
Global

- January was the best month for global equity markets in more than seven years
- Markets were boosted by strong corporate earnings results across the board
- The diffusion of tensions surrounding the US-China trade talks offered further support

January was the best month for global equity markets in more than seven years amid strong corporate earnings results across the board and optimism over the US-China trade talks. US equity market strength was boosted by comments from the US Federal Reserve (Fed) that it would put further interest rate increases on hold. While the US equity market posted its best month in three years, the UK equity market provided the first month of positive returns since the third quarter of 2018.

The heightened political tension in the UK that has characterised recent months continued in to the new year, as the deadline for Britain's exit from the European Union drew closer. In January the House of Commons eventually backed the Prime Minister's withdrawal agreement (subject to amendments), which the market welcomed, as sterling enjoyed a rise in value versus the US dollar over the course of the month. Investors appeared to interpret the developments as supportive of avoiding a no-deal exit, as well as a general election.

In Europe, the large sell-off seen in December was largely reversed as 2019 got off to a flying start. Global emerging equity markets also enjoyed a strong start to the year with all regions registering gains. Latin America led the advance, followed by EMEA (Europe, Middle East and Africa). Asia also performed well with sentiment towards China bolstered by the diffusion of tensions surrounding the US-China trade talks.

Corporate bond markets had a positive start to 2019. European currency high yield corporate bonds for example, had their best January since 2012. Contingent Capital (CoCo) bank bonds meanwhile had their best January since inception of the ICE BofAML CoCo index in December 2013. In part, this strong total-return reflects the sell-off last year and the consequent higher starting yield for bond markets. Given the market's attraction towards riskier assets, government bonds were generally weaker with both Bunds and Treasuries delivering negative returns. Gilt returns, on the other hand, were positive and spent the month trading in line with expectations over Brexit.

US

- The US equity market posted its best month in three years in January
- The US Federal Reserve (Fed) said it would put further interest rate increases on hold
- There was optimism over US-China trade negotiations

The US equity market posted its best month in three years in January - and indeed its best January since 1987 - on the back of less aggressive US Federal Reserve (Fed) comments and optimism over US-China trade talks. The Fed said that it would be patient on interest rate moves and signalled flexibility in terms of reducing its balance sheet. The less aggressive statement helped ease fears that policy makers would continue with plans to raise interest rates even in the face of data suggesting that the economy is cooling. Broader concerns about economic growth have been hard to shake, including the potential impact on US economic activity from the recent government shutdown.

However, industrials and energy stocks were the strongest performing sectors over the month. A number of industrials companies' quarterly results were well-received by the market. Industrials stock Boeing saw its share price rise after reporting record cash for 2018 while cracking the US\$100bn sales barrier for the first time in its 102 years, helping to boost the sector's returns. Meanwhile, the price of oil climbed past US\$55 a barrel, reaching the highest since November, amid falling OPEC production and speculation that a robust economy would fuel demand. Brent crude oil had its best January since 2005 and West Texas Intermediate oil had its best January on record.

Technology stocks were among the weaker performers. The prospect of higher interest rates earlier in the month weighed particularly heavily on so-called growth stocks like technology. Their share prices came under additional pressure as big names such as Apple and Amazon warned investors that their crucial holiday selling seasons might not be as stellar as analysts expected.

In terms of corporate news, large pharmaceutical groups have increased their spend on biotech acquisitions over the past month. Bristol-Myers Squibb said that it would acquire Celgene in a US\$90bn deal and Eli Lilly announced its intended purchase of Loxo Oncology for US\$8bn.

Europe

- European equity markets rallied in the first month of 2019
- Economic data painted a mixed picture
- Italy continued to be a drag on Europe as recent data confirms it fell into a recession in 2018

The large sell-off seen in December was largely reversed as 2019 got off to a flying start with European equity markets rallying. All areas of the market, apart from Communication Services, posted positive returns in January - with the best performing sectors being Real Estate, Consumer Discretionary, and Information Technology.

