Invesco Perpetual

Monthly Market Roundup
October 2017 (covering September 2017)

Global overview

- Global equity markets have moved beyond the geopolitical tensions between the US and North Korea
- Markets drew strength from the continued global economic upswing
- Emerging equity markets underperformed developed world peers for the first month this year

Global equity markets have moved beyond the geopolitical tensions between the US and North Korea over Pyongyang's nuclear weapons programme to end the month in positive territory. Markets drew strength from the continuing global economic upswing and were dominated by the chance of major corporate tax cuts in the US towards the end of the month.

The Republicans unveiled a sweeping tax reform proposal aimed at lowering the corporate tax rate from 35% to 20%. If Congress passes such a cut, investors are hopeful that it would feed through to companies' bottom lines. However, the US President's unpredictability, coupled with his fraught relationship with Congress, tempered expectations. Given how tax reform hopes were dashed earlier in the year, it is widely acknowledged that any legislation would be tricky to pass.

Hopes remain though that US tax reform will aid economic growth. Indeed, the US Federal Reserve (Fed) gave a broadly optimistic take on the economic outlook for the US when Fed chair, Janet Yellen, warned that they should be wary of raising interest rates too gradually. The Fed said that it would stick with plans for further interest rate rises – another this year, probably in December, as well as three further increases in 2018 – and that it would throw its crisis-era stimulus programme into reverse from October.

The UK equity market closed September broadly flat. Sterling strengthened materially against the euro and US dollar, particularly after rhetoric from the Bank of England made clear its intention to 'ease its foot off the accelerator' with an expected interest rate rise in November.

On the monetary policy front in Europe, while no changes were made in September, the focus is on the upcoming European Central Bank (ECB) governing council meeting on 26 October. Many market participants expect the ECB to shed more light on its policy outlook and start making formal announcements about the future of its asset purchases.

In Japan, markets climbed after Prime Minister Shinzo Abe called a snap general election for 22 October, although the outcome is less certain now that Tokyo Governor Yuriko Koike has stepped forward to oppose Mr Abe as leader of a new party: the Party of Hope.

For the first month this year emerging equity markets underperformed their peers in the developed world. The main drag on performance came from the EMEA (Europe, Middle East and Africa) region, with weakness most pronounced in Greece and Turkey. By comparison, Russia was a rare bright spot in the region, drawing comfort from stronger oil prices. Latin American equity markets finished in positive territory, with Brazil leading from the front, although confidence towards Mexico was dented following two devastating earthquakes.

China's equity market ended the month higher, despite a sell-off towards the end of September on the back of a ratings downgrade from S&P due to high debt and property measures aimed at curbing rising house prices. However, Chinese economic activity data in August continued to suggest economic expansion, with industrial profits showing strong growth. Elsewhere, South Korea was one of Asia's better performing markets led by the technology sector.

Investment grade corporate bond markets were lower over the month, as rising government bond yields impacted on returns. High yield bond markets were the notable exception, with both US and European high yield bond markets delivering positive returns.

US

- The US equity market was propelled by proposals to cut taxes
- Expectations of a further interest rate rise in December drove financials
- Energy stocks overtook tech stocks in a key 'rotation' in the month

The US equity market ended September in positive territory – its sixth straight monthly rise and longest winning streak since May 2013. The market gains were propelled by the Republicans, unveiling a sweeping tax reform proposal aimed at lowering the corporate tax rate from 35% to 20%. If Congress passes such a cut, investors are hopeful that it would feed through to companies' bottom lines. However, the US President's unpredictability, coupled with his fraught relationship with Congress, tempered expectations. Given how tax reform hopes were dashed earlier in the year, it is widely acknowledged that any legislation would be tricky to pass.

Hopes remain though that US tax reform will aid economic growth. Indeed, the US Federal Reserve (Fed) gave a broadly optimistic take on the economic outlook for the US when Fed chair, Janet Yellen, warned that they should be wary of raising interest rates too gradually. The Fed said that it would stick with plans for further interest rate rises – another this year, probably in December, as well as three further increases in 2018 – and that it would throw its crisis-era stimulus programme into reverse from October.

