Monthly Market Roundup
November 2021

Covering October 2021

While supply chain disruptions, labour shortages and rising energy costs persist, October saw equities around the world put in strong performances overall.

Overview

- Overall, equities globally performed well
- Asia and Emerging Markets (EM) lagged developed markets
- Inflation concerns and interest rate-hike expectations persist, impacting government bonds

In the UK, the equity market was buoyed by higher stocks. Though slower than forecasted, October data showed GDP was up in August. With positive signs for economic activity and the Chancellor's forecasts for growth and reduced borrowing, unemployment also fell. Despite a small dip in September, inflation remains well above the magic 2% target, with the Bank of England predicting a 5% (or more) high in the new year.

European equities bounced back after a disappointing performance in September, though there were mixed fortunes for the big four eurozone economies. France and Italy posted strong performance while Germany and Spain reported slower-than-expected growth. Inflation remains above 4%, a 13-year high but the ECB doesn't anticipate interest rate hikes before the end of 2022. Business and consumer confidence is up though, according to the European Sentiment Indicator.

Tensions between the US and China over COVID-19, cyber security and computer chips, as well as China's downgraded economic growth outlook meant that although Asian markets posted positively, they lagged the developed world. Indonesia posted the largest gains, while Japan lagged over inflation concerns driven by crude oil prices, US long-term interest rates and a hangover from the Chinese property developer Evergrande's debt crisis.

Emerging markets also lagged developed markets but still posted positive returns. Egypt, Peru and Argentina led the way in absolute returns, while Poland and Russia posted strongly to drive EM Europe, Middle East and Africa (EMEA)'s performance. The latter was buoyed by talk of them adding supply to the European gas market. Latin America faired worst in part due to political noise from Brazil, which finished with the weakest country performance overall.

A positive start to the earnings reporting season boosted US equities in October. The Treasury remain steadfast in the view that current inflation is transitory (it hit 5.4% in September) and that labour and supply constraints will ease as the pandemic comes under control. Manufacturing looks to be expanding despite a third consecutive Purchasing Managers' Index drop, which would usually indicate deterioration. Unemployment is down and of the companies that have reported earnings, 82% beat earnings per share estimates.

In fixed income terms, inflationary concerns and interest rate hike expectations continued to exert pressure on government bonds. An unprecedented £57.8 billion cut to planned UK government debt sales caused a volatile month for the UK gilt market. High yield bonds delivered modest negative returns and there was mixed outcome for investment grade bonds.

UK

- UK equity market ends the month higher
- Positive signs for the economy with GDP up and economic activity expanding
- Inflation continues to sit above target, with a huge 5% high predicted which could force an interest rate hike

The UK's equity market ended higher in October as the economy gained momentum with positive data pushing stocks higher, despite continued supply and staff shortages.

Data from October showed Gross Domestic Product (GDP) increased by 0.4% in August, although this was slower than consensus forecasts. August's recovery was largely driven by increased activity in accommodation and food services, arts and entertainment - according to Office for National Statistics (ONS) data; mining and quarrying also rapidly expanded. The ONS revised GDP for July 2021 down, from 0.1% growth to a 0.1% fall. This was because of a downward revision of the data for the manufacture of motor vehicles, oil and gas, and improvements to how health output is measured.

Economic activity looked to be expanding again as the IHS Markit's Composite Purchasing Managers' Index (PMI) rose to a three-month high of 56.8 in October (a reading above 50 usually indicates growth). This was up from 54.9 the previous month, beating consensus forecasts. The PMI index for manufacturing output fell again though - to 50.6, with continued capacity constraints, lengthy supplier lead times and staff shortages.

In the budget, Chancellor Rishi Sunak forecasted faster growth and lower borrowing as the economy bounces back from the coronavirus pandemic. The Office for Budget Responsibility (OBR) revised its forecasts for GDP of 4% in 2021, to 6.5% - the fastest growth for 50 years. The OBR believes that the economy will get back to its pre-pandemic level in the first quarter of 2022 despite the growth forecast for 2022 being revised down from 7.3% to 6%.

The ONS showed the number of open jobs rose to a record high of 1.1m in the three months to August, while the average unemployment rate for the period fell to 4.5%, from 4.9% in the previous three-month period. The ratio of jobless people to open jobs stood at 1.45, below its pre-pandemic level and lower than at any point in 40 years.