The eurozone economy grew 0.2% in the fourth quarter of 2018, bringing the overall growth rate for the year to 1.2% - while still positive, it is well below the 2017 rate. However, it should be noted that some of the recent economic data has been distorted by one-off (or at least very rare) events; new WLTP (Worldwide Harmonised Light Vehicle Test Procedure) regulations leading to a fall in car production, extremely low river Rhine water levels causing a disruption in transport of goods, and most recently the 'Gilet Jaunes' protests in France. Market sentiment in Europe is now at a 26-month low as the Economic Sentiment Indicator (ESI) dropped from 107.4 in December to 106.2 in January. Given some of the recent signs of a slowdown in Europe, quantitative tightening (reversal of quantitative easing, to decrease the money supply) on a major scale seems a lot less likely and in the latest European Central Bank press conference the bank maintained its commitment to leave interest rates unchanged "at least through the summer of 2019, and in any case for as long as necessary" - we think that they will change their forward guidance in March to explicitly state that interest rates will not change until 2020.

Italy fell into a technical recession after the economy shrank by 0.2% in the fourth quarter of 2018, following a 0.1% decline in the third quarter. The recession appears to have been due to a combination of some temporary issues and other potentially longer lasting issues. New WLTP regulations, as discussed above, have played a significant part and we would expect a pick-up as production levels have normalised now. However, of more concern will be domestic demand which looks to be slowing as households and companies become more reluctant to spend amid growing economic weakness, both domestically and globally. This is further evidenced by Italy's ESI dropping, for another consecutive month, from 104.1 in December to 102.8 in January, suggesting market sentiment across businesses and consumers is falling.

Elsewhere in the EU, the 'Gilet Jaunes' protests continue to plague France - though recent polls suggest that support from the general public is falling. Moreover, in January we saw the birth of a new group of protestors, 'Foulards Rouges' (aka Red Scarves), staging marches against the violence and disruption caused by the 'Gilet Jaunes'. Meanwhile, in Romania, the government released its latest draft budget for 2019 and notably there is no mention of the bank levy that was announced in December. Last month we wrote that a softening of the policy was likely given how negative the implications were for the economy - and now it appears that the government may be back-tracking entirely.

UK

- UK equity markets rose during January
- Sterling enjoyed an increase in value versus the US dollar despite ongoing Brexit uncertainty
- The UK's high-street retailers continued to dominate headlines amid ongoing challenging market conditions

UK equity markets rose over the course of January, providing the first month of positive returns since the third quarter of 2018. Markets regained much of the ground lost during December but remained notably lower than at any other point during 2018.

The heightened political tension that has characterised recent months continued in to the new year, as the deadline for Britain's exit from the European Union drew closer. In January the House of Commons voted twice on the Prime Minister's withdrawal agreement. In the first vote, MPs voted-down the bill by an historic margin. However, two weeks later the Prime Minister succeeded in securing MPs backing, subject to material amendments to the backstop arrangement proposed by the agreement.

The market welcomed these political developments, as sterling enjoyed a rise in value versus the US dollar over the course of the month. Investors appeared to interpret the developments as supportive of avoiding a 'no deal' exit, as well as a general election. Sterling peaked at 1.32 against the US dollar towards month end, a three-month high, having weakened as far as 1.25 in December.

Meanwhile, commodity markets also enjoyed a better month, as gold, copper, silver and palladium ended the month higher. The price of Brent crude oil also regained the ground lost during December, breaching US\$62 per barrel during the month.

In corporate news, Tesco reported its best Christmas sales growth in nine years during January, but later announced that up to 9,000 jobs would be put at risk as part of continued efforts to cut costs in a challenging market. Meanwhile media reports have suggested a potential tie-up between Ocado and Marks & Spencer as the former's technology partnership with Waitrose expires in 2020.

Elsewhere in the high-street, January proved another challenging month for Debenhams. The company hit the headlines again following its Annual General Meeting, at which the firm's two largest shareholders, including Mike Ashley the owner of Sports Direct, voted against the chairman and Chief Executive's re-election to the board. Meanwhile embattled cake maker Patisserie Valerie entered administration after it was revealed that the extent of the fraud under investigation was larger than had been previously reported.