The US equity market indicated confidence in the economy being able to handle rising interest rates as it drove higher based on the Fed's announcement, led by energy and financial stocks for the month overall. September saw a resurgence in the energy sector, helped by a sharp rise in the oil price. Brent Crude, the international benchmark, has continued to rise since hitting its low for the year-to-date on 21 June. As an interest-rate sensitive sector, financials rallied on expectations around the Fed's forecast for another interest-rate rise this year. Conversely the utilities sector was the weakest performer in September – and for the same reason – due to expectations around rising interest rates.

Energy stocks overtook tech stocks as the lead sector in September – a key rotation. Tech, which offers the hope of secular growth regardless of the underlying economy, had led the market higher in recent months. Given the pockets of concern which have emerged over the US economy throughout the year, the sector had been a beneficiary of investors' willingness to pay up for companies with robust earnings and revenue growth. The tech sector remains the best performing sector year-to-date.

In terms of corporate news, Toys 'R' Us filed for bankruptcy protection in the US and Canada as it attempts to restructure its debts. Energy group Andarko Petroleum announced a US$2.5bn share buyback programme through to the end of 2018.

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Europe

- European equity markets advanced in euro terms but retreated in sterling terms
- German Chancellor, Angela Merkel, was tasked with forming a new government for the fourth time, following election victory
- The European economy continued to surprise on the upside

European equity markets rose in local currency terms but retreated in sterling terms. The pound jumped versus the euro in September after the Bank of England hinted to a possible rise in interest rates. On the European domestic front, economic data continued to surprise, beating expectations. In Germany, Angela Merkel won a fourth term as German chancellor in a victory that reflected fading support for the two main parties and a surge of the far-right AfD.

From a sector perspective, the basic materials sector was the strongest performer, as commodity prices continued their rally helped by Chinese demand. This was followed by the industrials sector, which benefited from good global growth indicators. The utilities sector led detractors this month followed by the telecommunications sector, amid a rise in government bond yields. On a stock level, OCI, the Dutch fertilizers producer, gained 29% after posting a better than expected increase in core earnings in the first half of the year, driven by higher sales. Alstom, the French industrial group, was another strong performer in September after agreeing to merger its transport business with that of its German peer Siemens, creating a European rail champion. Meanwhile, Greek lenders were among the biggest detractors on news that the European Central Bank (ECB) may decide to conduct stress tests on Greek banks in 2018 earlier than originally planned to address International Monetary Fund concerns. Gemalto, the digital security firm, was another big laggard after the anticipated three-year strategic plan was postponed, raising uncertainties about the business model in the eyes of many investors.

On the macroeconomic front, the European economy continued to surprise on the upside. While many predicated moderation or even a deceleration in activity levels, eurozone private sector activity surveys, known as Purchasing Managers Indices (PMIs), signalled a renewed impetus to already-impressive rates of growth in output, order books and employment during September. The PMI gauge for the European manufacturing sector strengthened to the greatest extent in over six-and-a-half years this month. Particularity impressive was the level of job creation, which rose to the greatest extent since the eurozone survey series began in June 1997. This data was complemented by the latest European Commission survey on economic sentiment, which stood at levels comparable to the peak in 2007. Eurozone GDP is now forecast to rise 2.1% in 2017, up from 1.4% market consensus at the start of the year.

On the monetary policy front, while no changes were made in September, the focus is on the upcoming ECB governing council meeting on 26 October. Many market participants expect the ECB to shed more light on its policy outlook and start making formal announcements about the future of its asset purchases.

UK

- Geopolitical uncertainty continued to weigh on global market sentiment
- Bank of England rhetoric pointed towards a November interest rate rise
- Oil majors performed strongly through the month as oil prices rose

The UK equity market closed September broadly flat, punctuated by volatility as continued geopolitical uncertainty around the US and North Korea weighed on global market sentiment. Sterling strengthened materially against the euro and US dollar, particularly after rhetoric from the Bank of England (BoE) made clear its intention to 'ease its foot off the accelerator' with an expected interest rate rise in November.

