Monthly Market Roundup
August 2017 (covering July 2017)

Global overview

- Global equity markets remained near all-time highs
- Appetite for risk remained robust across asset classes
- Economic data largely supported the global growth story

Global equity markets reached all-time highs in July after more than US$10 trillion was added to their value in the first half of the year. Appetite for risk remained robust, with investors' risk tolerance across many different asset classes at a three-year high (based on measures of volatility) and in line with levels seen before the 2008 global financial crisis. Economic data largely supported the global growth story over the month.

The rate of US growth picked up steam in the second quarter, growing at an annualised rate of 2.6%, from 1.2% in the first quarter. The US Federal Reserve (Fed) said that near-term risks to the economic outlook appeared balanced. Indeed, the number of jobs being generated by the US economy beat all expectations in June. Some 220,000 jobs were added in the month, markedly higher than expectations. However, the sustained weakness in wage growth could fuel the debate over when the Fed should next raise interest rates.

Investors looking for clues about the future of monetary policy in the eurozone were kept waiting, as the European Central Bank (ECB) maintained policy interest rates unchanged in July and gave very little away regarding the outlook of its quantitative easing (QE) programme beyond 2017. On the macroeconomic front, the euro-area economy maintained its steady and broad-based expansion. Private sector activity surveys continued to indicate robust growth across the manufacturing, services and composite sectors of the economy. The consensus eurozone GDP growth forecast for 2017 was revised upwards to 2% in July, according to Bloomberg.

The UK equity market closed July marginally higher after a quieter month on the macroeconomic front. Economic readouts continued to provide mixed signals of growth in the UK economy. Warmer weather boosted UK retail sales in June, but doubts over consumers' ability to bolster economic growth continued. A report from Barclaycard showed UK consumer spending growth had slowed.

Economic data showed a virtuous cycle unfolding in Japan between gradually rising incomes and consumer spending, supported by labour market tightness (more jobs than workers, resulting in low unemployment). Furthermore, five of the central bank's nine regional governors increased their monthly assessment of local conditions in July, citing resilient consumption, solid overseas demand and increases in business investment. Japan's equity market edged higher in July, ending the month with a small positive return in local currency terms. Japanese companies made a strong start to the first quarter earnings reporting season, and results so far have generally been pretty solid.

Emerging equity markets also performed strongly in July, drawing support from improving fundamentals and encouraging news on the corporate earnings front. The best performing region was Latin America, followed by EMEA (Europe, Middle East and Africa). Equity markets in Asia, led by China, also advanced higher. Sentiment towards China was boosted by encouraging news on the economy – second quarter GDP grew by 6.9% year-on-year, above consensus estimates. Most major commodity prices generally rallied during the month, driven likely in part by a weakening US dollar and strengthening Chinese economic data.

Decreasing inflation data and the tempering of central bank rhetoric helped corporate bond markets to outperform government bonds. The premium over government bonds that corporates pay to borrow is now at its lowest level since 2015. Financials were once again the best performing part of the corporate bond market with the highest returns from subordinated financial bonds.

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US

- The rate of US economic growth picked up steam in the second quarter
- The share price of healthcare stocks slipped when President Trump's healthcare reform bill ended in failure
- Energy stocks rebounded over the month with a recovery in oil and gas prices

The US equity market remained within earshot of all-time highs in July supported by the latest set of corporate results. Generally positive earnings bolstered confidence in the strength of the US economy. The rate of US growth picked up steam in the second quarter, growing at an annualised rate of 2.6%, from 1.2% in the first quarter. The US Federal Reserve (Fed) said that near-term risks to the economic outlook appeared balanced. Indeed, the number of jobs being generated by the US economy beat all expectations in June. Some 220,000 jobs were added in the month, markedly higher than expectations. However, the sustained weakness in wage growth could fuel the debate over when the Fed should next raise interest rates.

