Monthly Market Roundup
July 2018 (covering June 2018)

Global overview

- Concerns over the possibility of a US-China trade war unsettled global equity markets
- Markets need more clarity from the White House before its impact on global growth can be assessed
- Contrasting central bank messages came from the US and eurozone

Concerns over the possibility of a US-China trade war unsettled global equity markets to end June broadly flat on the previous month. Markets focused on simmering trade tensions, including President Trump's decision to impose tariffs on US$50bn of Chinese imports followed by new signals that it would target an additional US$200bn in goods if Beijing retaliated.

Markets need more clarity from the White House on its plans, however, before the outlook for trade and its impact on global growth can be assessed. Tough trade talk is nothing new for 2018, but there is a sense that stress is intensifying between the US and China. This could take its toll on markets amid concerns that global trade restrictions could curb global economic growth.

Contrasting central bank messages came from the US and eurozone. The US Federal Reserve raised interest rates in June for the second time this year, as expected. It also signalled that it expected two further increases in 2018 – one more than it had previously forecast. The move up reflects continued robust growth and rising inflation in the world's largest economy.

The European Central Bank (ECB), however, said it planned to halt its quantitative easing programme (the introduction of new money into the money supply by a central bank) in December – after halving its asset purchases from October – but said that interest rates were unlikely to rise before the end of next summer.

Meanwhile, the Bank of England's Monetary Policy Committee voted in favour of maintaining the current interest rate at its June meeting. The result suggests that momentum is building for a rise in the interest rate later this year.

Rising interest rates in the US and growing concerns over trade protectionism provided headwinds for emerging equity markets.

Japan's equity market started the month on a positive note, with investor sentiment buoyed by yen weakness and US job numbers. However, initial gains were reversed as US-China trade tensions escalated.

Within fixed interest markets, euro denominated credit spreads (the additional yield over government bonds that companies must pay to borrow) initially tightened before widening from the middle of the month. The turning point was the ECB's guidance on future monetary policy.

US

- The US equity market made gains despite rising trade protectionism
- The US Federal Reserve raised interest rates in June for the second time this year
- US unemployment reached its lowest level in 18 years

The US equity market ended June in positive territory despite lingering concerns over the impact of potential global trade restrictions. Markets focused on simmering trade tensions, including President Trump's decision to impose tariffs on US$50bn of Chinese imports followed by new signals that it would target an additional US$200bn in goods if Beijing retaliated.

Markets need more clarity from the White House on its plans, however, before the outlook for trade and its impact on global growth can be assessed. Tough trade talk is nothing new for 2018, but there is a sense that stress is ratcheting up between the US and China. This could take its toll on markets amid concerns that global trade restrictions could curb global economic growth.

In fact, the industrials sector was negatively impacted after President Trump announced the US$50bn of tariffs on imported Chinese goods. These tariffs directly affect aerospace, industrial machinery, raw materials, and automotives. Stocks including Boeing and Caterpillar fell after the tariffs were announced and the sector ended the month on a disappointing note. The financials sector experienced its fifth straight month of declines and the longest such losing streak since September 2011.

Meanwhile, consumer areas were among the strongest performers over the month. The consumer discretionary sector specifically experienced its longest quarterly winning streak since records began almost three decades ago. The share price gains for a number of retailers and department stores came on the back of upbeat quarterly results. The sector's growth was fuelled mostly by Amazon, of course, the largest component of the sector. The sector rally also came as US consumer spending regained momentum in the second quarter following a sluggish start to the year. Economists also expect that the US tax overhaul will provide a further boost to spending on discretionary items. Other areas of strength included energy after oil rose above US$70 a barrel following reports that the US is pressing allies to halt imports of Iranian crude oil; and the telecoms sector, which consists of just three companies. The sector's gains were despite a fall in the share price of AT&T after a judge gave the company's US$80bn takeover of Time Warner its blessing. The deal will fuel the mobile-phone giant's evolution into a media powerhouse and could spark a wave of new mergers.