While increasingly hawkish in his tone on interest rates, Mark Carney, BoE governor, warned that a "pocket of risk" is emerging in consumer borrowing, where "responsible lending" was in danger of becoming "reckless lending" through credit cards and car loans.

Oil prices ticked up through the month, buoyed by the ebb and flow of expectations that Organisation of the Petroleum Exporting Countries (OPEC) members would extend the terms of their agreement to cap output; oil majors performed strongly on the back of rising oil prices.

Economic data continued to provide mixed signals around UK economic growth; the Office for National Statistics (ONS) revised down growth figures for the second quarter of the year. Slower growth in the last three quarters of 2016 brought year-on-year GDP growth in the second quarter down from 1.7% to 1.5%. Aggregate UK house prices across the country rose during the third quarter, showing year-on-year growth of 2.2%, but London house prices declined 0.6% over the quarter. The Purchasing Managers Index, tracking sentiment in the services sector, indicated a slowdown in services growth during August, most evident in consumer-facing services including cinemas, hotels and restaurants.

On the corporate news front, Capita reported falling profits and the premature termination of a major contract with the Ministry of Defence; the company guided for profits to rise modestly in the second half of this year as it continues to restructure. BAE Systems announced a deal with Qatar for 24 European Typhoon aircraft in Britain's first major defence contract with the Gulf state. Card Factory issued disappointing interim results, reporting falling profits as the company struggled to pass on cost pressures from currency and the living wage. Diageo was hit by a ban on the sale of alcohol near highways across India, which is expected to have a material impact on sales for the first half of the year. JD Wetherspoon reported a rise in full-year sales but remained cautious in its outlook; the pub chain expects rises in business rates, the minimum wage and alcohol duties to offset recent strong trading through the second half of the year. Half-year results from Next showed improved performance through the second quarter of the year, despite the tough backdrop for UK retailers. The company's outlook has become "somewhat less challenging", allowing management to modestly upgrade full-year sales and profit guidance.

Asia Pacific

- Asian equity market performance was mixed post strong gains year-to-date
- China's activity data continued to suggest economic expansion
- A snap election was called in Japan

Asian equity markets were mixed over the month post strong gains year-to-date. This was against a backdrop of geopolitical tensions pertaining to North Korea's weapon tests and US dollar strength due to the Federal Reserve's hawkish stance on interest rates and its announcement of a balance sheet reduction in the near term.

China's equity market ended the month higher, despite a sell-off towards the end of the month on the back of a ratings downgrade from S&P due to high debt and property measures aimed at curbing rising house prices. However, Chinese economic activity data in August continued to suggest economic expansion, with industrial profits showing strong growth. Elsewhere, South Korea was one of the region's better performing markets led by the technology sector, while in the Philippines, the passing of the 2018 budget by the House of Representatives and the announcement of tax reform measures drove the equity market to a new high. Conversely, Taiwan's market came under pressure from the adverse impacts on Apple's supply chain of production delays for iPhones and weak demand for the iPhone 8. In India, the equity market suffered outflows amid rising crude oil prices, concerns about its widening fiscal deficit and a moderating in interest rate cut expectations given the recent spike in inflation. Furthermore, the below consensus industrial production figure (as at July, year-on-year) revealed a broad-based weakness in activity, reflecting a continued drag from the impact of the Goods & Services Tax roll-out. Finally, the Australian market declined as the mining sub-sector was weighed down by falling commodity prices, with the price of oil being the only commodity to experience a strong rally.