In January, airline easyJet revealed the £15m impact of drone activity in December following chaos at London Gatwick Airport, while Provident Financial Group released a trading update that highlighted full-year profits would be towards the lower end of previous guidance.

North Sea explorer Faroe Petroleum succumbed to an unsolicited takeover bid from Norwegian Oil firm DNO during January, while G4S announced the settlement of litigation in California. The class action had sought damages for employees who, under state law, are not deemed to have been fully relieved of their duties during workplace breaks if, for example, they are still wearing a tool belt or carrying a walkie talkie.

Asia

- Asian equity markets started the new year with a bounce
- China and Korea shrugged off trade concerns to lead performance in the region
- India underperformed on investor concerns and mixed macroeconomic data

Asian equity markets reversed year-end declines to close January higher despite lower 2019 corporate earnings forecasts. Investor sentiment was buoyed by the US Federal Reserve's (Fed) decision to leave interest rates unchanged, stating that it would be "patient" when it comes to making any move on interest rate increases. This sparked a rally in most Asian currencies while the US dollar weakened as investors looked to riskier assets, spurred on by a rise in oil prices which also helped Australia energy and materials sectors.

More positive signals from ongoing US-China trade talks further supported confidence in regional markets. This helped alleviate growing concerns over the potential knock-on effects on supply chains in the event of any deterioration in relationships between the two trading giants. China and Korea were the best performers over the period, with ASEAN markets including Thailand, the Philippines, and Indonesia also posting strong returns.

January saw China emerge as the best performing market in the region on the back of easing trade tensions and indications from the central government of plans to stimulate the economy further. Recent economic data has been mixed, with full-year 2018 GDP growth at 6.6% against 6.8% the previous year. The official Purchasing Managers' Index (PMI - which measures the productivity and therefore health of an economy) pointed to an easing in the slowdown of the country's large-scale manufacturing sector in January, while the PMI for smaller firms contracted. Expectations remain high that the authorities will roll out targeted stimulus measures to shore up economic growth and stabilise near-term outlook.

Improvements in US-China trade issues and reduced risk from Fed interest rate hikes also benefited Korean shares. After suffering their worst year in a decade, Korean equities rebounded on expectations of a normalisation in trade relations between Washington D.C. and Beijing, and a recovery in the memory chip market in the second half. This boded particularly well for the more export-oriented technology sector, while the Korean won appreciated against the US dollar.

India was the worst performer over January, with autos, auto parts, machinery and equipment, cement and steel particularly affected. Investor sentiment dwindled due to concerns over corporate earnings and corporate governance issues. Weaker macroeconomic data, including December CPI (Consumer Price Index - a common measure of inflation) of 2.2% against the Reserve Bank of India's target of 4%, also added to downward pressures ahead of the government's budget for 2019-20.

Meanwhile, Japanese equities lagged over January as weaker Chinese growth and US-China trade disruption saw a drop in December exports. Factory output was also lower in December, down 0.1% month-on-month - the seventh monthly drop in nine months - which weighed further on investor confidence.

Emerging Markets

- A strong start to the year with sentiment buoyed by a hold on US interest rate rises
- The US dollar lost ground against a basket of emerging market currencies
- Brazil was one of the best performers, driven by expectations that a new administration will implement an ambitious reform agenda

Global emerging equity markets enjoyed a strong start to the year with all regions registering gains. Latin America led the advance, followed by EMEA (Europe, Middle East and Africa). Asia also performed well with market sentiment towards China bolstered by the diffusion of tensions surrounding the US-Sino trade talks. The US dollar lost ground against a basket of emerging market currencies as the US Federal Reserve put further US interest rate rises on hold and signalled flexibility on running down its balance sheet (decreasing the money supply - quantitative tightening). Commodity prices rallied with Brent crude oil having its best start for 30 years. All emerging market sectors pushed higher with cyclicals (stocks that are more sensitive to the business cycle) such as the consumer discretionary sector leading the gains.