The US Federal Reserve raised interest rates in June for the second time this year, as expected. It also signalled that it expected two further increases in 2018 – one more than it had previously forecast. The move up reflects continued robust growth and rising inflation in the world's largest economy. The Bureau of Labour Statistics reported in June that the US jobless rate hit 3.8% in May, the lowest level since 2000. Some 223,000 jobs were created in May in a continuation of one of the longest periods of growth in the country's recent history.

In terms of corporate news, global deal-making reached US$2.5 trillion in the first half of 2018, breaking the all-time high for the period in spite of an increasingly challenging geopolitical backdrop. A wave of mega deals led by the US media and telecoms sector helped to lift worldwide deal volumes 65% from the same time a year ago. US cable group Comcast and media rival Disney are locked in a US$70bn bidding war to buy the majority of Rupert Murdoch's 21st Century Fox, as well as a £22bn battle to acquire pan-European broadcaster Sky.

Europe

- European equity markets ended June broadly flat
- Eurozone PMIs demonstrated resilience, having risen again in June
- Headline inflation rose to 2.0%, while core inflation slipped back to 1.0%

European equity markets ended June broadly flat, though this masked wide divergence between countries. German and French indices fared worst posting negative returns, while Spanish and Italian indices rebounded strongly from poor performance in May. This was all against a backdrop of rising geopolitical tensions caused by protectionist rhetoric from the United States.

Within the market, it was utilities, consumer staples and health care sectors which led the way amid an environment of falling German bund yields, while consumer discretionary proved to be the key laggard sector. Shares in Osram Licht, the German capital goods and industrial engineering firm, proved weakest during June with the firm issuing a profit warning, citing a more difficult automotive environment on the back of order delays and trade war uncertainty. Meanwhile, Italian name Banco BPM was one of the best performers within the European market, rebounding well after share price weakness in May.

The rise in the headline rate of inflation from 1.9% in May to a 16-month high of 2.0% was in line with the consensus forecast. As expected, it almost entirely reflected the impact of higher oil prices on energy inflation. By contrast, core inflation (which excludes food, energy, alcohol and tobacco) fell back to 1.0%. A decline in June always seemed likely as the earlier timing of the Whitsun holiday this year pushed up the inflation rate for package holidays, transport and accommodation in May. At 1.0% in June, core inflation was in line with its average over the past 12 months.

June's rise in the eurozone Purchasing Managers' Index (PMI) – which are private sector activity surveys and good lead indicators for economic growth – provided some reassurance that the softness recorded so far in 2018 is not the start of a sustained downturn, and that the pace of GDP growth will remain fairly healthy. The increase in the index from May's 54.1 to 54.8 in June was better than the small fall expected by the consensus (readings over 50 indicate 'expansion').

Data on the consumer sector was slightly disappointing. French consumer spending on goods rose by 0.9% in May, only partly reversing April's 1.5% drop, while retail sales in Germany and Spain fell by 2.1% and 0.1% respectively in May.

The European Council meeting and subsequent Euro summit were initially mooted to make great strides towards greater eurozone integration, with the prospect of a eurozone budget and reform of the ESM (European Stability Mechanism) bailout facility high on the agenda. However, renewed political turmoil over immigration has pushed this topic to the front of the agenda. Policymakers reached a preliminary agreement on managing migration from outside the bloc. But the plans were light on detail, so might not placate anti-immigration movements for long.

Invesco Perpetual

UK

- Global trade tensions caused UK equity markets to fall during June, the first month of negative performance in the second quarter of 2018
- The Bank of England voted to hold interest rates at 0.5% following weak economic data released in May
- London house prices fell in June, the first time that prices have not risen in more than five years

The UK equity market fell modestly in June, as geopolitical tensions caused global market uncertainty. Mounting fears of global trade wars were fuelled by protectionist rhetoric from the United States against China, as well as the nation's western allies.

