Monthly Market Roundup

October 2020 (covering September 2020)

This marketing document is for consumer use in the UK and for Professional Clients, Financial Advisers and Qualified Investors as specified in the important information section.

Overview

- A global surge in coronavirus led equity markets to shift lower during the month
- Economic data were difficult to interpret but left some room for optimism
- The geopolitical ruckus between the US and China continued to hit markets

After a summer lull (at least in Europe) Covid-19 returned with force across the continent and in the UK. While increased testing explained away some of the high numbers governments and markets appeared uncertain how to deal with or contain the pandemic.

Governments slowly re-introduced limitations on citizens movements and interactions and brought in new measures to support economies. In the US, the battle between the federal government and states in how to tackle the virus continued. Economy wise, the resurgence seemed to rule out the hoped-for V-shaped recovery as economists quietly moved onto the letter W.

President Trump courted further controversy with China, introducing further measures to hinder the adoption of some Chinese technologies and social media apps. Attention in the US also began to focus more closely on the upcoming election, although the first of the presidential debates at the end of the month was carried out in chaotic style.

Government bond yields fell to reflect further uncertainty around economic growth and corporates scrambled to take advantage of the low rates, with high issuance of investment grade credit being a feature of the month.

US

- Equity market rally faltered as virus second wave concerns rise
- No agreement yet on new fiscal stimulus package
- Presidential debate slips into chaos as insults drown out issues

US equity markets slipped lower in September to record their first monthly losses since March as virus second wave concerns rose. The failure of lawmakers to agree on another stimulus bill and rising tensions with China ahead of the forthcoming US presidential election also dampened sentiment.

While economic data was generally positive – pending home sales jumped to an all-time high – momentum in the recovering labour market appears to be stalling as worries about the reintroduction of new containment measures increased.

However, the monthly ADP report – a precursor to the US government's non-farm payrolls report (due for release in early October) – was better-than-expected with private US companies adding 749,000 payrolls in September.

Due to the ongoing "economic uncertainty from the coronavirus response" the US Federal Reserve extended its unprecedented constraints on dividend payments and share buybacks for the biggest US banks through the rest of the year. Citigroup was the weakest performing banking stock in the S&P 500.

Continuing its year-to-date struggles, it was another challenging month for the energy sector as Brent oil prices dipped back towards US$40 a barrel on concerns over slowing global demand. Weakness was broadly felt with all energy stocks, led by Apache and Halliburton, experiencing share price weakness.

After a strong summer rally, equity prices in the communication services sector retreated with Facebook and Alphabet (owner of Google) losing the most ground. However, it wasn't all one-way traffic with Twitter aficionados more upbeat as the social messaging company's share price hit a two-year high.

Technology stocks also gave up some ground following their stellar performances since mid-March with Apple's shares feeling a little bruised as the company's market capitalisation fell below US$2 trillion.

The health care sector showed more resilience with Hologic rising to the top of the leader board. The company's share price got a boost following news they had received authorisation from the US Food and Drug Administration for a diagnostic test aimed specifically at people with asymptomatic Covid-19 infections.

In other developments, the first of three scheduled presidential debates between Donald Trump and Joe Biden was held, although the event will probably be remembered for chaos and the exchange of insults.

Europe

- European equity markets fall in September
- Data pointing to a two-speed economy
- Inflation fell further into negative territory

European equity markets fell in September as investors were spooked by the rise in coronavirus cases and subsequent increase in restrictions. Against this backdrop, consumer discretionary, health care and materials rose most. Meanwhile, energy, financials and real estate were by some degree the worst performing areas in the market.

Eurozone PMIs (the purchasing managers' index) recorded another miss in September, barely staying above the important above 50-point level (above 50 suggests economic expansion, while below 50 suggests economic contraction). However, digging beneath the surface shows that the trajectory is not the same for all parts of the economy.

The Services component is now firmly back into contraction territory after falling to 47.6 (50.5 in August). Meanwhile, Manufacturing registered strong growth after rising to 53.7 (51.7 in August), largely driven by a rebound in manufacturing activity in Germany.