Brazil was the best performing equity market in Latin America, driven higher by favourable economic and political developments. Inflation dipped to 3.75% in December, retail sales rose by 4.4% year-on-year and the country's trade surplus increased. The prospect of lower taxes was enhanced following supportive comments from the country's new Finance Minister. The issue of pension reform took a step forward as the government indicated that a bill to address the minimum retirement age could be more extensive than first envisaged. Mexico's equity market also drew support from new initiatives as the government announced it was cutting the tax rate for equity listings from 30% to 10%. Private pension funds would also have the opportunity to invest in a wider range of instruments. Rising oil prices and corporate tax cuts provided support to Colombia's equity market, although the government postponed the overhaul of its pension system until next year, citing that more time was needed to analyse its likely impact. Interest rates in Chile increased to 3% from 2.75%.

Higher oil prices and the removal of US sanctions on Rusal and EN+ provided tailwinds for Russia's equity markets. The sanctions news provided uplift to Russia's metals and mining sector, particularly Norilsk Nickel, given that Rusal directly owns 27.8% of the company. In other developments, US President Trump announced that the US was withdrawing from a nuclear treaty it has with Russia. Equity markets in Turkey got a boost from easing inflation and the central bank's decision to keep interest rates on hold. A firmer gold price and a strengthening currency - the rand appreciated by 8.2% - supported equity gains in South Africa. Easing pressure on the current account, South Africa's trade surplus was the biggest on record in December as imports dropped sharply.

Fixed Interest

- It was a positive start to 2019 for corporate bond markets
- The US Federal Reserve (Fed) suggested that it would be patient with future US interest rate increases
- Financial markets started to think that a 'no deal' Brexit had been taken off the table

Corporate bond markets had a positive start to 2019. European currency high yield corporate bonds, for example, had their best January since 2012. Contingent Capital (CoCo) bank bonds meanwhile had their best January since inception of the ICE BofAML CoCo index in December 2013. In part, this strong total-return reflects the sell-off last year and the consequent higher starting yield for bond markets. Given the market's attraction towards riskier assets, government bonds were generally weaker, with both Bunds and Treasuries delivering negative returns. Gilt returns, on the other hand, were positive and spent the month trading in line with expectations over Brexit.

Significantly stronger than expected, US employment data set the tone early in the month. Non-farm payrolls (the widely watched monthly US employment statistic) showed that the US had generated 128,000 more jobs in December 2018 than expected. Despite these very strong numbers, the market's expectation about future US interest rate increases was largely unchanged. Indeed, as the month progressed, the probability of another hike in the Fed Funds Rate got pushed further out and at its 30 January meeting the message from the Fed changed. The Fed will now be "patient" on future interest rate increases.

The House of Commons' rejection of Theresa May's withdrawal agreement with the European Union was seen by the market as reducing the likelihood of a so called 'no deal' Brexit. This helped sterling denominated assets to rally.

Within corporate bond markets, troubled UK retailer New Look announced that it had agreed a restructuring plan with investors. The company will cut its long-term debt by £1bn through a debt-for-equity swap (when creditors agree to eliminate part or all debt in exchange for some shares in the company). The firm also announced it would raise £150m through the issuance of new bonds. Elsewhere, in the retail sector companies gave updates on their trading over the Christmas period. Tesco was one of the winners with like-for-like sales in the UK up 2.2% compared to 1.1% expectations. On the other hand, Debenhams troubles continued with further falls in its like-for-like sales.

Corporate bond issuance was reasonably strong in both euro and sterling denominated markets. Barclays reported €58.1bn new euro investment grade (IG) supply and £5.0bn new sterling denominated IG supply. The sterling market is being supported by both domestic issuers and overseas issuers looking to benefit from the current relatively low cost of issuing in sterling. Deutsche Telecom and Volkswagen were two examples of the latter raising £400m and £350m respectively during January 2019.