During the month, Fed chair Janet Yellen signalled that the central bank wouldn't rush to increase interest rates and would do so only gradually; the US stock market rallied in response. Telecoms and IT were the best performing sectors. Within telecoms, the share price of Verizon Communications climbed significantly on strong subscriber numbers, as it reported in-line earnings results and beat revenue expectations. The share price of AT&T also grew at a good pace ahead of its merger with media and entertainment company Time Warner. While the IT sector experienced a steep and sudden sell-off towards the end of the month – Alphabet and Amazon shares, for example, fell on disappointing corporate results – it did little to dent its overall upward trajectory. Online payment company PayPal, for instance, saw its share price rise after it announced that customers would be able to use PayPal on Apple products.

The healthcare sector was among the weaker performers over the month. The share price of healthcare stocks slipped when President Trump's health-care reform bill ended in failure. Furthermore, the White House's inability to enact healthcare legislation undermined faith in the Trump administration's capacity to pass plans for tax cuts and fiscal stimulus. Energy stocks rebounded over the month. A recovery in oil and gas prices to around US$50 a barrel (for the first time since May) helped firms such as Chevron and ExxonMobil to report bumper profits.

In corporate news, US-based luxury lifestyle brand, Michael Kors, had agreed to buy London-based Jimmy Choo for US$1.2bn; Discovery Communications, owner of the Discovery Channel and Animal Planet, has agreed to buy Scripps Networks for US$14.6bn in a deal that combines two major US television companies; and Amazon's market value hit the half-a-trillion dollar mark for the first time on 26 July, joining an elite group of companies valued north of US$500bn. The other US members are Apple, Alphabet and Microsoft.

Europe

- European equity markets were largely unchanged in July
- Eurozone unemployment continued to tick down, reaching 9.1%
- ECB maintained the status quo

European equity markets remained broadly flat in local currency terms, but rose in sterling terms amid an appreciation of the euro. Investors looking for clues about the future of monetary policy in the eurozone were kept waiting, as the European Central Bank (ECB) left policy interest rates unchanged in July and gave very little away regarding the outlook of its quantitative easing (QE) programme beyond 2017.

On a sector level, the telecommunications sector was the strongest performer in July. After lagging in June given the introduction of a new regulation that eliminated retail roaming charges in the EU, the sector rebounded strongly, buoyed by strong sales and earnings surprises. The financials sector was also a leading outperformer this month. Meanwhile, the healthcare sector was the biggest detractor followed by the industrials sector. On a stock level, Aker BP, the Norwegian oil exploration company, was among the strongest performers after reporting strong second quarter results and increasing its total production forecasts for 2017. Pandora, the Danish jewellery maker, was another strong performer. After a difficult start to the year, the company benefited from data pointing towards improved sales momentum in the second quarter of 2017 and signs of store expansion starting to pay off. Meanwhile, Siemens Gamesa Renewable Energy, a Spanish-listed green energy equipment company, was among the biggest detractors in July. The share price dropped by around 24% after the group reported unexpectedly poor results. Orion, the Finnish-listed specialty pharmaceutical company, was another big detractor this month after reporting revenues which fell short of expectations.

On the macroeconomic front, the euro-area economy maintained its steady and broad-based expansion. Private sector activity surveys continued to indicate robust growth across the manufacturing, services and composite sectors of the economy. Data released in July showed eurozone industrial production (excluding construction) growing 4% year-on-year, a level not seen since 2011, and up from 1.4% in June. Meanwhile, eurozone unemployment continued to edge lower, reaching 9.1% and underpinning domestic demand. The consensus eurozone GDP growth forecast for 2017 was revised upwards to 2% in July, according to Bloomberg.

Given the strengthening growth indicators, inflation remains a key factor in determining the future path of monetary policy in Europe. In July, headline inflation stayed constant at 1.3% in the eurozone, while core inflation ticked up to 1.2% from 1.1% in June. As the ECB takes time to calibrate its monetary policy for 2018, it upheld the accommodative bias of its QE programme and maintained an environment aimed at supporting economic growth.

UK

- Economic data continued to provide mixed signals of growth in the UK economy
- The UK Government published a set of papers outlining its position on a range of areas as Brexit negotiations got underway
- The month was busy on the corporate news front, with a swathe of results reported through the second half of July

The UK equity market closed the month marginally higher after a quieter month on the macroeconomic front. Economic readouts continued to provide mixed signals of growth in the UK economy; real GDP growth was close to 2% in the four quarters to the end of quarter one 2017, but grew by just 0.2% in the first quarter. Warmer weather boosted UK retail sales in June, with total sales (excluding fuel) up 3% in the month, up from 0.6% in May, but doubts over consumers' ability to bolster economic growth continued. A report from Barclaycard showed UK consumer spending growth slowing; expenditure on essential items was down from 11.4% in April to 3.1% in June.