October figures showed inflation in September dipped to 3.1% from 3.2% in August. This was mainly driven by lower prices in the restaurant sector than last year when prices were boosted by the 'Eat Out to Help Out' scheme. This will likely be a blip as the level of prices in the UK stagnated for five months following September 2020. The Bank of England's Chief Economist Huw Pill, expects inflation to rise close to or even slightly above 5%, making an interest rate hike probable.

Europe

- European markets bounce back after September's decline
- Mixed sentiment among the big four European economies, with France and Italy overperforming and Germany and Spain lagging
- Inflation hit a 13-year high thanks to rising energy costs and supply chain issues, though consumer confidence shows positive signs

European bourses rallied strongly following the falls in September as Europe's recovery regained some momentum. From a sector perspective, utilities, consumer discretionary, information technology and consumer staples performed best. Only communication services and real estate returned negatively for the month.

The eurozone's economic rebound picked up with growth of 2.2 per cent in the third quarter, keeping the bloc on track to regain its pre-pandemic level of output later this year. There was more of a mixed picture among the four largest eurozone countries though. France and Italy exceeded expectations while Germany and Spain reported slower than expected growth. Economists expect the eurozone's outlook to slow as supply chain bottlenecks and surging energy prices are likely to weigh on growth prospects . Germany's top economic research institutes have cut their growth forecasts for Germany from 3.7% to 2.4% due to these supply issues.

Third quarter earnings results have seen companies beating expectations. Of the 44% of companies from the Stoxx 600 who have reported so far, 68% have beaten expectations. Consumer staples and technology were the best sectors for beats, with Industrials and Real Estate the weakest.

Eurozone inflation rose to a 13-year high of 4.1% in October, as surging energy costs and supply issues pushed the cost of goods higher. Despite these pressures, the European Central Bank (ECB) maintained interest rates and its monetary policy stance. ECB president Christine Lagarde believes its analysis doesn't support market expectations for an interest rate hike before the end of 2022.

IHS Markit's Composite Purchasing Managers' Index (PMI) showed a third consecutive fall to 54.3 in October, down from 56.2 in the previous month - below market expectations, driven by weakness in services. Manufacturing was stable despite supply bottlenecks and higher energy costs but output saw sharp falls, as well as new orders as domestic weakness started to impact numbers. The overall PMI score remained above 50, indicating that most businesses were still reporting improvements in activity from the previous month.

The European Commission published the latest reading for their Economic Sentiment indicator, an aggregate measure of business and consumer confidence. The index rose to 118.6 in October from 117.8 in September. The employment expectations indicator increased further in the eurozone, reaching its highest level since May 2018. More optimistic employment plans in services and industry drove the increase.

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Asia

- Asian markets grew, starting the month particularly well but lagged the gains of developed markets overall
- Tensions between the US and China, stagflation concerns and China's downgraded economic growth outlook all impacted market performance.
- Indonesia posted the largest gains, with China and Taiwan also tracking positively. Crude oil prices raised inflations concerns which meant Japan ended down.

Most Asian equity markets rose in October, though regional indices underperformed the broader gains of developed markets. Earlier strength was undone by US-China tension and stagflation (a mix of slow economic growth, high unemployment and rising inflation) concerns. Compared to emerging market regions, where interest rates are increasingly being raised to tackle inflation levels, Asian central banks have been more cautious to follow suit, given a more stable inflationary context. The exceptions are Korea and Singapore, where banks have already begun to raise rates.

Markets started the month well thanks to positive earnings reports and guidance from companies. Declining global COVID-19 cases and easing restrictions on mobility were also positive for investor sentiment, with Singapore easing travel restrictions and Australia and Thailand reopening for international travel. Talk of stagflation impacted market performance, with particular concern surrounding inflation levels and China's downgraded economic growth outlook. Tensions over COVID-19, cyber security and computer chips resurfaced between the US and China. This also dragged on performance in the latter half of October.

Chinese equity markets enjoyed positive returns, recovering some of the losses suffered in recent months but monthly economic data was weaker than expected. This suggests that the slowdown in China's economy is continuing, with a disappointing Q3 GDP of 3.8% year-on-year. The real estate sector underperformed as authorities announced the expected trial implementation of a property tax, although a moderate easing of mortgage limits was an incremental positive. The strongest sectors were consumer discretionary, industrials and internet technology, with autos benefiting from an anticipated production recovery, and rising expectations for China's push into clean energy spurring electric vehicle and renewable energy supply chain names.