The data points to a two-speed economy with manufacturing continuing its strong recovery, while services, most under pressure from lockdown measures and restrictions, has stalled as coronavirus cases continue to rise.

Other survey data also appears to indicate that the recovery may be running out of steam. The German Ifo survey saw a very small increase in the Ifo Business Climate Index, missing consensus forecasts. Similarly, the European Commission's Economic Sentiment Indicator also saw a small improvement but remains at a relatively low level. The data suggest we may be entering into the next stage of the recovery: still rebounding but at a reduced rate.

Meanwhile, headline inflation in September – compromised of Core, Food, Alcohol & Tobacco, and Energy – fell further into negative territory (-0.3%) and hit its lowest level since early 2015. Last month, when inflation first fell into negative territory, it was driven mainly by a fall in the Core rate. This month it was largely a fall in energy prices that drove inflation even lower.

UK

- A steep rise in confirmed coronavirus cases raised the prospect of a second lockdown and pulled markets lower
- Volatility remained at elevated levels, though it has reduced from the extremes of March and April
- The UK economy shrank by 19.8% in the second quarter as the lockdown to contain the spread of the pandemic took its toll

The UK Equity market ended the month in negative territory reflecting news flow around the pandemic. A steep rise in confirmed cases of the virus raised the prospect of a second lockdown. Concerns about a stalling economic recovery ahead of the next round of Brexit negotiations also impacted sentiment.

Volatility remained at elevated levels, though it has reduced from the extremes of March and April. It is likely to remain high until the outcome of the Brexit negotiations become clearer, the impact of a second (or third) wave of the virus is better understood, and pending further action by Governments and Central Banks – both in the UK and around the world.

Oil & Gas and Financials were the worst performing sectors over the month. Pessimism remains entrenched in Oil & Gas. Refineries are struggling to deliver a profit as overcapacity in the sector meets tepid demand for its end-products.

Financials were driven lower by bank stocks which fell on media reports of alleged suspicious transfers. The reports were based on leaked documents, including suspicious activity reports, showing that more than $2tn of transactions were internally flagged as suspicious.

HSBC was among five global banks to appear most often in the documents, filed with the US Treasury's Financial Crimes Enforcement Network (FinCEN). Shares in the bank fell to their lowest level since the 1998 Asian currency crisis. In contrast, consumer staples stocks proved resilient over the month, benefiting from their more 'defensive' characteristics (less sensitive to the economic cycle).

The government unveiled the successor to the furlough scheme, under which it will cover up to 22% of the wages of workers in 'viable' jobs working reduced hours. For the next six months, the Job Support Scheme will be open for all employers who have had to cut down on their employees' hours, but it will be targeted at small and medium-sized firms.

The new subsidy is expected to cost £500m a month, compared with the £4bn monthly cost of the furlough scheme. The measures announced by the Chancellor should provide further effective support to the labour market and contribute to higher levels of employment, and lower levels of unemployment, than previously envisaged.

Decisive actions by Governments and central banks around the world have prevented the crisis from getting worse. It does, however, come at a cost. The new measures announced by the Chancellor will add to government debt but they are significantly less generous than the previous package, meaning that monthly borrowing is likely to fall.

For now, UK Government borrowing continued to reach new highs in August. Public sector borrowing was £35.9 billion, £30.5 billion more than in August last year and the third highest in any month since records began in 1993. Meanwhile, the Office for National Statistics reported the UK economy shrank by 19.8% in the second quarter as the lockdown to contain the spread of the pandemic took its toll.

Asia

- Asian equity markets were mixed on a resurgence in global infection cases
- Investor sentiment in China was dampened by US-China tensions
- Japan's market ended higher despite a change in leadership

Asian equity markets were mixed over the month. Investor sentiment suffered on a resurgence in global infection cases, the persistence of US-China tensions, a strengthening dollar and an approaching US election.

