Invesco

Monthly Market Roundup
October 2019 (covering September 2019)

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Global

- The biggest rotation out of relatively expensive stocks and into cheaper, unloved sectors since the financial crisis
- Political risks loomed large from US Congressional investigation into President Trump to the UK Supreme Court ruling
- September was a more challenging month for fixed income markets

Global equity markets ended September in positive territory as investors weighed the latest turns in the trade war between the world's two largest economies.

Meanwhile, a significant rotation swept through financial markets globally. It was the biggest rotation out of relatively expensive stocks exhibiting low corporate earnings volatility and strong share price momentum and into cheaper, unloved sectors offering attractive valuations versus history since the financial crisis.

Investors sold out of defensive low volatility stocks and higher growth technology companies which have propelled the decade-long bull market in the US. They opted instead for value stocks, which includes energy and financial stocks that have underperformed the broader market in recent years.

Of course, political risks loomed large, from the US Congressional investigation into President Trump's dealings with Ukraine to Brexit. Indeed, the Brexit deadlock continued, and Boris Johnson's prorogation of Parliament was ruled unlawful by the UK Supreme Court.

UK and European equity markets provided a positive return during September as investors adopted a more 'risk-on' stance. Mario Draghi, leader of the European Central Bank (ECB), announced a fresh wave of stimulus measures to help shore up the economy. These included measures to: reduce the deposit interest rate by 0.10%; restart quantitative easing (asset purchase programme); provide more favourable TLTRO bank funding (long-term loans to banks to incentivise lending to businesses and consumers); and introduce deposit tiering (to reduce the impact of negative interest rates on banks' profitability).

While interest rate cuts in the eurozone and the US attracted global headlines, central banks in Latin America were also active with Brazil, Mexico and Chile reducing interest rates by 0.50%, 0.25% and 0.50% respectively. Emerging equity markets advanced higher in September with all the regions registering gains. Latin America was the best performer, followed by Asia.

September was a more challenging month for fixed income markets with many sectors recording their first negative monthly return of the year so far. In large part, this reflected movement in government bond yields, which increased from the record lows reached in August. The rise in government bond yields was driven by signs that the global economy may be stronger than had previously been anticipated and a potential thawing of trade tensions.

US

- US equity market benefited from reduction in trade war concerns and an interest rate cut
- A significant rotation swept through financial markets from growth into value stocks
- Political risks continued to loom large following announcement of impeachment inquiry

The US equity market ended September in positive territory amid easing fears over a trade war escalation and a cut in interest rates by the US Federal Reserve (Fed). The Fed said that the cut was aimed at shoring up the US economy, amid "uncertainties" about future economic growth.

Meanwhile, a significant rotation swept through financial markets. It was the biggest rotation out of relatively expensive stocks exhibiting low corporate earnings volatility and strong share price momentum and into cheaper, unloved sectors offering attractive valuations versus history since the financial crisis. Investors sold out of defensive low volatility stocks and higher growth technology companies which have propelled the decade-long bull market. They opted instead for value stocks, which includes energy and financial stocks that have underperformed the broader market in recent years.

Energy stocks were also buoyed by the price of oil after a drone attack on oil processing systems in Saudi Arabia led the US to announce that it would send military equipment and personnel to Saudi Arabia. Assets such as consumer stocks and real estate lagged the broader market. However, health care was the only sector to fall over the month amid concerns in the US about 2020 Democratic proposals for "Medicare for All". This calls for eliminating private health insurance and replacing it with a universal Medicare plan, which could hinder corporate profits for companies in the space.

Political risks continued to loom large after it was reported that House Speaker Nancy Pelosi would announce a formal impeachment inquiry of President Donald Trump. Economic indicators also muddied the picture. A key gauge of US business investment unexpectedly fell in August and consumer spending slowed, signalling the US economy cooled in the third quarter. Consumer spending, which accounts for the bulk of US gross domestic output, climbed just 0.1% month on month – its weakest showing in six months. Spending slowed even as personal incomes rose 0.4 per cent, in line with expectations.