Taiwan ended marginally up in October, although slightly underperforming the broader Asia Pacific ex-Japan region. Strong Q3 revenue and earnings reports from large technology companies, such as Taiwan Semiconductor Manufacturing, helped markets recover initial losses. Taiwan's October Purchasing Manager's Index (PMI) reading stabilised, with a positive reading of 55.2 pointing towards expansion in their manufacturing industry (anything above 50 usually indicates growth). That being said, early estimates of Taiwan's Q3 GDP figures were below expectations, and September Consumer Price Index (CPI) inflation rose further.

The Indonesian equity market registered the largest gains in the region, buoyed by resilient commodity prices, tax policy changes with the potential to help lower the fiscal deficit. A ramp-up in vaccinations also prompted a relaxation in travel restrictions. On the other hand, Korean equities underperformed, weighed by a Samsung-driven decline in the index heavyweight technology hardware sector.

Japan's equity market registered losses in October on concerns surrounding inflation levels in the context of rising crude oil prices. The rise in US long-term interest rates also weighed on investors, as well as lingering contagion fears around the Chinese property developer Evergrande's debt crisis. Equity prices did rebound and stabilise though after the US congress passed a bill to raise the federal debt ceiling (the amount of debt the government can incur) and increasing US long-term interest rates levelled off. Finally, Australian equities only marginally slipped, as the country's COVID-19 vaccine rollout programme progressed and the reopening of its domestic and international air travel led a recovery from its lag in September.

Emerging Markets

- While emerging markets finished with positive returns, these lagged developed markets.
- Egypt, Peru and Argentina lead the way in absolute returns with Poland and Russia driving EM Europe, Middle East and Africa (EMEA) performance
- A rally in oil prices saw price per barrel hit $85 for the first time since October 2018 in commodities terms.

Emerging market equity markets posted positive returns over the month, although returns lagged those from the developed world. EM EMEA posted the strongest performance, followed by EM Asia, while EM Latin America lagged as the only region to register negative returns.

Egypt, Peru and Argentina performed best in terms of absolute returns, while Brazil, Chile and South Korea were the main detractors. EM currencies fell 1% over the month, with the Turkish Lira the biggest laggard.

EM EMEA's performance was largely driven by Russia and Poland. Russian equities rose, thanks to strengthening energy prices amid talk of Russia adding supply to the European gas market. Poland also took support from the highest positive earnings revision to their 2021 earnings per share (EPS) estimate in the whole EM region.

EM Asia started the month with a solid recovery after a weaker September, but this was undone in the later part of October after a clash between China and the US over COVID-19, cyber security and computer chips, as well as downgrades in China's economic growth outlook. Though Taiwan saw marginal gains thanks to continued strength in technology demand, as October manufacturing PMI rose to 55.2 (anything above 50 usually indicates growth), GDP growth was less than expected. South Korean equities fell, with imminent tapering of monetary policies, higher than expected inflation levels and a weak Q3 earnings season (so far) weighing on markets.

After a period of strong outperformance, Indian equities corrected slightly, finishing more or less flat through October after two months of solid gains. This comes on the back of elevated valuations, and relatively weak earnings reports so far. Recent increases in oil prices also triggered inflationary and growth concerns. Promisingly, daily COVID-19 cases almost halved, from 15,000 a day to 8,000 by month-end, with roughly 53% of the population having received one vaccination.

Latin American equities fell over the month, registering the biggest underperformance in the broader EM market. This was partly due to political noise coming from Brazil in particular, which finished with the weakest country performance after increasing fiscal debates and a more troubling inflationary outlook. Argentina was the strongest region, and almost all Latin American currencies depreciated in October, with the Brazilian real the most volatile.

When it comes to commodities, Brent oil price increased by 6.5% month-on-month, crossing the $85 a barrel mark for the first time since October 2018. Oil prices have been spurred on since the beginning of September off the back of natural gas shortages which has seen a rising demand for alternative energy sources. The Reuters CRB index, an indicator of global commodity markets, posted gains, supported by price rises in nickel, copper and iron ore, and continuing inflation levels buoyed gold prices. In contrast, steel prices fell.

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US

- October saw US equity markets hit record highs thanks to a positive start to the US earnings reporting season
- The Treasury Secretary doubled down on the view that current US inflation levels are transitory
- Among generally positive earnings results, Amazon and Apple were the big exceptions, impacted by supply chain issues.