In China, the market lagged the performance of the region, partly down to elevated US-China tensions on the technology front. The US announced the imposition of export controls over Semiconductor Manufacturing International Corporation (SMIC), which triggered waves of sell-offs particularly among semiconductor stocks.

Furthermore, Trump's attempt to ban WeChat increased concerns over a potential broadening of sanctions as the US election approaches.

Elsewhere, the Korean, Taiwanese and Indian equity markets were among the better performers. Korea and Taiwan benefitted from upward earnings revision for 2021, while India was helped by a strengthening US dollar.

The oil price moved lower, after four months of successive gains, due to mounting concerns about the outlook for fuel demand and global growth amidst rising infection cases.

Japan's equity market rose marginally over the month in local currency terms. Investor sentiment was helped during the period by expectations that existing economic policies will be maintained as Yoshihide Suga was expected to win the leadership race within the Liberal Democratic Party.

Mr. Suga won the election on 14th September and was formally appointed as Prime Minister in the Diet two days later. In addition, sentiment was also boosted by the prospect of further structural reforms, given Suga's strong track record in this area, and hopes for economic normalization.

There were reports that restrictions on large events could be eased, and that the request for bars and restaurants in Tokyo to close early maybe withdrawn. Meanwhile, economic data releases were mixed while the Bank of Japan maintained the status quo in all key policy areas at its Monetary Policy Meeting in mid-September, as was widely expected.

Emerging Markets

- Early equity rally fizzles out on fears of a Covid-19 second wave
- Weakness in Asia tempered by upbeat economic data
- Geopolitical tensions between the US/China, especially on the technology front, rise further

Emerging equity markets failed to hold onto early gains as a resurgence in global Covid-19 cases increased concerns over a second wave. Among the regions Latin America was the weakest performer, followed by EMEA (European Middle East and Africa).

Performance in Asia displayed more resilience, drawing support from positive economic data and a sense that Asian economies have generally handled coronavirus outbreaks relatively well.

At a country level, performance varied with Korea, Taiwan and Mexico generating positive returns. At the other end of the table, Indonesia was the laggard on fears that its critically important tourism industry could suffer serious blows from the pandemic.

The CE3 countries – Poland, Hungary and Czech Republic – also recorded equity losses as the re-initiation of containment measures prompted by rising new virus cases saw earnings forecasts revised down.

While economic data from China provided further evidence of a recovery – industrial production appears to have stabilised, supported by better-than-expected export growth – geopolitical tensions with the US, especially on the technology front, continue to overshadow the recovery theme. With the US election looming, President Trump's attempt to ban WeChat raised concerns over broadening sanctions.

All Latin American equity markets apart from Mexico posted negative returns, with Colombia and Brazil leading the declines. Energy, consumer discretionary and health care were the weakest sector performers.

The Brazilian economy shrank more-than-expected in Q2 2020 (-33.5% quarter-on-quarter) as a result of the weak services and industry sectors performances. However, more recent data releases point to a sharp recovery.

Despite the virus toll, the approval rating of Brazil's President Bolsonaro jumped to its highest level since the start of his term on increased government spending and cash handouts to millions of the poorest people in the country.

The approval rating of Mexico's President AMLO has also risen during the Covid-19 pandemic due to his campaign to crack down on political corruption.

While Mexico's annual inflation rate edged up to 4.1%, Banxico (central bank) unanimously decided to cut interest rates from 4.5% to 4.25%, its lowest level since April 2016. While announcing the reduction the bank said it sees inflation returning to its 3% target by the end of 2021.

In addition to the CE3 countries in emerging Europe, Russia's equity market generated disappointing returns with energy companies being adversely impacted by lower oil prices. Brent crude dipped back towards US$40 a barrel on concerns over slowing global demand.

Fixed Interest

- Government bonds rallied following a resurgence in Covid-19 cases
- The US Federal Reserve reiterated its message that US interest rates will be unchanged until at least 2023
- There was a strong increase in European investment grade corporate issuance

September saw a resurgence of Covid-19 cases in Europe and, with it, the reintroduction of some restrictions on economic activity. Against this backdrop, government bonds rallied and credit spreads (the premium over government bonds that companies need to pay to borrow) widened.