The US economy added 130,000 jobs last month, slowing more than expected, the latest official figures have shown. Economists polled by Reuters had expected an increase of 158,000. In July, the economy had created 159,000 new jobs. The unemployment rate was unchanged at 3.7%, though, while average hourly earnings growth rose 3.2% from last year.

In terms of corporate news, global deal-making has eased to the slowest pace in more than two years. The $200bn tobacco industry merger between old cohorts Philip Morris International and Altria announced only last month was abandoned in September due to concerns over vaping-related illnesses.

Europe

- European equity markets rally in September
- Draghi's 'parting gift' of another stimulus package
- Déjà vu in Spain as the country is set for a fourth general election in four years

European markets rallied strongly in September as investors adopted a more 'risk on' stance following some easing of US-China trade war rhetoric. The month also witnessed a sharp sector and style rotation as stocks with more cyclical characteristics (linked closely with economic activity) showed signs of coming back into favour, having significantly underperformed year to date. At sector level, this was exemplified by Financials and Energy leading the rally. Meanwhile, the traditionally more 'defensive' Consumer Staples sector was the only area of the market to detract.

Mario Draghi, leader of the European Central Bank, announced a fresh wave of stimulus measures to help shore up the economy. The Central Bank said it would; reduce the deposit interest rate by 0.10%; restart quantitative easing (asset purchase programme); provide more favourable TLTRO bank funding (long-term loans to banks to incentivise lending to businesses and consumers); introduce deposit tiering (to reduce the impact of negative interest rates on banks' profitability).

Aside from the fresh measures, most of which were widely anticipated, Draghi made significant mention of 'fiscal'. Essentially, the departing leader's message was that Central Banks cannot support the economy alone and that there must be more onus on countries (who have the ability) to provide support using fiscal policy.

In economic news, September's fall in the Eurozone Composite Purchasing Manager's Index to 50.4 from 51.9 in August, suggests that the economy is close to stalling. A figure above 50 signals an increase in output, a figure below 50 signals a decrease. Worryingly for the region, there are signs that the manufacturing downturn (fuelled by rising trade tensions and Brexit uncertainty) is now starting to spread weakness into other areas such as Services, which had help up well prior to September's PMI data.

Elsewhere in Europe, Spanish voters will take to the polls yet again as acting prime minister and leader of the PSOE (Spanish Socialist Workers' Party), Pedro Sanchez, failed to form a coalition before the deadline. Polls suggest that the PSOE are likely to win more seats in November's general election but will still fall short of a majority – meaning Spain is expected to remain in political limbo for quite some time.

UK

- The UK equity market provided a positive return during September
- The UK Government's prorogation of Parliament was ruled unlawful by the UK Supreme Court
- Thomas Cook fell in to administration as rescue talks with lenders collapsed

The UK equity market provided a positive return during September. The market rose moderately throughout the month, but failed to recover all ground lost during a volatile August.

Politics continued to dominate the domestic agenda during September. Boris Johnson's prorogation of Parliament was ruled unlawful by the UK Supreme Court and the Brexit deadlock continued. The value of Sterling versus international currencies strengthened in the first half of the month, but fell lower once again as we moved closer to the 31 October 2019 deadline.

The Bank of England's Monetary Policy Committee voted unanimously to hold the base rate at 0.75% during its September meeting. Officials signalled the potential for a future interest rate cut, should the UK leave the European Union without a deal. Economic data released during the month, showed an unexpected fall in UK retail sales over the month of August, whilst inflation fell to the lowest level seen since 2016.

The collapse of Thomas Cook dominated company news during September. The travel firm's UK operations, including Thomas Cook Airlines, fell in to administration during the month as rescue talks with lenders collapsed. The overnight administration left hundreds of thousands of travellers stranded, prompting the largest peace-time repatriation of British travellers.