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 (%)				
	31.01.19	31.12.18	31.10.18	31.07.18	31.01.18
US Treasuries 2 year	2.46	2.49	2.87	2.67	2.14
US Treasuries 10 year	2.63	2.68	3.14	2.96	2.71
US Treasuries 30 year	3.00	3.01	3.39	3.08	2.93
UK Gilts 2 year	0.76	0.75	0.75	0.77	0.66
UK Gilts 10 year	1.22	1.28	1.44	1.33	1.51
UK Gilts 30 year	1.72	1.82	1.86	1.77	1.95
German Bund 2 year	-0.56	-0.61	-0.62	-0.57	-0.53
German Bund 10 year	0.15	0.24	0.39	0.44	0.70
German Bund 30 year	0.75	0.88	1.02	1.09	1.33

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 2019.

Corporate Bonds	Yield to maturity (%) / Spread ¹ (bps)									
	31.01.19		31.12.18		31.10.18		31.07.18		31.01.18	
£ AAA	2.16	76	2.30	76	2.25	65	2.16	57	2.04	43
£ AA	2.01	84	2.15	94	2.07	79	2.05	78	1.97	60
£ A	2.72	144	2.88	155	2.78	138	2.71	132	2.54	101
£ BBB	3.33	207	3.53	226	3.29	192	3.17	176	2.82	130
€ AAA	0.74	75	0.88	82	0.69	60	0.71	57	0.78	39
€ AA	0.51	80	0.58	85	0.53	71	0.51	65	0.54	45
€ A	0.90	115	1.00	122	0.92	104	0.83	92	0.78	65
€ BBB	1.63	182	1.77	194	1.59	164	1.41	138	1.19	90
European High Yield (inc € + £)	4.76	467	5.18	522	4.44	424	3.98	364	3.50	268

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 2019.

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 31 January 2019

	Current value	Change Over:				YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
		1 Month (%)	3 Months (%)	6 Months (%)								
Euro/US Dollar	1.14	-0.2	1.2	-2.1	-0.2	-4.4	14.1	-3.2	-10.2	-12.0	4.2	
Euro/GB Sterling	0.87	-2.9	-1.5	-2.0	-2.9	1.3	4.2	15.7	-5.1	-6.4	2.1	
Euro/Swiss Franc	1.14	1.1	-0.2	-1.7	1.1	-3.7	9.2	-1.6	-9.5	-2.0	1.6	
Euro/Swedish Krona	10.36	2.0	-0.1	0.8	2.0	3.2	2.7	4.4	-2.7	6.6	3.2	
Euro/Norwegian Krone	9.65	-2.6	1.1	1.2	-2.6	0.6	8.4	-5.4	6.2	8.4	13.7	
Euro/Danish Krone	7.47	0.0	0.1	0.2	0.0	0.3	0.2	-0.5	0.2	-0.2	0.0	
Euro/Polish Zloty	4.26	-0.7	-1.9	-0.3	-0.7	2.7	-5.1	3.3	-0.6	3.2	1.8	
Euro/Hungarian Forint	316.00	-1.6	-2.6	-1.5	-1.6	3.3	0.5	-2.0	-0.3	6.5	2.1	
US Dollar/Yen	108.88	-0.6	-3.6	-2.7	-0.6	-2.8	-3.6	-2.8	0.5	13.7	21.4	
US Dollar/Canadian Dollar	1.31	-3.8	-0.2	0.9	-3.8	8.4	-6.4	-2.9	19.1	9.4	7.1	
US Dollar/South African Rand	13.26	-7.7	-10.4	-0.1	-7.7	16.1	-9.9	-11.2	33.8	10.2	24.1	
US Dollar/Brazilian Real	3.64	-6.1	-2.1	-3.0	-6.1	17.2	1.8	-17.8	49.0	12.5	15.3	
US Dollar/South Korean Won	1112.40	-0.2	-2.6	-0.1	-0.2	4.4	-11.6	2.7	7.5	4.1	-0.7	
US Dollar/Taiwan Dollar	30.70	0.4	-0.8	0.4	0.4	3.1	-8.6	-1.2	3.8	6.1	2.7	
US Dollar/Thai Baht	31.21	-3.5	-5.8	-6.0	-3.5	-0.7	-9.2	-0.5	9.5	0.6	6.9	
US Dollar/Singapore Dollar	1.35	-1.3	-2.9	-1.2	-1.3	1.9	-7.7	2.2	6.9	4.9	3.4	
US Dollar/GB Sterling	0.76	-3.2	-2.9	-0.3	-3.2	6.2	-8.7	19.3	5.8	-5.9	1.9	
GB Sterling/South African Rand	17.38	-5.2	-8.0	-0.3	-5.2	9.6	-1.4	-25.7	26.6	3.7	26.6	
Australian Dollar/US Dollar	0.73	3.1	2.8	-2.1	3.1	-9.6	8.1	-0.9	-10.9	-8.4	-14.2	
New Zealand Dollar/US Dollar	0.69	3.0	6.2	1.5	3.0	-5.2	2.0	1.7	-12.4	-5.0	-0.9	