The UK Government published a set of papers outlining its position on a range of areas ahead of Brexit negotiations, which continued to dominate the political backdrop. Ofgem – the energy regulator – announced plans to introduce a "safeguard tariff" to help protect the UK's poorest households, falling short of the Conservative Government's election manifesto pledge. Centrica, the owner of British Gas, and SSE were among the major gainers following the news, seen as further evidence that a broad brush price cap is off the political agenda.

July was particularly busy on the corporate news front, with a swathe of results reported through the second half of the month. M&S reported a fall in quarterly clothing revenue and missed estimates for food sales, adding to evidence of diminished consumer confidence as rising inflation squeezes disposable incomes.

AstraZeneca's trial of next-generation cancer drug Imfinzi failed to reach its endpoints for progression-free survival – the trial will continue to overall survival data in 2018, but the news came as a major blow to the prospects for the immunotherapy drug. Separately, AstraZeneca also announced the successful completion of the FLAURA trial, testing lung cancer drug Tagrisso, which demonstrated a significant progression free survival benefit relative to current standard treatments. British American Tobacco completed its US$49.4bn buyout of Reynolds American and confirmed plans to launch its 'heat-not-burn' tobacco device Glo in the US market next year. Into month-end, tobacco stocks sold off sharply following an announcement by the US Food & Drug Administration of plans to launch a consultation on lowering nicotine levels in combustible cigarettes. Heavyweight cost-cutting and some recovery in oil prices fuelled a surge in profits from Royal Dutch Shell. First quarter profits (on a current cost of supplies basis, excluding exceptional items) more than trebled to US$3.6bn in the first half of 2017, up from US$1bn in the first half of 2016. International Consolidated Airlines confirmed a double-digit rise in first half profits – despite the group's Bank Holiday power outage – supported by ticket pricing. CEO Willie Walsh said "the underlying trend in unit revenue improved, benefiting partially from Easter and a weak base last year."

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Asia Pacific

- Asian equity markets continued to rally in July
- China reported encouraging economic data
- Japan's equity market edged higher, supported by solid quarterly earnings

Asian equity markets continued to rally in July on positive earnings revisions, solid global growth and a lift in risk appetite as the US Federal Reserve signalled gradual interest rate hikes.

In China, the equity market rose over the month, helped by encouraging economic data. In particular, second quarter GDP grew by 6.9% year-on-year, which was ahead of expectations. Broad-based strength in the economy was evident in the industrial production and retail sales data, all of which suggested that China's growth momentum remained stable in the near term. Elsewhere, Indian equities continued their strong momentum, outperforming the region driven by a number of factors: positive news flow surrounding the implementation of the 'Goods & Services Tax'; decent first quarter earnings; and expectations of interest rate cuts given soft inflation trends. Furthermore, a move by the leading political party, BJP (Bharatiya Janata Party), to create an alliance with JDU (Janata Dal United) to form a government in Bihar also aided inventor sentiment. Although the Korean equity market also made gains, it underperformed the region partly due to a noticeable correction in tech stocks, as the market began to anticipate the end of a market upturn. The performance of other markets also lagged. For example, Taiwan's market ended the month only marginally higher, as 2018 earnings per share forecast revisions turned modestly negative, while in Australia, the market was almost flat as industrial stocks with overseas exposure suffered from a sharp rise in the Australian dollar. Finally, most major commodity prices rallied during the month, driven in part by a weakening US dollar and strengthening Chinese economic data.

Japan's equity market edged higher in July, ending the month with a small positive return in local currency terms. Japanese companies made a strong start to the first quarter earnings reporting season, and results so far have generally been pretty solid. A number of companies also raised their full year earnings guidance earlier than is usually expected. However, positive equity market momentum was tempered by rising global interest rates and the ruling Liberal Democratic Party's heavy defeat in the Tokyo Metropolitan Assembly election.