In other company news, the London Stock Exchange (LSE) received a bid at the beginning of September from rival Hong Kong Exchanges and Clearing. The £32 billion unsolicited offer was rejected by the LSE Board of Directors. Energy firm OVO agreed a deal to buy the household energy business of SSE, creating the second largest domestic energy firm in the UK behind British Gas. Elsewhere Alison Rose was confirmed as the new Chief Executive Officer of Royal Bank of Scotland and Lloyds Banking Group agreed a £3.8 billion deal to buy Tesco's mortgage business.

Asia

- Asian equities higher on US-China trade talk hopes
- Korea and Taiwan outperform on technology gains
- Indian equities rally on surprise corporate tax cut

Asian equity markets ended the month higher, supported by signs of an easing in trade tensions between the US and China. Senior officials from both sides confirmed that talks would take place in Washington D.C. in October. However, the positive turn in early-September trade news flow saw a quick reversal following later reports that the US was considering delisting Chinese companies from American exchanges and limiting US financial investments in China. Meanwhile, Korea and Taiwan outperformed thanks to a recovery in the technology sector. Elsewhere, Indian markets rallied following a surprise cut in corporate tax rates there, while Japanese equities also ended the period higher.

Chinese equities underperformed regional peers despite an earlier easing in US-China trade tensions. Talks are set to recommence in October following President Trump's raising of tariffs on Chinese goods in August. China retaliated with its own set of tariffs on US imports but had since released a number of exemptions as a "goodwill gesture". However, reports that the White House was considering a block on US financial investments in China as well as the possible delisting of Chinese companies from US stock exchanges saw gains made earlier in the month evaporate. Domestically, the People's Bank of China cut reserve requirements for all banks by 0.50%, stating that it will maintain a prudent monetary policy, maintaining reasonable and abundant liquidity.

Conversely, Korean equities outperformed, posting a significant rebound driven by a recovery in the semiconductor sector and upswing in technology demand. Taiwan similarly posted strong gains, again due largely to a rebound in the tech sector, aided by Apple's launch of three new iPhone models as well as increased 5G-related demand. Indian equities also ended September higher after the government announced a surprise cut in corporate taxes to 22% from 30%. The move is broadly expected to benefit a wide number of industries, boost corporate earnings and buoy investor sentiment at a time when domestic economic growth continues to slow. The Reserve Bank of India cut key lending interest rates in August and is expected to initiate further cuts in the months to come.

In Japan, equity markets ended the month higher as easing trade tensions between the US and China saw an improvement in investor sentiment. While the Bank of Japan (BoJ) decided to leave monetary policy unchanged, the US Federal Reserve's September interest rate cut did raise market confidence. However, the BoJ's September Tankan survey showed a continuing decline in business confidence among the country's biggest manufacturers amid ongoing global political and economic uncertainties. Despite concerns about the economic outlook, the government introduced an increase in the consumption tax to 10% from 8% effective 1 October with the aim of servicing its public debt load and to fund social care programmes.

Emerging Markets

- Interest rates lowered in several countries, including Brazil and Russia
- Crude oil prices spike on supply disruption but gains not sustained
- Technology stocks draw comfort from rising demand for iPhone and 5G

Emerging equity markets advanced higher in September with all the regions registering gains. Latin America was the best performer, followed by Asia. From a country perspective, Turkey, Pakistan and Argentina came top with the best sector returns coming from technology, energy and industrials. Renewed expectations of engagement between the US and China over their trade spat bolstered sentiment towards technology stocks along with strong demand for iPhone and 5G. Energy companies drew support from a spike in oil prices following a drone attack at the world's largest crude production site in Saudi Arabia, although a restoration of output resulted in Brent crude giving up most of its earlier gains. Gold prices also tracked lower after their strong rally in August.

While interest rate cuts in the eurozone and the US attracted global headlines, central banks in Latin America were also active with Brazil, Mexico and Chile reducing interest rates by 0.50%, 0.25% and 0.50% respectively. To bolster a sluggish economy and steer inflation back up towards the target, interest rates in Brazil were reduced to 5%, a record low. Furthermore, Copom (the monetary policy committee in Brazil) kept the wording unchanged regarding prospects for possible further interest rate cuts over coming months. On the political front, President Bolsonaro's pension reforms in Brazil took another step forward following the approval of the Senate constitutional affairs committee. The decision to cut interest rates to 7.75% in Mexico was split with two members voting for a larger reduction of 0.50%. In an accompanying statement, Banxico (Mexico's central bank) left the door open for further cuts. Colombia was the only equity market in the Latin American region to finish in negative territory last month.