Japan's equity market came under pressure early in the month on renewed geopolitical risk on the Korean peninsula, which along with a decline in US Treasury yields resulted in yen appreciation. However, the sell-off was short-lived – as they have proved to be in recent months – and market ended the month with solid gains in local currency terms. Investor risk-appetite picked up again as US yields climbed and the yen weakened. Markets climbed further after Prime Minister Shinzo Abe called a snap general election for 22 October, although the expected outcome is less certain now that Tokyo Governor Yuriko Koike has stepped forward to oppose Mr Abe as leader of a new party: the Party of Hope.

In terms of economic data, statistics showed weaker-than-expected capital expenditure at large manufacturers in the second quarter, although manufacturing surveys remained positive. Industrial production increased by a good 2.1% month-on-month in August, while trade data showed that both imports and exports were strong. Finally, the Economy Watchers' Survey for August said that current conditions were steady, with some improvement in the outlook.

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Emerging Markets

- China's sovereign credit rating was cut by S&P for the first time since 1999
- Equity markets in Brazil and Russia were boosted by lower interest rates
- Brent crude oil price climbed higher on supply concerns

For the first month this year emerging equity markets underperformed their peers in the developed world, although on a year-to-date basis they still remain comfortably ahead. The main drag on performance during September came from the EMEA (Europe, Middle East and Africa) region, with weakness most pronounced in Greece and Turkey. By comparison, Russia was a rare bright spot in the region, drawing comfort from stronger oil prices. Latin American equity markets finished in positive territory, with Brazil leading from the front, although confidence towards Mexico was dented following two devastating earthquakes. Equity performance in Asia was mixed with the Philippines and Thailand registering gains, whereas India and Taiwan both declined. Materials and telecoms were the worst performing emerging market sectors, while healthcare outperformed. The US dollar strengthened against a basket of currencies following hawkish comments from Janet Yellen (chairperson of US Federal Reserve) regarding US interest rate expectations. China's sovereign credit rating was cut by S&P Global Ratings for the first time since 1999.

Positive sentiment towards Brazil was boosted by another cut in interest rates and encouraging news on the economy. Brazil's central bank reduced rates by 100 basis points to 8.25%, but then signalled a slowdown in the pace of easing at its next policy meeting. The labour market continues to show signs of strength with new jobs being created and consumer confidence remaining stable at relatively high levels. Mexico was the weakest performing equity market in Latin America as the country started to recover from two large earthquakes. While economic activity is expected to contract in September, we expect a positive net impact on the economy once reconstruction and support is taken into account. Interest rates were cut in Peru from 3.75% to 3.5%.

Russia was the country winner in the EMEA region for the second consecutive month. Brent oil reached a two-year price high of US$59 a barrel after Turkey threatened to shut down Kurdish oil shipments through its territory. Economic news from Russia was positive, with inflation falling to 3.3%, the lowest ever recording. Waning inflationary pressures prompted the central bank to cut interest rates by 50 basis points to 8.5% and maintain its dovish outlook. Retail sales came in stronger than expected at 1.9% year-on-year. Turkey's equity market recorded its first monthly drop in ten months. While the economy continues to expand at a healthy rate – growing by 5.1% during second quarter 2017 – uncertainty around the Kurdish independence referendum in Iraq soured sentiment. Weakness in Greek equities was led by financials as the International Monetary Fund pushed for an asset-quality review of Greek banks. Political tension and currency losses took their toll on stock prices in South Africa, with food producers among the worst hit sectors.

MSCI US$ price index return	**(%, US$)**
	Sep 2017
Emerging markets	-0.5
Developed markets	2.1
Latin America	1.5
Emerging Asia	-0.3
EMEA	-4.2
Top five by country	
Russia	4.3
Brazil	4.2
Philippines	3.2
Pakistan	3.0
Thailand	2.8
Bottom five by country	
Greece	-14.1
Turkey	-9.7
South Africa	-7.0
Qatar	-5.5
Hungary	-5.3

Source: MSCI Indices, Bank of America Merrill Lynch, 30 September 2017.