The Bank of Japan's quarterly economic survey indicated that large manufacturers are seeing improving business conditions. Economic data shows a virtuous cycle unfolding between gradually rising incomes and consumer spending, supported by labour market tightness (more jobs than workers, resulting in low unemployment). Furthermore, five of the central bank's nine regional governors improved their monthly assessment of local conditions in July, citing resilient consumption, solid overseas demand and increases in business investment. However, while growth remains above trend, inflation remains weak, and the Bank of Japan cut its inflation forecast and pushed back the date for when it expects to achieve its 2% target to around 2019.

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Emerging Markets

- Another positive month for emerging equity markets
- Sentiment was boosted by lower interest rates, higher commodity prices and a weakened US dollar
- Materials and technology were the best performing sectors

Emerging equity markets performed strongly in July, drawing support from improving fundamentals and encouraging news on the corporate earnings front. The best performing region was Latin America, followed by EMEA (Europe, Middle East and Africa). Equity markets in Asia, led by China, also advanced higher. Sentiment towards China was boosted by encouraging news on the economy – second quarter GDP grew by 6.9% year-on-year, which was above consensus estimates. All emerging market sectors except healthcare gained ground, with materials and technology registering the biggest gains. A basket of emerging market currencies increased in value versus the US dollar, with the Brazilian real appreciating the most. Pledges of further production cuts from Saudi Arabia helped push oil prices back above US$50 a barrel. The price of metals, for example gold, copper and iron ore, also strengthened.

A favourable mixture of lower interest rates, higher commodity prices and a weakening US dollar provided tailwinds for Latin American equity markets. With inflation falling to 3% – down from 10.5% at the beginning of 2016 – Brazil's central bank cut interest rates by 100 basis points to 9.25%. The central bank signalled that a further reduction of the same magnitude was on the agenda for their next meeting scheduled for September. In politics, Brazil's embattled President Temer was given a confidence boost after the Senate passed a government-sponsored labour reform measure aimed at loosening decades-old employment laws. There was also encouraging news on Mexico – the economy grew more than expected in the second quarter as resilient service activity offset stalled industrial and agricultural sectors. The International Monetary Fund increased its 2017 growth forecast for Mexico to 1.9%, and S&P ratings agency raised its outlook on the country's credit rating. Interest rates were cut in Colombia and Peru.

Equity gains in the EMEA region were led by Hungary and South Africa. For the first time in five years interest rates were reduced in South Africa as the economy grappled with recession and increased political uncertainties. Confidence towards Russia was dented by moves from US lawmakers to impose stronger sanctions on the country, although they have not yet been finally approved. Energy-related stocks were the main laggards last month in Russia. Equity markets in central Europe extended their year-to-date gains, underpinned by further signs of economic recovery in the region and growth momentum in Western Europe. Equity prices in Turkey rallied further as earnings forecasts for 2017 were revised upwards. Turkey's central bank signalled that high interest rates would remain in its quarterly inflation report.

MSCI US$ price index return	**(%, US$)**
	Jul 2017
Emerging markets	5.5
Developed markets	2.3
Latin America	8.2
EMEA	5.3
Emerging Asia	4.9
Top five by country	
Brazil	10.8
Chile	8.9
China	8.3
Hungary	7.5
South Africa	6.8
Bottom five by country	
Pakistan	-6.9
Indonesia	0.1
Malaysia	0.1
Greece	0.8
Taiwan	1.2

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

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Fixed Interest

- Corporate bond markets benefitted from a tempering of central bank rhetoric
- The ECB left the door open to a tapering of asset purchases later on this year
- The US Federal Reserve confirmed its expectation to reduce its balance sheet later this year

At the start of the month, news that Mario Draghi would attend the Central Banker's symposium in late August seemed to confirm the aggressive tone of late June. The last time Draghi spoke at the event, he used the opportunity to prepare the market for the start of quantitative easing (QE). Speculation therefore mounted that he would use this year's speech to prepare markets for the tapering of asset purchases (tightening of monetary policy).