Equity markets in EMEA (Europe, Middle East and Africa) posted modest gains with the best of the returns coming from emerging Europe – Turkey, Russia and Greece. Performance elsewhere was more mixed with the UAE being the largest detractor. The upswing in Turkish equities was bolstered by a strong showing in banking stocks, following a 3.25% interest rate cut by the central bank in the wake of continued disinflation. For the third time this year interest rates were lowered in Russia – down 0.25% to 7.0%. Russian banks also had a healthy month in terms of equity performance with oil and gas companies drawing support from higher energy prices – natural gas prices rose by 2.0%. By contrast, South Africa was a laggard due to weakness in index heavyweight Naspers, a company with a 35% weighting in the local equity market.

Fixed Interest

- Government bond yields increased from record lows
- Global corporate bond issuance reached a record $308bn
- But amid the surge in issuance not everyone was able to raise the necessary capital

September was a more challenging month for fixed income markets with many sectors recording their first negative monthly return of the year so far. In large part, this reflected movement in government bond yields, which increased from the record lows reached in August.

The rise in government bond yields was driven by signs that the global economy may be stronger than had previously been anticipated and a potential thawing of trade tensions. The 10 -year US Treasury yield climbed from 1.49% at 31 August 2019 to a mid-month high of 1.90% before then falling back to end September at 1.75%. At the same time, expectations of US interest rate cuts were pushed out. By the end of the month the market was pricing in 3 further cuts over the next 2 years.

One of the most anticipated events of the month was the European Central Banks (ECB) monetary policy decision on 12 September 2019. Among the measures announced was a 0.10% cut in the deposit interest rate and an open-ended resumption of Quantitative Easing at a rate of €20bn per month. The announcement helped support corporate bond markets. However, news that the decision was not unanimous and ECB President Mario Draghi’s emphasis on the need for governments to spend more tempered gains.

The low level of yields at the start of the month and supportive central bank backdrop led to a surge in corporate bond issuance during September. Bloomberg report that in total $308 billion was raised in the bond markets. The first time issuance has topped $300billion in a month. Among the companies raising capital were Apple, Disney and Pinewood Studios.

Despite the positive tone, there were some company specific events that highlighted the more challenging environment some companies continue to face. The most high-profile was probably Thomas Cook, which collapsed as it was unable to secure additional funding to continue trading. Elsewhere, Metrobank, which had revealed an accounting error earlier this year, was forced to pull a bond sale after it failed to attract enough interest. This was despite the bond being offered with a yield of 7.5% for the 4-year issue. Another company forced to pull a bond sale was potash miner Sirius. Despite offering an interest rate of 13%, the high yield issuer was unable to secure the capital that was required to release further funding. The company subsequently blamed a lack of government support and the Brexit uncertainty for the failed sale.

Government Bonds					Yield to maturity[1] (%)
	30.09.19	31.08.19	30.06.19	31.03.19	30.09.18
US Treasuries 2 year	1.62	1.50	1.75	2.26	2.82
US Treasuries 10 year	1.66	1.50	2.01	2.41	3.06
US Treasuries 30 year	2.11	1.96	2.53	2.81	3.21
UK Gilts 2 year	0.37	0.40	0.62	0.64	0.82
UK Gilts 10 year	0.49	0.48	0.83	1.00	1.57
UK Gilts 30 year	0.97	1.02	1.47	1.55	1.92
German Bund 2 year	-0.77	-0.93	-0.75	-0.60	-0.52
German Bund 10 year	-0.57	-0.70	-0.33	-0.07	0.47
German Bund 30 year	-0.07	-0.18	0.27	0.57	1.08

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 2019. The yield is not guaranteed and may go down as well as up.