At home, the Bank of England's Monetary Policy Committee (MPC) voted 6-3 in favour of maintaining the current interest rate at its June meeting. The result suggests that momentum is building for an interest rate rise later this year, as the MPC was split 7-2 in favour of maintaining the status quo at the previous vote in May. Positive economic data released in June included a 3.9% increase in UK retail sales, boosted by the Royal Wedding and unusually warm weather, and the UK Consumer Price Index which rose by 2.4% driven by rising fuel costs. Housing market data released during the month also showed that house price growth in the UK reached its slowest pace seen in five years, while average prices fell in London – a sign of the pressures facing the housing market at present.

June brought further woe to the UK high-street as House of Fraser announced plans to close 31 stores, a move which was later approved by the company's creditors. This is the latest high-profile use of company voluntary agreements, which aim to restructure and reduce rent costs for struggling businesses. Elsewhere in UK retail, John Lewis announced that half-year profits would be close to zero and discount store chain Poundworld fell into administration, after failing to secure a buyer. Meanwhile, department store Debenhams issued a profit warning mid-month citing increased discounting from competitors and weaker than expected trading for May and early June. The update, which stated that pre-tax profit for the year would be lower than consensus estimates, caused some notable share price volatility. Online fashion house boohoo.com announced a 53% increase in sales for the three months to May compared to the year before. The market responded negatively to the news, having seemingly anticipated better results – a sign of the increasing expectations of the potential for online retailers. However, it was not pure gloom for traditional retail during June, with Sainsburys, Tesco and Next amongst the UK equity markets top performers over the month and Marks & Spencer remained in the FTSE 100, despite concerns that recent performance could see it demoted by the large cap index.

Elsewhere, the government sold some of its stake in Royal Bank of Scotland during June – the state's remaining holding reflects 62.4% of the bank's share capital. The Treasury's disposal of the shares, which were sold below market value, suggests increasing confidence that the bank can be returned to fully private ownership. Shares in outsourcer Capita were supported by news of new contracts awarded in June, including for the Department of Work and Pensions and the Ministry of Defence.

Shares in telecommunications giant BT rose modestly during the month, supported by news that the current Chief Executive Officer would step down later this year. Shares have come under distinct pressure over the past 18 months, with a fraud investigation of the company's Italian division, weak earnings and high-profile job cuts all contributing to the mounting pressure facing the company's executives.

Towards month end, UK defence firm BAE Systems won a contract to produce submarine designs for the Australian Government worth more than £20bn. The firm also announced a successful bid to produce US Marine tanks worth an estimated US$200m.

Asia Pacific

- US-China trade tensions rumbled on
- China's economic data surprised on the downside
- Japan's gains reversed as trade tensions intensified

Most Asian equity markets ended the month lower as a number of factors negatively impacted on investor sentiment. These included concerns over an increase in trade war tensions, a US interest rate hike and poor Chinese economic data.

The Chinese equity market was weak as the Trump Administration released a final list of tariffs on US$50bn worth of Chinese imports and also threatened new tariffs on an additional US$200bn worth of Chinese imports. Later in the month, risk aversion increased thanks to fears of US officials barring Chinese firms' access to US technology. Meanwhile, China's economic activity data (May) surprised on the downside which points to a negative impact from continuous deleveraging efforts. Later in the month, the People's Bank of China announced a reserve ratio cut of 0.50% (The reserve ratio is the portion of depositors' balances that banks must have on hand as cash) to generate liquidity in the market to encourage greater lending and support growth.

In India, sentiment was dampened as corporate earnings revisions were revised down while the macroeconomic backdrop remained under pressure. Crude oil prices moved higher despite the announcement by OPEC (Organization of the Petroleum Exporting Countries) to increase supply, as the US imposed sanctions on Iran, while the economic data (May) highlighted industrial production disappointment, trade deficit deterioration and increasing inflation. Elsewhere, Korea saw its second largest monthly correction (reverse movement, usually negative, of at least 10% in a stock, bond, commodity or index to adjust for an overvaluation) year-to-date as the escalation of trade tensions weighed on overall equity performance, while both trade tensions and concerns surrounding the FTSE rebalancing weighed on investor sentiment in Taiwan. Finally, Australia's equity market outperformed, driven higher by energy and technology stocks and better-than- expected first quarter real GDP.