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

Global equity and commodity index performance - figures to 31 January 2019 (%)

	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US\$)	7.8	0.8	-4.8	7.8	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US\$)	7.2	0.6	-4.2	7.2	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US\$)	8.4	1.1	-5.3	8.4	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US\$)	10.3	0.8	-8.4	10.3	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US\$)	8.8	10.3	-2.5	8.8	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US\$)	7.8	1.3	-4.6	7.8	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	7.3	0.1	-0.5	7.3	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	8.0	0.3	-3.0	8.0	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	9.8	0.0	-4.6	9.8	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	11.3	-0.4	-9.6	11.3	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/TSX Composite	8.7	4.3	-3.9	8.7	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	6.1	-0.5	-7.8	6.1	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	6.2	-0.5	-7.4	6.2	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	5.6	-1.6	-8.9	5.6	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	5.8	-2.4	-12.8	5.8	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	6.5	3.0	-6.2	6.5	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	8.1	4.2	-10.4	8.1	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	6.4	-0.6	-2.2	6.4	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	6.7	0.7	-8.3	6.7	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	7.6	-1.3	-10.0	7.6	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US\$)	13.6	8.8	6.2	13.6	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US\$)	9.7	9.1	4.1	9.7	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	2.8	3.8	-4.1	2.8	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	4.2	-1.4	-8.4	4.2	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	3.6	-1.6	-8.4	3.6	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	7.1	-0.6	-9.2	7.1	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	3.9	-1.7	-9.6	3.9	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	5.2	6.1	-3.2	5.2	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	8.1	12.0	-1.2	8.1	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	3.6	-0.7	-10.1	3.6	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	4.0	6.1	-2.4	4.0	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	2.1	1.3	-10.2	2.1	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	8.0	8.6	-3.9	8.0	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	5.5	12.0	10.0	5.5	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	7.3	12.1	4.4	7.3	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	5.0	-1.4	-2.4	5.0	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	0.7	5.7	-2.8	0.7	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	9.0	8.9	0.6	9.0	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	3.9	1.5	-4.6	3.9	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	4.9	-4.6	-9.7	4.9	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	3.8	-5.2	-7.9	3.8	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US\$)	7.3	9.0	-4.6	7.3	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US\$)	15.0	11.6	10.9	15.0	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US\$)	9.8	8.0	-12.2	9.8	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US\$)	17.8	13.5	27.0	17.8	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US\$)	19.7	20.4	-5.9	19.7	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US\$)	12.3	12.0	-3.7	12.3	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US\$/BBL)	23.5	-16.5	-15.8	23.5	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US\$/BBL)	19.3	-17.6	-23.0	19.3	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	6.0	-5.4	-6.6	6.0	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US\$/Troy Ounce)	3.2	8.8	8.2	3.2	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	-47.4	-55.2	-61.8	-47.4	-7.0	42.1	101.0	-38.9	-65.7	225.8

Past performance is not a guide to future returns.

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated.

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.

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