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Fixed Interest

- Rising government bond yields led to weaker corporate bond markets
- The Bank of England hinted that it intends to raise UK interest rates in November
- The US Federal Reserve announced it would start reducing its balance sheet

Investment grade corporate bond markets were lower over the month, as rising government bond yields impacted on returns. High yield bond markets were the notable exception, with both US and European high yield bond markets delivering positive returns.

The sell-off in government bond markets was led by the Gilt market. The latest minutes from the Bank of England's Monetary Policy Committee (who have responsibility for setting UK interest rates) stated that, unless there is a significant downturn in economic data, some withdrawal of monetary stimulus is likely to be appropriate over the coming months. Financial markets have interpreted this and subsequent statements to mean that the Bank of England will increase interest rates by 0.25% at its November meeting.

In the US, the Federal Reserve (Fed) announced it would begin reducing the trillions of dollars' worth of bonds it amassed as part of its programme of economic stimulus following the Global Financial Crisis in 2008. From October 2017, the Fed will stop replacing a small portion of the bonds that mature each month. Initially this will result in a reduction of the Fed's balance sheet by US$10bn a month rising to US$50bn a month in two years. The announcement marks a significant change in policy, but it had been well telegraphed to the market and so had only a minimal impact on bond prices.

The sterling corporate bond market was lower on the month but it outperformed the Gilt market, with the premium over government bonds that UK companies need to pay to borrow falling on the month. There was a similar pattern of returns in the eurozone, but given the smaller move in core government bond yields, the fall in corporate bond market returns was less. Although returns were still negative, the best performing area of the sterling and euro denominated corporate bond markets was the financial sector. High yield corporate bond markets, which are less sensitive to rising government bond yields, delivered a small positive return. The best performing part of the high yield bond market was the utility sector.

One of the key focuses for markets in the coming months is likely to be reduction in economic stimulus provided by the European Central Bank. During his September news conference, ECB president Mario Draghi announced that the central bank was looking at how to reduce the amount of economic stimulus it is currently providing with an announcement expected in October.

Government Bonds	Yield to maturity (%)				
	30.09.17	31.08.17	30.06.17	31.03.17	30.09.16
US Treasuries 2 year	1.48	1.33	1.38	1.25	0.76
US Treasuries 10 year	2.33	2.12	2.30	2.39	1.59
US Treasuries 30 year	2.86	2.73	2.83	3.01	2.32
UK Gilts 2 year	0.47	0.18	0.36	0.13	0.10
UK Gilts 10 year	1.37	1.03	1.26	1.14	0.75
UK Gilts 30 year	1.92	1.70	1.87	1.73	1.49
German Bund 2 year	-0.69	-0.73	-0.57	-0.74	-0.68
German Bund 10 year	0.46	0.36	0.47	0.33	-0.12
German Bund 30 year	1.30	1.12	1.25	1.11	0.45

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 2017.

Corporate Bonds	Yield to maturity (%)/Spread[1] (bps)									
	30.09.17		31.08.17		30.06.17		31.03.17		30.09.16	
£ AAA	1.84	41	1.57	41	1.77	41	1.74	42	1.42	32
£ AA	1.94	71	1.68	72	1.89	71	1.79	79	1.55	77
£ A	2.51	114	2.24	115	2.45	116	2.42	129	2.17	129
£ BBB	2.82	151	2.59	157	2.79	158	2.81	180	2.65	183
€ AAA	0.72	53	0.65	54	0.88	60	0.78	66	0.41	63
€ AA	0.48	64	0.41	64	0.63	68	0.50	76	0.21	69
€ A	0.69	84	0.63	86	0.82	88	0.78	103	0.48	95
€ BBB	1.15	118	1.11	122	1.30	125	1.29	146	1.03	145
European High Yield (inc € + £)	3.54	277	3.56	288	3.79	301	4.18	369	4.35	428