Against this backdrop, the European Central Bank's (ECB's) policy meeting on 20 July became an important focus for the market. In the subsequent press conference Mr Draghi made a number of comments consistent with maintaining economic stimulus. However, he also did not deviate from his earlier message that a tightening of policy was on the horizon.

In the US, the Federal Reserve (Fed) Chair, Janet Yellen, made her semi-annual testimony to Congress, commenting that they may not need to hike interest rates much more. There was however, further confirmation that the Fed expects to start reducing the size of its balance sheet this year as it seeks to normalise US monetary policy.

Data released during the month appears to have given central banks some breathing space, with inflation decelerating across most major markets. For example, in the eurozone, the Consumer Price Index (CPI) fell from an annual increase of 1.4% in May to 1.3% in June. Meanwhile, in the UK, annual CPI fell from 2.9% to 2.6%. In large, this softening of data was attributable to falling oil prices. The release of the data helped government bonds to recoup some of their earlier losses. The 10-year Bund (German Government bond), for example, ended June with a yield of 0.54% having peaked at 0.60% earlier in the month.

The softening of inflation data and tempering of central bank rhetoric helped corporate bond markets to outperform government bonds. The premium over government bonds that corporates pay to borrow is now at its lowest level since 2015. Financials were once again the best performing part of the corporate bond market, with the highest returns from subordinated financial bonds.

There was divergence between sterling and euro investment grade corporate bond issuance. Barclays reported that euro denominated issuance fell to €20.6bn in June, which compares to €29.3bn issued for the same period last year. Sterling issuance, by contrast, has been strong, with Barclays reporting £7.4bn of new supply – the highest month so far this year.

Government Bonds	Yield to maturity (%)				
	31.07.17	30.06.17	30.04.17	31.01.17	31.07.16
US Treasuries 2 year	1.35	1.38	1.26	1.20	0.66
US Treasuries 10 year	2.29	2.30	2.28	2.45	1.45
US Treasuries 30 year	2.90	2.83	2.95	3.06	2.18
UK Gilts 2 year	0.27	0.36	0.08	0.14	0.11
UK Gilts 10 year	1.23	1.26	1.09	1.42	0.69
UK Gilts 30 year	1.86	1.87	1.72	2.05	1.55
German Bund 2 year	-0.68	-0.57	-0.73	-0.70	-0.63
German Bund 10 year	0.54	0.47	0.32	0.44	-0.12
German Bund 30 year	1.30	1.25	1.10	1.15	0.34

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

Corporate Bonds	Yield to maturity (%)/Spread[1] (bps)									
	31.07.17		30.06.17		30.04.17		31.01.17		31.07.16	
£ AAA	1.71	39	1.77	41	1.64	45	2.02	41	1.52	40
£ AA	1.79	69	1.89	71	1.75	79	2.03	76	1.67	87
£ A	2.36	112	2.45	116	2.39	128	2.68	129	2.32	142
£ BBB	2.70	153	2.79	158	2.74	176	3.07	179	2.80	199
€ AAA	0.76	50	0.88	60	0.73	62	0.88	68	0.38	60
€ AA	0.51	60	0.63	68	0.46	72	0.54	75	0.21	68
€ A	0.72	80	0.82	88	0.74	98	0.83	104	0.51	96
€ BBB	1.17	113	1.30	125	1.22	137	1.36	149	1.02	143
European High Yield (inc € + £)	3.60	283	3.79	301	4.02	344	4.16	365	4.59	446

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 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 July 2017 (%)