Central bank policy continues to have a significant influence on returns. At its September meeting, the US Federal Reserve (Fed) reiterated its message that US interest rates will remain low for the foreseeable future.

The Fed, which is now targeting long-term rather than annual inflation, does not think that inflation will reach 2% until 2023. The "dot-plot", which is the forecasts of each member responsible for setting US interest rates shows no change until 2023.

In the UK, the minutes from the Bank of England's September meeting again raised the prospect of a negative UK policy rate. The minutes revealed that they have been briefed on plans to explore how a negative Bank Rate could be implemented. Subsequently, some members have cast on this policy. Nonetheless, the news provided a further catalyst for Gilt yields to fall.

Brexit came back into focus, in particular the difficulties with Northern Ireland. The UK government's internal markets bill, which seeks to maintain an internal market within UK in the case of no deal, raised concerns in the European Union. This was not only because of its implication for trade between the Republic and Northern Ireland, but also the UK government's admittance that the legislation would break international law. Sterling weakened in light of the legislation.

European investment grade issuance remained robust with the annual issuance record of €1.39trn beaten during the month. Two new issues of note were auto manufacturers Daimler and Volkswagen. Both companies issued so called "green bonds".

These bonds represent a growing part of the bond market and provide diversification from the usual banks, utilities and government bonds. They are designed to help the manufacturers finance their development of electric vehicles. Daimler raised €1bn while VW raised €2bn. Both companies were able to issue at lower cost than their existing bonds, as investors sought to pay a "green premium".

By the end of the month, US 10-year Treasury yields had fallen 2bps to 0.68%. 10-year Gilt yields had fallen 8bps to 0.23%. European high yield credit spreads widened 26bps to 485bps. Sterling investment grade credit spreads widened 5bps to 150bps.

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[1] (%)
	30.09.20	31.08.20	31.07.20	31.03.20	30.09.19
US Treasuries 2 year	0.13	0.13	0.11	0.25	1.62
US Treasuries 10 year	0.68	0.70	0.53	0.67	1.66
US Treasuries 30 year	1.46	1.47	1.19	1.32	2.11
UK Gilts 2 year	-0.02	-0.06	-0.07	0.14	0.37
UK Gilts 10 year	0.23	0.31	0.10	0.36	0.49
UK Gilts 30 year	0.78	0.89	0.63	0.83	0.97
German Bund 2 year	-0.70	-0.65	-0.71	-0.69	-0.77
German Bund 10 year	-0.52	-0.40	-0.52	-0.47	-0.57
German Bund 30 year	-0.09	0.06	-0.10	0.03	-0.07

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 2020. The yield is not guaranteed and may go down as well as up.

Corporate Bonds										Yield to maturity[1] (%)/Spread[2] (bps)
	30.09.20		31.08.20		31.07.20		31.03.20		30.09.19	
£ AAA	1.06	59	1.11	56	0.98	62	1.97	143	1.40	72
£ AA	0.94	71	0.94	67	0.89	75	2.23	184	1.30	76
£ A	1.51	118	1.54	114	1.46	124	2.80	235	1.90	131
£ BBB	2.25	193	2.26	186	2.23	200	3.51	311	2.49	189
€ AAA	-0.01	49	0.04	46	0.00	53	0.81	128	0.10	67
€ AA	0.02	67	0.06	64	0.04	71	0.98	159	-0.02	71
€ A	0.37	97	0.42	93	0.42	105	1.51	209	0.29	94
€ BBB	0.91	146	0.97	143	1.01	159	2.24	281	0.78	135
European High Yield (inc € + £)	4.43	485	4.28	459	4.60	504	7.35	779	3.87	383

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 2020. 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 2020