Japan's equity market started the month on a positive note, with investor sentiment buoyed by yen weakness and US job numbers. However, initial gains were reversed as US-China trade tensions escalated, with concerns surrounding related trade friction. In terms of sector performance, although yen depreciation acted as a support to Japanese exporters and global cyclical sectors (sectors which are highly correlated to economic activity), these areas underperformed as global trade tensions intensified. The energy sector outperformed notably thanks to higher crude oil prices, as did less economically sensitive sectors such as healthcare and consumer staples.

In terms of macroeconomic data, CPI (Consumer Price Index) inflation crept higher reflecting higher energy prices, as well as a slight increase in the cost of durable goods. Wages rose 2.1% in spring negotiations, reflecting a tight labour market, with the unemployment rate falling to 2.2%, a 25-year low. Retail sales came in weaker than expected, and although robust exports growth in May surprised positively, early manufacturing surveys suggested export orders were down in June.

Emerging Markets

- A US interest rate hike and trade protectionism provided headwinds for emerging market equities
- China's renminbi declined by 3.3% versus the US dollar
- Erdogan and Obrador won presidential elections in Turkey and Mexico respectively

Increasing US interest rates and growing concerns over trade protectionism provided headwinds for emerging equity markets in June. All the regions registered losses with Asia, led by Thailand and Korea, being the laggard. Latin American equity markets also came under pressure although country performance here varied significantly with weakness in Brazil being offset by strength in Mexico. The EMEA (Europe, Middle East and Africa) region finished the month in negative territory with Turkey and South Africa being the weakest performers. All sectors in emerging markets, with the exception of media, fell in value. With the US Federal Reserve continuing to shrink its balance sheet, albeit at a gradual pace, while remaining in an interest rate hike cycle, the US dollar appreciated against all emerging market currencies with the Chinese renminbi registering its biggest monthly decline (3.3%) since 1994.

Mexico stood out as the star performer in what otherwise was a lacklustre month for Latin American equity markets. Mexico's presidential election dominated the headlines as anti-establishment candidate, Andres Manuel Lopez Obrador (Amlo), convincingly won the popular vote. The final outcome was not a surprise given the commanding lead Amlo had in the opinion polls leading up to the ballot. Mexico's new leader will not be inaugurated until 1 December. In other developments in Mexico, following the hike in US interest rates, Banxico raised its policy rate by 0.25%, to 7.75%. By comparison, Brazil's equity market had a disappointing month with sentiment knocked by the recent truck drivers' strike which called into question the government's commitment to introduce further reforms. Brazil's central bank cut its growth forecast for this year to 1.6% from 2.6%. The International Monetary Fund stepped in to shore up the Argentinian economy with a US$50 billion loan, following a request from the country's government.

Confidence towards Greece was lifted by news of a deal being struck on debt relief by European leaders, heralding the end of the eight-year bailout effort which followed the financial crisis. Greece is set to exit from its bailout programme in August this year. It was a calmer month for Russia's equity market as oil prices continued to climb higher. By contrast, industrial metals were down 5% on concerns over China growth and trade tensions. Weaker metals prices – gold slipped 3.5% – soured sentiment towards South African mining stocks. Turkey was the weakest performing equity market in EMEA as accelerating inflation – annual CPI jumped to 15.4% in June from 12.2% the previous month – put more pressure on the central bank to raise interest rates again following the 1.25% hike to 17.75% on 7 June. President Erdogan won Turkey's presidential election in the first round with 53% of the vote.

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Fixed Interest

- Talk of trade wars continued to dominate the news headlines
- The US Federal Reserve revised up its expectation for interest rate hikes
- The ECB signalled that there will be no change to interest rates until the summer of 2019 at the earliest

The trade disputes between the US and the rest of the world continued to make headlines during June. Responding to the American Government's earlier decision to add tariffs to European steel and aluminium imports, the European Union imposed its own tariffs on imports from a selection of American manufacturers. The Trump Government has subsequently responded, stating that European automobile manufacturers face the prospect of 20% tariffs if barriers to US exports are not broken down.