Corporate Bonds										Yield to maturity[1] (%)/Spread[2] (bps)
	30.09.19		31.08.19		30.06.19		31.03.19		30.09.18	
£ AAA	1.40	72	1.42	67	1.78	67	1.97	73	2.27	58
£ AA	1.30	76	1.27	70	1.67	73	1.79	78	2.14	75
£ A	1.90	131	1.90	128	2.28	128	2.47	137	2.81	130
£ BBB	2.49	189	2.49	184	2.83	184	3.04	197	3.29	178
€ AAA	0.10	67	-0.07	63	0.25	63	0.45	62	0.74	56
€ AA	-0.02	71	-0.19	68	0.07	68	0.25	66	0.57	64
€ A	0.29	94	0.13	91	0.41	92	0.64	98	0.91	93
€ BBB	0.78	135	0.64	135	0.97	142	1.29	159	1.51	144
European High Yield (inc € + £)	3.87	383	3.81	377	3.99	384	4.30	412	4.12	367

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 2019. The yield is not guaranteed and may go down as well as up.

1 Yield to maturity – is the total return anticipated on a bond if the bond is held until it matures.

2 Credit spread – difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality.

Global currency movements – figures to 30 September 2019

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Euro/US Dollar	1.09	-0.8	-4.1	-2.8	-5.0	-4.4	14.1	-3.2	-10.2	-12.0	4.2
Euro/GB Sterling	0.89	-1.9	-1.0	3.0	-1.4	1.3	4.2	15.7	-5.1	-6.4	2.1
Euro/Swiss Franc	1.09	0.0	-2.0	-2.6	-3.4	-3.7	9.2	-1.6	-9.5	-2.0	1.6
Euro/Swedish Krona	10.73	-0.6	1.6	2.9	5.6	3.2	2.7	4.4	-2.7	6.6	3.2
Euro/Norwegian Krone	9.91	-1.1	2.2	2.5	0.0	0.6	8.4	-5.4	6.2	8.4	13.7
Euro/Danish Krone	7.47	0.1	0.0	0.0	0.0	0.3	0.2	-0.5	0.2	-0.2	0.0
Euro/Polish Zloty	4.37	-0.1	3.0	1.6	1.9	2.7	-5.1	3.3	-0.6	3.2	1.8
Euro/Hungarian Forint	334.87	1.1	3.7	4.3	4.3	3.3	0.5	-2.0	-0.3	6.5	2.1
US Dollar/Yen	108.08	1.7	0.2	-2.5	-1.4	-2.8	-3.6	-2.8	0.5	13.7	21.4
US Dollar/Canadian Dollar	1.32	-0.5	1.1	-0.8	-2.9	8.4	-6.4	-2.9	19.1	9.4	7.1
US Dollar/South African Rand	15.14	-0.3	7.5	4.4	5.4	16.1	-9.9	-11.2	33.8	10.2	24.1
US Dollar/Brazilian Real	4.16	0.2	7.9	5.9	7.1	17.2	1.8	-17.8	49.0	12.5	15.3
US Dollar/South Korean Won	1199.09	-0.9	3.7	5.4	7.6	4.4	-11.6	2.7	7.5	4.1	-0.7
US Dollar/Taiwan Dollar	31.05	-0.9	0.3	0.6	1.6	3.1	-8.6	-1.2	3.8	6.1	2.7
US Dollar/Thai Baht	30.60	0.0	-0.3	-3.6	-5.4	-0.7	-9.2	-0.5	9.5	0.6	6.9
US Dollar/Singapore Dollar	1.38	-0.4	2.2	1.9	1.4	1.9	-7.7	2.2	6.9	4.9	3.4
US Dollar/GB Sterling	0.81	-1.2	3.3	5.7	3.4	6.2	-8.7	19.3	5.8	-5.9	1.9
GB Sterling/South African Rand	18.61	0.8	4.1	-1.5	1.6	9.6	-1.4	-25.7	26.6	3.7	26.6
Australian Dollar/US Dollar	0.68	0.2	-3.9	-4.9	-4.3	-9.6	8.1	-0.9	-10.9	-8.4	-14.2
New Zealand Dollar/US Dollar	0.63	-0.7	-6.8	-8.0	-6.8	-5.2	2.0	1.7	-12.4	-5.0	-0.9

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

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance is not a guide to future returns.