US equities performed strongly through October, with the S&P 500 and the Dow Jones hitting record highs. Equity markets took support from a positive start to the US earnings reporting season, positive jobless claims numbers and declining COVID-19 cases.

While inflation pressures broaden, US Treasury Secretary Janet Yellen reiterated her view that price rises are transitory (the US annual rate inflation edged up to 5.4% in September) and that labour supply constraints and other bottlenecks will ease as the pandemic comes under control. Joe Biden's $1 trillion infrastructure bill faced more tough opposition, raising concerns that it could aggravate the increasingly challenging price situation. Yellen reassured that the cost to implement it, as well as a $1.75 trillion social spending plan, would be financed through higher levies on corporations and the wealthy, as well as an improved tax enforcement process.

The Markit US Manufacturing Purchasing Manager's Index (PMI) registered a third consecutive monthly drop (58.4), although it still indicates that the American manufacturing industry is expanding, albeit at a slower rate. Initial jobless claims and the unemployment rate fell, depicting a healthier labour market than headline non-farm payroll numbers indicated.

With the Q3 earnings season well under way, of the US companies that have reported earnings at the time of writing, 82% have beaten earnings per share (EPS) estimates, led by the communication services, information technology and financial sectors. Profit margins have expanded contrary to fears - given that US economic growth weakened over Q3 and commodity inflation kept growing. Capital goods orders (orders placed with factories for business equipment) increased for the seventh month in a row, positive signs for continued strength in capital investment.

While earnings results were generally upbeat, there were some notable exceptions in Apple and Amazon. Both came under pressure from downbeat quarterly financial results due to supply chain disruptions, with the former losing its title as the most valuable company in the world to Microsoft which, conversely, reported strong earnings results. Tesla also stole headlines, breaching the $1 trillion market cap after announcing a deal with Hertz. This comes alongside a general rally in the electric vehicle space amid growing climate action talks.

Fixed Income

- Inflationary concerns and interest rate hike expectations continued to exert pressure on government bonds.
- Unprecedented £57.8 billion cut to planned UK government debt sales.
- High yield bonds delivered modest negative returns but mixed outcome for investment grade bonds.

Inflationary concerns and interest rate hike expectations continued to exert pressure on government bonds. Reflecting their greater sensitivity to changes in interest rates, the biggest impact was on short-term yields, especially UK gilts and US treasuries. Markets are pricing in a UK interest rate increase of 15bps for early November 2021 and the US Federal Reserve are expected to pull the trigger on higher rates in June 2022. Concerns that higher borrowing costs could dampen growth expectations meant more investment in longer-dated securities.

By the close, the yield on 10-year US treasuries increased from 1.49% to 1.55% with 10-year German bund yields rising from -0.20% to -0.11%. At face value it appeared to be a quiet month for the UK gilt market with the yield on the 10-year note modestly increasing from 1.02% to 1.03%. However, it masked a volatile month with the yield falling sharply at one stage from 1.10% to below 1.0%. This was partly driven by an unprecedented £57.8 billion cut in gilt issuance. An unexpected development, it could lead to the cancellation of about half of this year's remaining auctions.

While inflation pressures broaden, US Treasury Secretary Janet Yellen reiterated her view that price rises are transitory – the US annual rate inflation edged up to 5.4% in September – and that labour supply constraints and other bottlenecks will ease as the pandemic comes under control. There was good news on the economic front though. Consumer spending is on the rise, COVID-19 infections are falling and recovering business and consumer confidence levels bode well for a pick-up in US economic activity.

The Bank of England's chief economist, Huw Pill, said that UK inflation could top 5% with the economy close to regaining its pre-pandemic size, although the pace of its recovery has slowed. In contrast, the UK's final manufacturing purchasing managers' index (a forward-looking indicator where a reading above 50 usually indicates growth) grew to 57.8 in October from 57.1 in September, its first increase in five months. The latest figure signalled the improved growth of new orders and employment.

Driven by supply problems and soaring energy prices, the annual inflation rate in the eurozone hit a 13-year high of 4.1% in October. While the data added pressure on the European Central Bank (ECB) to begin scaling back its pandemic support programme, ECB president Christine Lagarde pushed back on rising market expectations for interest rate hikes by the end of 2022.

The eurozone closed the economic gap with the US and China in Q3 with GDP for the bloc growing at 2.2% in the three months to September. France and Italy rebounded the strongest amongst the largest economies with Germany the laggard due to bottlenecks in its car industry.