Given the negative headlines, the European automobile sector was the weakest performing area of the euro denominated investment grade corporate bond market during June. Nonetheless, in what was the biggest hybrid bond sale so far this year, Volkswagen was able to raise €2.75bn, albeit at a higher yield than for similar bonds issued in June last year.

Elsewhere, German chemical company, Bayer raised €5bn in the euro denominated market to help fund its acquisition of Monsanto. This followed US$15bn raised by Bayer in the US dollar market. The multi-tranche deal highlighted investors' differing attitudes to risk in each market. Bayer had to offer around 0.3% extra yield over its existing euro denominated debt, but the US bonds were issued much closer to the price of its existing dollar denominated bonds.

Political uncertainty continued to cause volatility within the Italian bond market. During the latest auction of Italian Government 5- and 10-year bonds, the volume of bids received was at its lowest level so far this year.

As was widely expected, the US Federal Reserve (Fed) hiked the Fed Funds rate by 0.25% taking the upper bound of the rate to 2.0%. However, of more interest to markets was the increase in forecasts. The Fed now expects to hike four times in total this year and three more times in 2019. Previously, it had forecast three hikes in 2018 and two in 2019.

In the eurozone, the ECB announced its intention to end its bond buying programme at the end of this year (the introduction of new money into the money supply by a central bank). This message was offset by an announcement that all three of the ECB's policy rates would remain at their current levels until at least the summer of 2019. This pushed out expectations of any interest rate hike until 2020 and helped short-dated euro denominated bond yields to fall.

Euro denominated credit spreads (the additional yield over government bonds that companies must pay to borrow) initially tightened before widening from the middle of the month. The turning point was the ECB's guidance on future monetary policy.

Investment risks
The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Government Bonds

Yield to maturity (%)

	30.06.18	31.05.18	31.03.18	31.12.17	30.06.17
US Treasuries 2 year	2.53	2.43	2.27	1.88	1.38
US Treasuries 10 year	2.86	2.86	2.74	2.41	2.30
US Treasuries 30 year	2.99	3.03	2.97	2.74	2.83
UK Gilts 2 year	0.72	0.61	0.82	0.44	0.36
UK Gilts 10 year	1.28	1.23	1.35	1.19	1.26
UK Gilts 30 year	1.74	1.70	1.71	1.76	1.87
German Bund 2 year	-0.67	-0.66	-0.60	-0.63	-0.57
German Bund 10 year	0.30	0.34	0.50	0.43	0.47
German Bund 30 year	1.02	1.03	1.16	1.26	1.25

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 June 2018.

Corporate Bonds

Yield to maturity (%)/Spread[1] (bps)

	30.06.18		31.05.18		31.03.18		31.12.17		30.06.17	
£ AAA	2.12	69	2.03	66	2.11	61	1.85	45	1.77	41
£ AA	2.05	81	1.97	80	2.03	74	1.78	67	1.89	71
£ A	2.70	136	2.62	135	2.63	125	2.40	111	2.45	116
£ BBB	3.14	181	3.02	176	3.05	161	2.70	146	2.79	158
€ AAA	0.67	61	0.67	61	0.72	50	0.68	47	0.88	60
€ AA	0.49	71	0.52	72	0.55	61	0.45	55	0.63	68
€ A	0.82	101	0.82	100	0.79	82	0.69	75	0.82	88
€ BBB	1.42	151	1.38	145	1.27	117	1.13	104	1.30	125
European High Yield (inc € + £)	4.16	399	4.15	380	3.86	327	3.53	294	3.79	301

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 June 2018.