Global equity and commodity index performance - figures to 30 September 2019										(%)
	1 Month	3 Months	6 Months	YTD	2018	2017	2016	2015	2014	2013
Global US & Canada										
MSCI World (US$)	2.2	0.7	4.9	18.1	-8.2	23.1	8.2	-0.3	5.5	24.7
MSCI World Value (US$)	4.0	0.7	3.4	14.2	-10.1	18.0	13.2	-4.1	4.4	27.5
MSCI World Growth (US$)	0.5	0.6	6.3	22.1	-6.4	28.5	3.2	3.5	6.6	27.2
MSCI World Small Cap (US$)	2.1	-0.8	1.4	15.4	-13.5	23.2	13.3	0.1	2.3	32.9
MSCI Emerging Markets (US$)	1.9	-4.1	-3.4	6.2	-14.2	37.8	11.6	-14.6	-1.8	-2.3
FTSE World (US$)	2.3	0.5	4.6	17.2	-8.8	24.1	8.7	-1.4	4.8	24.7
Dow Jones Industrials	2.1	1.8	5.1	17.5	-3.5	28.1	16.5	0.2	10.0	29.7
S&P 500	1.9	1.7	6.1	20.6	-4.4	21.8	12.0	1.4	13.7	32.4
NASDAQ	0.5	0.2	4.1	21.5	-2.8	29.6	8.9	7.0	14.8	40.1
Russell 2000	2.1	-2.4	-0.4	14.2	-11.0	14.6	21.3	-4.4	4.9	38.8
S&P/ TSX Composite	1.7	2.5	5.1	19.1	-8.9	9.1	21.1	-8.3	10.6	13.0
Europe & Africa										
FTSE World Europe ex-UK €	3.3	2.8	7.7	21.1	-10.5	13.0	3.4	10.9	0.2	25.2
MSCI Europe	3.8	2.6	6.2	20.0	-10.0	10.9	3.2	8.8	7.4	20.5
CAC 40	3.7	2.7	9.1	23.7	-8.0	12.7	8.9	11.9	2.7	22.2
DAX	4.1	0.2	7.8	17.7	-18.3	12.5	6.9	9.6	2.7	25.5
Ibex 35	5.3	1.7	2.3	11.9	-11.4	11.4	-4.8	-3.8	8.0	30.0
FTSEMIB	4.0	4.8	7.7	25.6	-13.2	17.3	-6.5	15.8	3.0	20.5
Swiss Market Index (capital returns)	1.9	1.8	6.3	19.6	-10.2	14.1	-6.8	-1.8	9.5	20.2
Amsterdam Exchanges	3.9	4.3	8.6	22.9	-7.4	16.5	13.6	7.4	8.7	20.7
HSBC European Smaller Cos ex-UK	2.2	0.2	4.2	16.5	-13.6	18.6	6.4	23.5	5.2	34.0
MSCI Russia (US$)	3.3	-0.9	16.2	30.4	0.2	6.1	55.9	5.0	-45.9	1.4
MSCI EM Europe, Middle East and Africa (US$)	1.8	-3.9	3.9	10.4	-7.5	16.5	22.8	-14.7	-28.4	-3.9
FTSE/JSE Africa All-Share (SA)	0.2	-4.6	-0.8	7.1	-8.5	21.0	2.6	5.1	10.9	21.4
UK										
FTSE All-Share	3.0	1.3	4.6	14.4	-9.5	13.1	16.8	1.0	1.2	20.8
FTSE 100	3.0	1.0	4.4	14.3	-8.7	12.0	19.1	-1.3	0.7	18.7
FTSE 250	3.1	3.3	6.4	16.7	-13.3	17.8	6.7	11.2	3.7	32.3
FTSE Small Cap ex Investment Trusts	2.9	-1.2	-0.3	4.9	-13.8	15.6	12.5	13.0	-2.7	43.9
FTSE TechMARK 100	2.0	3.8	13.5	24.9	-4.9	9.8	10.0	16.6	12.3	31.7
Asia Pacific & Japan										
