil broke through the elusive US$60 mark into month-end, prompting significant outperformance from the oil majors
- Economic data indicated modest growth in the UK economy, with GDP rising faster than expected in the third quarter
- Third quarter results from the banking majors captured the headlines with mixed progress reports

The UK equity market rose in October, against a backdrop rising oil prices and continued monetary tightening. The oil price rallied through the month, supported by expectations that Organisation of the Petroleum Exporting Countries (OPEC) members would extend the terms of their agreement to cap output. Brent crude oil broke through the elusive US$60 mark into month-end, prompting significant outperformance from the oil majors.

On the macroeconomic front, the market continued to price in expectations of a modest rise to UK interest rates at the November Monetary Policy Committee meeting; equity investors remained focused on 10-year government bond yields alongside shorter rates, which were stable through the period.

Economic data indicated modest growth in the UK economy; GDP rose faster than expected in the third quarter, increasing 0.4% between July and September. The service sector, which makes up around three-quarters of the economy, grew by 0.4%, while manufacturing rose by 1%; construction contracted for the second consecutive quarter.

There was little sign of progress in Brexit negotiations; Prime Minister Theresa May's strategy of prioritising an implementation period was passed largely unchallenged at the Conservative Party conference. At a summit of EU members, Michelle Barnier said that "sufficient progress" had not been made to enable discussions over future trade relations to begin.

On the corporate news front, third quarter results from the banking majors captured the headlines with mixed progress reports. Barclays confirmed declines in bond and currency trading revenues; weaker performance by the bank's investment banking arm was offset by an uptick in its UK consumer business – where provisions to compensate British customers for Payment Protection Insurance mis-selling weighed heavily on the bank in the same period a year ago. Lloyds more than doubled profits in the third quarter, also boosted by the absence of PPI provisions. RBS moved into profit, but still faces a multi-billion US dollar fine from the US Department of Justice for mis-selling mortgage-backed securities ahead of the financial crisis; chief executive Ross McEwan said the bank remains "optimistic" about reaching a final settlement this financial year.

At its capital markets day, British American Tobacco (BAT) said it expects next generation products to generate revenues of £500m this year, rising to £1bn in 2018 (breaking even) and £5bn by 2022. Nicandro Durante, chief executive, said the company's next generation products have "real momentum", a confidence reflected in ambitious financial objectives. This is the first time BAT has quantified the opportunity set in this area following its acquisition of Reynolds American.

Car dealership Pendragon issued a profit warning, raising concerns about waning consumer demand for new cars in the UK; in its statement the company said "it has experienced unprecedented pressure on new vehicle margins caused by certain manufacturers continuing to force vehicles into the market despite softening demand."

BP reported strong results for the third quarter of the year, more than doubling profits year-on-year as a result of improved earnings in its fuels, petrochemicals and refining businesses flowing through from rising oil prices. The company announced a share buyback programme to offset the ongoing dilution of scrip dividends; the programme will reflect the company's analysis of various factors including changes in the price environment, the underlying performance of the business and the outlook for the group's financial framework.

Asia Pacific

- Asian equity markets rebounded strongly
- China and Korea re-set relations after THAAD (Terminal High Altitude Area Defense) fallout
- Japan's equity market rose on the coalition's victory in the general election

Asian equity markets rebounded strongly in October, with new record highs for a number of markets. The IT sector resumed market leadership with support from the energy sector, while telecoms and real estate lagged. South Korea was the region's best performing market, supported by news that an agreement with China had been reached to normalise relations following the recent fallout over the installation of THAAD (the US anti-missile system). The move could provide a significant boost to Korea's economy, bringing an end to China's boycott of Korean goods as well as the clampdown on Chinese visitors to the country. South Korea third quarter GDP growth preliminary estimates of 3.6% year-on-year surprised positively, as did September industrial production growth of 8.4% year-on-year.