[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 currency movements – figures to 30 June 2018

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.17	-0.1	-5.2	-2.6	-2.6	14.1	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.88	0.6	0.6	-0.4	-0.4	4.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.16	0.4	-1.5	-1.0	-1.0	9.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	10.46	1.5	1.7	6.2	6.2	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.52	-0.5	-1.6	-3.4	-3.4	8.4	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.45	0.1	0.0	0.1	0.1	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.37	1.3	3.7	4.7	4.7	-5.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	329.28	3.0	5.3	5.9	5.9	0.5	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	110.68	1.7	4.1	-1.8	-1.8	-3.6	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.31	1.3	1.8	4.4	4.4	-6.4	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.73	8.1	16.0	11.0	11.0	-9.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.88	4.1	17.3	17.0	17.0	1.8	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1115.04	3.2	5.1	4.5	4.5	-11.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.48	1.6	4.8	2.7	2.7	-8.6	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.03	3.0	5.9	1.4	1.4	-9.2	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.36	1.9	4.0	1.9	1.9	-7.7	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.76	0.8	6.3	2.5	2.5	-8.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	18.13	7.3	9.3	8.4	8.4	-1.4	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.74	-2.2	-3.6	-5.1	-5.1	8.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.68	-3.3	-6.5	-4.5	-4.5	2.0	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding.

Global equity and commodity index performance - figures to 30 June 2018 (%)

	1 Month	3 Months	6 Months	YTD	2017	2016	2015	2014	2013	2012
Global US & Canada										
MSCI World (US$)	0.0	1.9	0.8	0.8	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	-0.1	0.0	-3.0	-3.0	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	0.1	3.7	4.4	4.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	-0.3	3.4	2.9	2.9	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	-4.1	-7.9	-6.5	-6.5	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	-0.3	0.9	0.0	0.0	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	-0.5	1.3	-0.7	-0.7	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	0.6	3.4	2.7	2.7	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	1.0	6.6	9.4	9.4	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	0.7	7.8	7.7	7.7	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	1.7	6.8	2.0	2.0	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa										
FTSE World Europe ex-UK €	-0.5	2.5	-1.1	-1.1	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-0.7	4.4	0.1	0.1	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	-1.0	5.6	3.0	3.0	12.7	8.9	11.9	2.7	22.2	20.4
DAX	-2.4	1.7	-4.7	-4.7	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	2.0	1.2	-2.3	-2.3	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-0.5	-1.2	1.6	1.6	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	1.8	-1.5	-8.2	-8.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-0.1	6.0	3.6	3.6	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-1.9	2.6	0.2	0.2	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	0.6	-5.8	3.0	3.0	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-0.5	-8.6	-6.9	-6.9	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	2.8	4.5	-1.7	-1.7	21.0	2.6	5.1	10.9	21.4	26.7
UK										
FTSE All-Share	-0.2	9.2	1.7	1.7	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	-0.2	9.6	1.7	1.7	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	0.1	8.1	1.9	1.9	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-1.2	7.1	0.1	0.1	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	0.5	12.6	3.4	3.4	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan										
Hong Kong Hang Seng	-4.5	-2.5	-1.6	-1.6	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-8.0	-10.1	-13.9	-13.9	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-4.7	-3.3	-2.3	-2.3	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	-0.4	-0.6	1.8	1.8	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	-4.0	-4.9	-5.7	-5.7	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	-3.1	-6.3	-8.8	-8.8	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-4.0	-9.9	-15.9	-15.9	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	-7.6	-9.3	-7.3	-7.3	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	0.4	7.8	4.7	4.7	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	-6.7	-6.2	-3.9	-3.9	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	3.3	8.5	4.3	4.3	11.8	11.8	2.6	5.6	20.2	20.3
Topix	-0.8	1.1	-3.7	-3.7	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	0.5	4.0	-2.0	-2.0	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	-3.7	-3.5	-4.1	-4.1	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America										
MSCI EM Latin America (US$)	-3.0	-17.7	-11.0	-11.0	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	9.3	-3.5	-2.6	-2.6	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-8.3	-26.4	-17.2	-17.2	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	-22.0	-41.9	-45.1	-45.1	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	-5.0	-11.0	-9.5	-9.5	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities										
Oil - Brent Crude Spot (US$/BBL)	1.4	12.3	16.1	16.1	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	10.7	14.3	22.6	22.6	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-1.1	3.1	4.3	4.3	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-4.1	-5.5	-4.0	-4.0	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	27.1	31.3	1.4	1.4	42.1	101.0	-38.9	-65.7	225.8	-59.8

Past performance is not a guide to future returns.
Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated.

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