	Current value	Change over: 1 month (%)	3 months (%)	6 months (%)	YTD (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.17	-1.8	4.3	6.2	4.5	4.5	-4.4	14.1	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.91	1.6	0.1	2.1	7.3	7.3	1.3	4.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.08	0.1	1.4	1.8	-0.5	-0.5	-3.7	9.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	10.50	1.7	0.3	-4.0	0.0	0.0	3.2	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	10.94	5.1	1.2	-4.7	11.1	11.1	0.6	8.4	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	-0.1	-0.3	-0.3	-0.3	0.3	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.53	3.1	2.0	-0.6	6.6	6.6	2.7	-5.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	363.51	2.3	2.6	0.7	9.8	9.8	3.3	0.5	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	105.47	-0.4	-2.3	-1.9	-2.9	-2.9	-2.8	-3.6	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.33	2.1	-1.9	-5.3	2.6	2.6	8.4	-6.4	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	16.75	-1.1	-3.3	-6.2	19.6	19.6	16.1	-9.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	5.61	2.2	2.6	7.8	39.6	39.6	17.2	1.8	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1164.75	-2.0	-2.9	-4.4	0.8	0.8	4.4	-11.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	28.93	-1.5	-1.7	-4.5	-3.3	-3.3	3.1	-8.6	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	31.61	1.7	2.3	-3.5	6.2	6.2	-0.7	-9.2	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.37	0.4	-2.0	-4.0	1.5	1.5	1.9	-7.7	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.77	3.6	-4.4	-4.1	2.5	2.5	6.2	-8.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	21.64	-4.5	0.7	-2.4	16.5	16.5	9.6	-1.4	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.72	-2.9	3.8	16.7	2.0	2.0	-9.6	8.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.66	-1.8	2.4	11.0	-1.9	-1.9	-5.2	2.0	1.7	-12.4	-5.0	-0.9	6.4

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 2020 (%)

	1 month	3 months	6 months	YTD	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada												
MSCI World (US$)	-3.4	8.0	29.2	2.1	28.4	-8.2	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	-3.1	4.1	17.4	-14.1	22.7	-10.1	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	-3.6	11.7	40.4	19.2	34.1	-6.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	-2.1	7.6	34.2	-6.0	26.8	-13.5	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	-1.6	9.7	29.6	-0.9	18.9	-14.2	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	-3.3	8.0	29.1	1.3	27.7	-8.8	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	-2.2	8.2	28.3	-0.9	25.3	-3.5	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	-3.8	8.9	31.3	5.6	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	-5.1	11.2	45.7	25.3	36.7	-2.8	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	-3.3	4.9	31.6	-8.7	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	-2.1	4.7	22.5	-3.1	22.9	-8.9	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa												
FTSE World Europe ex-UK €	-0.9	1.6	17.6	-7.1	27.6	-10.5	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	-1.4	0.2	13.1	-12.3	26.9	-10.0	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	-2.7	-2.0	11.2	-17.9	30.5	-8.0	12.7	8.9	11.9	2.7	22.2	20.4
DAX	-1.4	3.7	28.4	-3.7	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	-3.3	-6.0	1.5	-27.1	16.8	-11.4	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	-3.0	-1.4	13.4	-17.4	33.8	-13.2	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	0.5	1.4	9.4	-4.1	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	-0.3	-1.5	15.1	-7.6	28.5	-7.4	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	-0.1	7.2	28.7	-3.6	27.8	-13.6	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	-7.4	-4.3	13.8	-27.6	52.7	0.2	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	-3.3	1.2	17.5	-18.9	20.0	-7.5	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	-1.6	0.7	24.0	-2.5	12.1	-8.5	21.0	2.6	5.1	10.9	21.4	26.7
UK												
FTSE All-Share	-1.7	-2.9	7.0	-19.9	19.2	-9.5	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	-1.5	-4.0	4.8	-20.2	17.3	-8.7	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	-2.5	1.8	15.9	-19.7	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-3.3	-1.7	15.1	-22.2	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-1.9	7.8	22.3	-3.8	39.3	-4.9	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan												
Hong Kong Hang Seng	-6.4	-2.6	2.0	-14.2	13.0	-10.5	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	-5.2	7.8	17.0	5.5	22.3	-24.6	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	-2.6	-3.5	2.5	-20.7	9.4	-6.5	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	-0.6	7.7	28.9	4.3	23.3	-8.6	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	0.1	10.4	32.7	5.9	7.7	-17.3	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	-7.0	-0.7	7.3	-22.7	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	-0.3	-5.5	10.2	-25.0	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	-5.5	-7.0	12.1	-19.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	-1.3	9.4	30.1	-6.8	15.9	7.5	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	-5.7	-1.9	1.8	-12.5	14.5	-9.9	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	-3.7	-0.4	16.0	-10.8	23.4	-2.8	11.8	11.8	2.6	5.6	20.2	20.3
Topix	1.3	5.2	17.0	-3.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	0.2	4.0	22.6	-2.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	-2.3	9.6	29.8	3.0	19.5	-13.7	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America												
MSCI EM Latin America (US$)	-5.1	-1.2	17.8	-35.9	17.9	-6.2	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	1.1	4.7	16.2	-25.0	11.8	-15.3	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-7.1	-3.3	18.9	-40.8	26.7	-0.2	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	-3.9	6.7	53.3	-7.0	-20.7	-50.7	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	-4.1	-4.2	11.8	-25.5	-16.0	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities												
Oil – Brent Crude Spot (US$/BBL)	-10.9	-3.2	171.4	-40.5	34.0	-24.2	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil – West Texas Intermediate (US$/BBL)	-6.0	2.0	95.7	-34.4	35.1	-25.3	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	-3.1	7.7	22.0	-19.8	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-3.5	6.5	17.9	25.0	18.7	-1.7	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	15.9	-4.1	175.6	58.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8