China's equity market continued to rise, with the Communist Party Congress underway. The most notable development of the meeting being that President Xi Jinping secured his political primacy for the foreseeable future, laying out his vision for a "new era", led by a stronger Communist Party. There was no material change of the reform agenda, with structural reforms to continue, including further state owned enterprise (SOE) reform and increased market openness. China third quarter GDP growth of 6.8% year-on-year was in line with expectations, with the rebalancing of the economy away from the investment-led model appearing to be well underway. Consumption over the first three quarters of the year contributed 64.5% of GDP growth, compared with 61.7% in the same period last year. Manufacturing surveys for October suggested an easing of economic activity in the fourth quarter, as is broadly expected.

There were significant developments in India to spur its equity market higher, as the Government announced a bold R1.35 trillion plan to recapitalise state-owned banks. This was seen as positive, as it is expected to: strengthen bank balance sheets, help speed up the resolution of bad debts and provide a boost to overall economic growth over the medium term.

Of the ASEAN markets, Thailand, Indonesia and the Philippines reached record highs. Meanwhile Malaysia was the biggest laggard and the region's only market to end the month lower, in local currency terms, with a higher oil price and the 2018 Budget both failing to lift the market.

Japan's equity market ended the month with solid gains in local currency terms, with the market benefiting from the large victory of the ruling coalition in the snap election on 22 October. This win gave President Abe and his ruling Liberal Democratic Partya fresh mandate for economic stimulus and Abe's economic policies, including monetary policies which have been supportive to the economy. Furthermore, share prices have been supported by the quarterly corporate results season which has provided more positive surprises than negative.

Emerging Markets

- Emerging equity markets were boosted by an improving earnings outlook
- Interest rates were cut in Russia, Brazil and Colombia
- Brent crude oil rose above US$60 per barrel

It was a positive month for global emerging equity markets as they extended their year-to-date gains over their peers in the developed world. Underpinned by an improving earnings outlook, emerging Asia led the advance with Korea, India and Taiwan topping the leader board. Sentiment towards Korea was boosted by strong third quarter GDP growth and a lowering of political tension with its northern neighbour. The equity market in India reacted warmly to news that the Government would inject US$32 billion into state-controlled lenders over two years, and plans to spend more on building roads. Taiwan benefitted from healthy pre-orders for the soon to be released iPhone X. Outside of Asia, equity performance varied, with gains in Chile and Hungary being offset by losses in Colombia, Mexico and Russia. Technology was the best performing sector in emerging markets, followed by health care. Supply concerns pushed Brent crude oil above US$60 a barrel and the US dollar strengthened against a basket of emerging market currencies.

The Russian equity market struggled to gain ground despite the favourable backdrop of higher oil prices and lower interest rates – the latter were cut by 25 basis points to 8.25%. Russia's central bank also reduced its inflation forecast for this year to 3% from its previous estimate of 3.5%-3.8%. Turkish equities finished flat on the month with initial optimism dampened by a diplomatic spat between the country and the US. The Turkish lira fell by 6%. The South African rand also came under pressure but local stocks were lifted by encouraging news on the economy – there was a sharp uptick in retails sales in August (latest available data), increasing by 5.5% year-on-year. The strong reading is likely to boost real GDP prospects.

Latin America was the only emerging market region to register a loss during October. Colombia was the weakest performing country, followed by Mexico and Brazil. By contrast, equity markets in Chile and Peru were up, drawing comfort from higher metals prices – copper rose by 5.5%. Waning inflationary pressures provided scope for the Brazilian central bank to cut interest rates again, this time by 75 basis points to 7.5%. Official inflation expectations for this year were trimmed back to 3.1% and 4.0% for 2018. Interest rates were also lowered in Colombia from 5.25% to 5.0%. Mexico's economy contracted for the first time in four years in the third quarter as a hurricane resulted in lower oil production and two earthquakes stalled growth in the services sector. However, many analysts expect reconstruction to provide an impulse for expansion next year.

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Fixed Interest

- The US Federal Reserve began tapering and the European Central Bank announced it will taper from January 2018
- Speculation continued on the appointment of the next chair of the US Federal Reserve.
- The US passed the 2018 budget paving the way for tax cuts.