	1 Month	3 Months	6 Months	YTD	2016	2015	2014	2013	2012
Global US & Canada									
MSCI World (US$)	2.4	5.1	11.0	13.7	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	2.3	4.8	8.6	10.1	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	2.6	5.5	13.5	17.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	2.3	4.7	10.0	12.5	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	6.0	10.4	19.2	25.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.6	5.4	11.5	14.5	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	2.7	5.2	11.6	12.3	16.5	0.2	10.0	29.7	10.2
S&P 500	2.1	4.1	9.5	11.6	12.0	1.4	13.7	32.4	16.0
NASDAQ	3.4	5.3	13.7	18.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	0.7	2.1	5.4	5.8	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	-0.1	-2.1	-0.2	0.7	21.1	-8.3	10.6	13.0	7.2
Europe & Africa									
FTSE World Europe ex-UK €	0.0	-0.2	9.8	9.8	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-0.4	-1.1	7.2	6.8	3.2	8.8	7.4	20.5	18.1
CAC 40	-0.5	-1.2	10.2	7.6	8.9	11.9	2.7	22.2	20.4
DAX	-1.7	-2.6	5.1	5.6	6.9	9.6	2.7	25.5	29.1
Ibex 35	0.8	-1.1	14.8	14.7	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	4.6	6.3	18.4	14.7	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	1.7	2.8	9.2	10.2	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	3.7	2.0	12.7	11.2	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	0.8	1.8	12.2	13.8	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	4.5	-5.6	-9.9	-10.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	5.4	3.0	6.6	8.3	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	7.0	2.9	6.1	10.6	2.6	5.1	10.9	21.4	26.7
UK									
FTSE All-Share	1.2	3.0	7.1	6.7	16.8	1.0	1.2	20.8	12.3
FTSE 100	0.9	3.2	6.2	5.6	19.1	-1.3	0.7	18.7	10.0
FTSE 250	2.4	1.6	10.7	11.2	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	3.1	2.9	10.8	12.1	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-0.2	-1.1	8.0	4.7	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan									
Hong Kong Hang Seng	6.6	13.3	20.0	27.5	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	2.5	3.8	3.6	5.5	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	3.4	5.8	11.1	17.6	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	0.3	5.6	10.4	12.7	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	0.5	8.9	16.2	18.6	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	0.2	2.7	10.3	10.3	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	2.2	4.7	10.9	17.2	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	0.1	1.1	1.9	4.2	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	5.3	9.1	18.5	23.2	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	6.3	9.9	14.5	19.5	1.5	-16.9	15.6	-1.5	19.8
ASX 200	0.0	-2.6	4.0	3.2	11.8	2.6	5.6	20.2	20.3
Topix	0.4	5.9	7.6	7.8	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	-0.5	3.8	4.6	4.2	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	5.2	10.1	19.3	26.2	7.1	-9.1	3.1	3.7	22.6
Latin America									
MSCI EM Latin America (US$)	8.3	6.5	11.0	19.5	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	4.3	10.9	27.0	29.8	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	11.0	3.6	3.3	14.4	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	-6.8	-4.7	11.4	31.9	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	8.9	8.2	18.9	24.5	16.8	-16.8	-12.2	-21.4	8.3
Commodities									
Oil - Brent Crude Spot (US$/BBL)	10.4	3.2	-6.5	-5.8	51.6	-33.5	-49.4	0.2	3.2
Oil - West Texas Intermediate (US$/BBL)	9.1	1.8	-4.8	-6.6	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	4.6	0.8	-4.5	-4.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	2.0	0.1	4.7	9.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	5.0	-14.7	18.3	-1.6	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 August 2017.

Global currency movements – figures to 31 July 2017

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.18	3.6	8.7	9.7	12.6	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.90	2.2	6.5	4.4	5.1	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.15	4.6	5.6	7.2	6.9	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	9.55	-0.8	-1.0	1.2	-0.3	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	9.31	-2.4	-0.4	4.6	2.5	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	0.0	0.0	0.1	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.26	0.6	0.7	-1.5	-3.3	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	304.18	-1.5	-2.8	-1.9	-1.6	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	110.26	-1.9	-1.2	-2.3	-5.7	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.25	-3.7	-8.6	-4.2	-7.1	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	13.18	1.0	-1.4	-2.2	-4.1	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	3.13	-5.5	-1.6	-0.8	-3.9	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1119.40	-2.3	-1.6	-2.8	-7.3	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	30.21	-0.7	0.1	-3.1	-6.9	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	33.30	-1.9	-3.7	-5.1	-7.1	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.35	-1.6	-3.0	-3.9	-6.5	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.76	-1.5	-1.9	-4.6	-6.3	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	17.41	2.4	0.6	2.7	2.7	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.80	4.1	6.9	5.5	10.9	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.75	2.5	9.4	2.8	8.2	1.7	-12.4	-5.0	-0.9	6.4

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

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