Hong Kong Hang Seng	1.9	-7.5	-7.5	4.3	-10.5	41.3	4.3	-3.9	5.5	6.6
China SE Shanghai Composite (capital returns)	0.7	-2.5	-6.0	16.5	-24.6	6.6	-12.3	9.4	52.9	-6.7
Singapore Times	0.5	-4.7	0.2	5.3	-6.5	22.1	3.8	-11.2	9.6	3.0
Taiwan Weighted (capital returns)	2.0	0.9	1.8	11.3	-8.6	15.0	11.0	-10.4	8.1	11.9
Korean Composite (capital returns)	4.8	-3.2	-3.6	1.1	-17.3	21.8	3.3	2.4	-4.8	0.7
Jakarta Composite (capital returns)	-2.5	-3.0	-4.6	-0.4	-2.5	20.0	15.3	-12.1	22.3	-1.0
Philippines Composite (capital returns)	-2.5	-2.8	-1.8	4.2	-12.8	25.1	-1.6	-3.9	22.8	1.3
Thai Stock Exchange	-0.9	-4.6	1.7	7.6	-8.1	17.3	23.9	-11.2	19.1	-3.6
Mumbai Sensex 30	3.7	-1.5	0.7	8.3	7.5	29.8	3.7	-3.5	32.4	10.9
Hang Seng China Enterprises index	1.6	-5.0	-7.0	4.6	-9.9	29.6	1.5	-16.9	15.6	-1.5
ASX 200	1.8	2.4	10.5	22.6	-2.8	11.8	11.8	2.6	5.6	20.2
Topix	6.0	3.4	1.0	8.8	-16.0	22.2	0.3	12.1	10.3	54.4
Nikkei 225 (capital returns)	5.1	2.3	2.6	8.7	-12.1	19.1	0.4	9.1	7.1	56.7
MSCI Asia Pac ex Japan (US$)	1.8	-3.9	-3.1	8.0	-13.7	37.3	7.1	-9.1	3.1	3.7
Latin America										
MSCI EM Latin America (US$)	2.6	-5.6	-1.3	6.6	-6.2	24.2	31.5	-30.8	-12.0	-13.2
MSCI Mexico (US$)	2.6	-1.6	-0.4	5.1	-15.3	16.3	-9.0	-14.2	-9.2	0.2
MSCI Brazil (US$)	2.5	-4.5	2.3	10.8	-0.2	24.5	66.7	-41.2	-13.7	-15.8
MSCI Argentina (US$)	8.5	-46.8	-29.9	-31.3	-50.7	73.6	5.1	-0.4	19.2	66.2
MSCI Chile (US$)	4.3	-7.3	-11.8	-8.0	-18.9	43.6	16.8	-16.8	-12.2	-21.4
Commodities										
Oil - Brent Crude Spot (US$/BBL)	-0.2	-9.7	-10.2	20.6	-24.2	20.9	51.6	-33.5	-49.4	0.2
Oil - West Texas Intermediate (US$/BBL)	-1.9	-7.2	-10.1	19.6	-25.3	12.5	44.8	-30.5	-45.8	6.9
Reuters CRB index	2.3	-3.4	-4.3	4.2	-10.7	1.7	9.7	-23.4	-17.9	-5.0
Gold Bullion LBM (US$/Troy Ounce)	-3.6	4.4	13.8	15.0	-1.7	12.6	9.0	-10.5	-1.8	-27.3
Baltic Dry index	-23.3	34.6	164.6	43.4	-7.0	42.1	101.0	-38.9	-65.7	225.8

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

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance is not a guide to future returns.

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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