October was a positive month for bond markets with corporate bonds in general outperforming government bonds. In terms of credit quality, high yield corporate bonds outperformed investment grade bonds. At a sector level, there was some dispersion of returns by region. In the UK, financials were the best performing sector, while in Europe and the US, financials were the weakest part of the investment grade market. Contingent Capital bank bonds (CoCos) were one of the strongest performing parts of the market, however, with the sector having its best month of returns since December 2016.

The US Federal Reserve began to reduce the amount of stimulus it is providing markets by not replacing a small portion of the bonds that mature in its portfolio. The Fed will reduce its stock of bonds by US$10bn a month rising to US$50bn a month in two years. There was minimal market impact from the start of the process, which had been widely communicated to the market.

Meanwhile, the European Central Bank (ECB) announced that it would be tapering its asset purchases. From January 2018 the ECB'S monthly purchases will reduce from the current €60bn to €30bn. However, the programme will be extended out until September 2018, so the ECB will still be buying a large amount of bonds. This was more accommodative than parts of the bond market were expecting and so bonds rallied following the announcement.

On the political front, the US House of Representatives voted to adopt the 2018 budget. This paves the way for some of the tax cuts the Trump administration wants to make and could lead to a US$1.5trn increase in the budget deficit over the next 10 years. There was also speculation as to who will be the next chair of the US Federal Reserve. Current chair Janet Yellen's term ends in February 2018 and she is expected to be replaced by Federal Reserve board governor Jay Powell.

In Europe, the independence referendum in Catalonia and subsequent political uncertainty led to underperformance of Spanish government bonds versus European counterparts. However, their overall return was still positive.

Italy's government bonds received a further boost following an upgrade of the sovereign's credit rating from Standard and Poor's (S&P). This follows on from the rating agencies upgrade of Portugal in September. S&P raised Italy's rating from BBB- to BBB and said the upgrade was justified because of Italy's strengthening economic outlook, growing investment, a steady uptick in employment and improvements in the debt-laden Italian banking sector.

Government Bonds	Yield to maturity (%)				
	31.10.17	30.09.17	31.07.17	30.04.17	31.10.16
US Treasuries 2 year	1.60	1.48	1.35	1.26	0.84
US Treasuries 10 year	2.38	2.33	2.29	2.28	1.83
US Treasuries 30 year	2.88	2.86	2.90	2.95	2.58
UK Gilts 2 year	0.46	0.47	0.27	0.08	0.26
UK Gilts 10 year	1.33	1.37	1.23	1.09	1.25
UK Gilts 30 year	1.90	1.92	1.86	1.72	1.88
German Bund 2 year	-0.75	-0.69	-0.68	-0.73	-0.62
German Bund 10 year	0.36	0.46	0.54	0.32	0.16
German Bund 30 year	1.23	1.30	1.30	1.10	0.79

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

Corporate Bonds	Yield to maturity (%)/Spread[1] (bps)									
	31.10.17		30.09.17		31.07.17		30.04.17		31.10.16	
£ AAA	1.81	39	1.84	41	1.71	39	1.64	45	1.86	39
£ AA	1.93	70	1.94	71	1.79	69	1.75	79	1.95	82
£ A	2.49	111	2.51	114	2.36	112	2.39	128	2.60	135
£ BBB	2.78	145	2.82	151	2.70	153	2.74	176	3.05	187
€ AAA	0.57	44	0.72	53	0.76	50	0.73	62	0.61	58
€ AA	0.36	58	0.48	64	0.51	60	0.46	72	0.37	66
€ A	0.57	77	0.69	84	0.72	80	0.74	98	0.65	92
€ BBB	0.99	106	1.15	118	1.17	113	1.22	137	1.16	139
European High Yield (inc € + £)	3.33	254	3.54	277	3.60	283	4.02	344	4.21	391