Corporate bond yields followed government bond yields higher. While high sterling, euro and US dollar denominated yield bonds all generated modest negative returns, the outcome for investment grade bonds was more mixed with sterling and US dollar priced bonds delivering positive gains, unlike their euro peers. Sterling investment grade spreads (the additional yield over government bonds) widened from 104bps to 107bps. The spread for euro investment grade bonds increased from 85bps to 88bps whereas it remained unchanged at 89bps for US dollar denominated bonds. In high yield corporate markets, the spreads on European currency (€/£) bonds widened from 309bps to 327bps.

Barclays data shows that the supply of high grade corporate bonds continues to be healthy. October's issuance of €40 billion was in line with last year, with supply being led by financials. It was a strong month too for sterling bonds with more than £6 billion being issued.

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Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	0.497	0.2755	0.1839	0.1584	0.1525
US Treasuries 10 year	1.5521	1.4873	1.2223	1.6259	0.8737
US Treasuries 30 year	1.9328	2.0449	1.8922	2.2967	1.6598
UK Gilts 2 year	0.71	0.41	0.06	0.08	-0.032
UK Gilts 10 year	1.034	1.022	0.565	0.842	0.262
UK Gilts 30 year	1.113	1.374	0.994	1.342	0.831
German Bund 2 year	-0.585	-0.689	-0.762	-0.682	-0.794
German Bund 10 year	-0.106	-0.199	-0.461	-0.202	-0.627
German Bund 30 year	0.138	0.276	0.02	0.357	-0.218

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 October 2021. The yield is not guaranteed and may go down as well as up.

Corporate Bonds

Yield to maturity[1] (%)/Spread[2] (bps)

	Current		1 month		3 months		6 months		12 months	
£ AAA	1.411795	48	1.376618	45	1.092014	48	1.20121	45	0.8982026	55
£ AA	1.522846	59	1.452618	56	1.111263	57	1.227244	56	0.9326445	67
£ A	1.852252	89	1.805262	86	1.475941	89	1.686834	88	1.49892	113
£ BBB	2.356653	129	2.264894	126	1.973827	130	2.161042	131	2.199997	185
€ AAA	0.2822198	54	0.1296016	50	-0.04308252	55	0.1615192	49	-0.09635738	49
€ AA	0.1810068	57	0.05670573	56	-0.1117699	56	0.04915645	55	-0.07991035	67
€ A	0.428386	75	0.2972835	73	0.1160178	73	0.3097059	73	0.2697696	97
€ BBB	0.7948143	102	0.6336439	98	0.4593745	99	0.6371303	99	0.7595181	142
European High Yield (inc € + £)	3.404156	327	3.126362	309	3.048802	319	3.096895	310	4.374708	488

Source: Bloomberg LP, ICE BofA. Data as at 31 October 2021. 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 31 October 2021