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.

Important information

This marketing document is for consumer use in the UK, Professional Clients and Financial Advisers in Continental Europe as defined below, Qualified Investors in Switzerland and Professional Clients in Cyprus, Dubai, Ireland, Isle of Man, Jersey, Guernsey and Malta. It is not intended for and should not be distributed to, or relied upon, by the public anywhere other than the UK. By accepting this document, you consent to communicate with us in English, unless you inform us otherwise.

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals, they are subject to change without notice and are not to be construed as investment advice. This document is marketing material and is not intended as a recommendation to invest in any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. The information provided is for illustrative purposes only, it should not be relied upon as recommendations to buy or sell securities.

For the distribution of this document, Continental Europe is defined as Belgium, Finland, France, Italy, Luxembourg, The Netherlands, Norway, Spain, Sweden, Liechtenstein, Germany and Austria.

Issued in Austria by Invesco Asset Management Österreich – Zweigniederlassung der Invesco Asset Management Deutschland GmbH, Rotenturmstrasse 16-18, 1010 Wien, Austria

Issued in Belgium, Cyprus, Finland, France, Italy, Luxembourg, Malta, Netherlands, Norway, Spain and Sweden by Invesco Asset Management S.A., 16-18 rue de Londres, 75009 Paris, France

Issued in Dubai by Invesco Asset Management Limited
PO Box 506599, DIFC Precinct Building No 4, Level 3, Office 305, Dubai, United Arab Emirates
Regulated by the Dubai Financial Services Authority

Issued in Germany by Invesco Asset Management Deutschland GmbH
An der Welle 5, 60322 Frankfurt am Main, Germany

Issued in Ireland by Invesco Asset Management Limited
Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Authorised and regulated by the Financial Conduct Authority

Issued in the Isle of Man by Invesco Management S.A.
37A Avenue JF Kennedy, L-1855 Luxembourg

Issued in Jersey and Guernsey by Invesco International Limited
2nd Floor, Orviss House, 17a Queen Street, St Helier, Jersey, JE2 4WD
Regulated by the Jersey Financial Services Commission

Issued in Switzerland and Liechtenstein by Invesco Asset Management (Schweiz) AG, Talacker 34, 8001 Zurich, Switzerland

Issued in the UK by Invesco Asset Management Limited
Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Authorised and regulated by the Financial Conduct Authority

EMEA7756/061020