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 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 30 September 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	2.3	5.0	9.4	16.5	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	3.1	4.7	7.8	12.6	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	1.5	5.3	11.0	20.7	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	4.0	6.3	11.0	17.0	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	-0.4	8.0	14.9	28.1	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.1	5.1	9.7	17.2	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	2.2	5.6	9.8	15.5	16.5	0.2	10.0	29.7	10.2
S&P 500	2.1	4.5	7.7	14.2	12.0	1.4	13.7	32.4	16.0
NASDAQ	1.1	6.1	10.5	21.7	8.9	7.0	14.8	40.1	17.5
Russell 2000	6.2	5.7	8.3	10.9	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	3.1	3.7	2.0	4.5	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	3.6	3.2	5.8	13.4	3.4	10.9	0.2	25.2	17.8
MSCI Europe	3.9	2.7	3.8	10.1	3.2	8.8	7.4	20.5	18.1
CAC 40	4.9	4.3	6.8	12.7	8.9	11.9	2.7	22.2	20.4
DAX	6.4	4.1	4.2	11.7	6.9	9.6	2.7	25.5	29.1
Ibex 35	1.1	0.3	1.0	14.1	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	5.1	10.8	13.8	21.5	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	2.6	2.8	5.8	11.4	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	4.1	6.8	6.6	14.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	3.8	4.2	9.4	17.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	4.5	18.1	6.5	1.6	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-1.7	8.6	10.0	11.6	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-0.9	8.9	8.5	12.6	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	-0.4	2.1	3.6	7.8	16.8	1.0	1.2	20.8	12.3
FTSE 100	-0.7	1.8	2.8	6.6	19.1	-1.3	0.7	18.7	10.0
FTSE 250	0.7	3.5	6.6	12.3	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	1.1	3.5	6.4	12.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	3.6	2.2	4.3	7.2	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	-1.2	8.6	17.9	29.8	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-0.4	4.9	3.9	7.9	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-1.7	1.1	4.0	15.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	-2.4	-0.6	5.3	11.6	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	1.3	0.1	10.8	18.2	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	0.6	1.2	6.0	11.4	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	2.7	4.2	11.8	19.5	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	3.7	7.3	8.5	11.7	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	-1.3	1.5	6.4	18.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	-3.1	7.4	10.5	20.8	1.5	-16.9	15.6	-1.5	19.8
ASX 200	0.0	0.7	-0.9	3.9	11.8	2.6	5.6	20.2	20.3
Topix	4.3	4.7	11.8	12.5	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	3.6	1.6	7.7	6.5	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	-0.3	6.0	12.7	27.2	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	1.6	15.1	13.3	27.0	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	-3.6	1.5	8.9	26.4	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	4.2	23.0	14.9	26.9	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	10.3	14.3	20.0	61.7	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	1.9	16.9	15.2	33.8	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	8.2	21.1	9.6	3.3	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	9.3	12.3	2.2	-3.9	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	1.3	5.0	-1.0	-4.3	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-2.5	3.3	2.9	10.9	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	14.5	50.5	4.6	41.1	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 03 October 2017.

Global currency movements – figures to 30 September 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.18	-0.8	3.4	10.9	12.3	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.88	-4.3	0.5	3.9	3.5	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.14	0.2	4.5	7.0	6.8	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.63	1.8	-0.1	0.7	0.5	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.41	1.8	-1.4	2.7	3.5	-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	4.31	1.5	1.9	1.9	-2.0	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	311.82	2.0	1.0	1.0	0.9	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	112.49	2.3	0.1	1.0	-3.8	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.25	-0.1	-3.8	-6.3	-7.2	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.56	4.2	3.8	1.0	-1.3	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.16	0.4	-4.4	1.2	-2.9	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1145.30	1.8	0.0	2.5	-5.1	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.33	0.5	-0.3	0.0	-6.5	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.33	0.5	-1.8	-3.0	-7.0	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.36	0.1	-1.4	-2.8	-6.3	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.75	-4.0	-3.2	-6.8	-7.9	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	18.16	8.0	6.8	7.8	7.1	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.78	-1.4	1.9	2.7	8.6	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.72	0.4	-1.7	2.9	3.7	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding. Data as at 03 October 2017.

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