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

1 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 October 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	1.9	4.4	9.8	18.8	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	1.0	3.4	8.3	13.8	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	2.8	5.5	11.3	24.0	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	1.5	5.5	10.4	18.7	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	3.5	5.5	16.4	32.6	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.0	4.5	10.1	19.6	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	4.4	7.4	13.0	20.6	16.5	0.2	10.0	29.7	10.2
S&P 500	2.3	4.8	9.1	16.9	12.0	1.4	13.7	32.4	16.0
NASDAQ	3.6	6.3	11.9	26.1	8.9	7.0	14.8	40.1	17.5
Russell 2000	0.9	5.8	8.0	11.9	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	2.7	6.6	4.3	7.3	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	1.9	5.3	5.0	15.6	3.4	10.9	0.2	25.2	17.8
MSCI Europe	2.0	5.1	4.0	12.3	3.2	8.8	7.4	20.5	18.1
CAC 40	3.3	8.2	7.0	16.5	8.9	11.9	2.7	22.2	20.4
DAX	3.1	9.2	6.4	15.2	6.9	9.6	2.7	25.5	29.1
Ibex 35	1.7	1.1	0.0	16.0	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	0.4	6.4	13.1	22.1	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	0.9	2.1	4.9	12.4	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	3.1	6.1	8.3	18.0	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	1.3	4.7	6.5	19.1	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	-1.9	10.9	4.7	-0.3	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-0.1	3.0	6.1	11.6	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	6.3	8.1	11.2	19.6	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	1.9	2.8	5.9	9.8	16.8	1.0	1.2	20.8	12.3
FTSE 100	1.8	2.8	6.1	8.5	19.1	-1.3	0.7	18.7	10.0
FTSE 250	2.0	3.1	4.7	14.6	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	1.7	2.1	5.0	14.5	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	3.1	5.6	4.5	10.5	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	2.6	4.5	18.5	33.2	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	1.3	3.7	7.6	9.3	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	4.8	2.6	8.6	20.7	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	4.5	3.5	9.3	16.7	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	5.4	5.0	14.4	24.5	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	1.8	2.8	5.6	13.4	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	2.4	4.3	9.2	22.3	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	2.9	10.3	11.5	14.9	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	6.3	2.5	11.8	26.3	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	5.5	6.6	17.1	27.4	1.5	-16.9	15.6	-1.5	19.8
ASX 200	4.0	4.7	2.0	8.0	11.8	2.6	5.6	20.2	20.3
Topix	5.5	10.0	16.4	18.6	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	8.1	10.5	14.7	15.2	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	4.1	4.9	15.5	32.3	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	-3.6	2.5	9.1	22.4	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	-7.5	-10.0	-0.2	16.9	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-3.3	7.2	11.1	22.7	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	5.6	29.5	23.5	70.8	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	5.0	12.8	22.1	40.4	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	7.6	18.0	21.7	11.1	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	5.2	8.3	10.2	1.1	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	2.5	3.0	3.8	-1.9	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-1.1	0.0	0.1	9.7	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	12.2	60.9	37.2	58.4	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 07 November 2017.

Global currency movements – figures to 31 October 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.16	-1.4	-1.7	6.9	10.7	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.88	-0.6	-2.2	4.2	2.9	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.16	1.6	1.5	7.1	8.5	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.76	1.4	2.1	1.1	1.9	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.51	1.1	2.2	1.7	4.7	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	0.1	0.0	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.24	-1.7	-0.4	0.3	-3.7	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	311.38	-0.1	2.4	-0.5	0.7	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	113.64	1.0	3.1	1.9	-2.8	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.29	3.3	3.3	-5.6	-4.1	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	14.13	4.2	7.2	5.7	2.8	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.27	3.5	4.7	3.0	0.6	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1118.42	-2.3	-0.1	-1.7	-7.4	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.17	-0.5	-0.2	-0.1	-7.0	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.23	-0.3	-0.2	-3.9	-7.3	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.36	0.4	0.6	-2.4	-5.9	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.75	1.0	-0.7	-2.6	-7.0	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	18.77	3.3	7.8	8.4	10.7	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.77	-2.3	-4.3	2.3	6.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.68	-5.0	-8.9	-0.3	-1.4	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 07 November 2017.

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