	Current value	Change Over: 1 month (%)	3 months (%)	6 months (%)	YTD (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.16	-0.1	-2.6	-3.8	-5.5	8.9	-1.9	-4.6	14.1	-3.2	-10.2	-12.2	4.5	1.8
Euro/GB Sterling	0.84	-1.7	-1.1	-2.9	-5.7	5.8	-5.8	1.2	4.1	15.7	-5.0	-6.7	2.4	-2.5
Euro/Swiss Franc	1.06	-2.1	-1.5	-3.6	-2.2	-0.3	-3.6	-3.8	9.2	-1.3	-9.7	-1.9	1.5	-0.8
Euro/Swedish Krona	9.93	-2.1	-2.6	-2.4	-1.1	-4.3	3.3	3.4	2.7	4.2	-2.6	6.5	3.2	-3.8
Euro/Norwegian Krone	9.76	-3.7	-6.7	-2.4	-7.0	6.5	-0.5	0.6	8.3	-5.5	6.1	8.4	13.9	-5.2
Euro/Danish Krone	7.44	0.0	0.0	0.0	0.0	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.61	0.0	0.9	1.2	0.9	7.3	-0.8	2.7	-5.1	3.3	-0.4	3.1	1.8	-8.6
Euro/Hungarian Forint	360.23	0.3	0.6	0.0	-0.7	9.5	3.2	3.2	0.4	-2.1	-0.1	6.4	2.0	-7.5
US Dollar/Yen	113.95	2.3	3.9	4.2	10.3	-4.9	-1.0	-2.7	-3.7	-2.7	0.3	13.9	21.5	12.6
US Dollar/Canadian Dollar	1.24	-2.4	-0.7	0.8	-3.0	-1.6	-4.7	8.4	-6.5	-2.8	19.1	9.3	6.8	-2.6
US Dollar/South African Rand	15.24	0.8	4.4	5.1	3.9	5.0	-2.8	16.1	-9.9	-11.3	34.0	9.8	24.1	4.8
US Dollar/Brazilian Real	5.64	3.6	8.2	3.6	8.5	29.0	3.7	17.2	1.8	-17.8	49.0	12.5	15.1	9.9
US Dollar/South Korean Won	1168.40	-1.3	1.6	5.0	7.5	-6.0	4.0	4.1	-11.5	2.6	7.7	3.9	-1.4	-7.6
US Dollar/Taiwan Dollar	27.80	-0.1	-0.6	-0.4	-1.1	-6.3	-1.8	2.7	-8.0	-1.6	3.8	6.2	2.7	-4.1
US Dollar/Thai Baht	33.28	-1.2	1.2	6.8	11.0	0.8	-8.0	-0.8	-9.1	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.35	-0.8	-0.4	1.4	2.1	-1.7	-1.4	2.0	-7.7	2.1	7.0	4.9	3.3	-5.8
US Dollar/GB Sterling	0.73	-1.7	1.6	0.9	-0.3	-2.9	-3.9	6.0	-8.6	19.4	5.8	6.3	-1.9	-4.3
GB Sterling/South African Rand	20.87	2.6	2.7	4.2	4.2	8.0	1.1	9.7	-1.3	-25.7	26.7	3.3	26.6	9.5
Australian Dollar/US Dollar	0.75	4.2	2.4	-2.6	-2.3	9.5	-0.3	-9.8	8.3	-1.1	-10.7	-8.5	-14.0	1.7
New Zealand Dollar/US Dollar	0.72	4.1	2.8	0.1	-0.2	6.6	0.5	-5.4	2.4	1.4	-12.3	-5.4	-0.3	6.3

Source: Bloomberg, 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 31 October 2021 (%)

	1 month	3 months	6 months	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada													
MSCI World (US$)	5.7	3.9	9.0	19.9	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6
MSCI World Value (US$)	4.6	3.2	5.6	19.7	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5
MSCI World Growth (US$)	6.7	4.5	12.3	19.8	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	3.6	2.9	3.4	17.7	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1
MSCI Emerging Markets (US$)	1.0	-0.4	-4.7	-0.1	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6
FTSE World (US$)	5.2	3.3	7.8	18.5	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2
Dow Jones Industrials	5.9	3.0	6.7	18.8	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2
S&P 500	7.0	5.1	10.9	24.0	18.4	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	7.3	5.8	11.4	20.9	45.1	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7
Russell 2000	4.3	3.4	1.8	17.2	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	5.0	4.4	11.5	23.4	5.6	22.8	-8.9	9.1	21.1	-8.3	10.5	13.0	7.2
Europe & Africa													
FTSE World Europe ex-UK €	4.9	3.2	10.7	22.0	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0
MSCI Europe	4.7	3.6	10.3	22.2	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9
CAC 40	4.8	3.5	10.8	25.8	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4
DAX	2.8	0.9	3.7	14.4	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	3.3	4.7	4.3	14.4	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2
FTSEMIB	4.9	6.5	13.5	23.9	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	20.4	12.2
Swiss Market Index (capital returns)	4.0	-0.1	9.9	13.1	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	5.3	8.2	16.1	32.2	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0
HSBC European Smaller Cos	3.1	-0.3	2.5	13.9	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	34.9	22.2
MSCI Russia (US$)	4.4	15.0	31.2	37.6	-11.6	52.7	0.5	6.1	55.9	5.0	-46.0	1.3	14.3
MSCI EM Europe, Middle East and Africa (US$)	3.4	10.7	20.0	32.3	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	5.2	0.1	3.4	18.1	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7
UK													
FTSE All-Share	1.8	3.5	5.4	15.6	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3
FTSE 100	2.2	4.1	5.7	15.5	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0
FTSE 250	0.5	1.2	3.8	14.7	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	-1.2	0.2	5.7	30.4	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-2.2	1.1	6.3	14.4	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan													
Hong Kong Hang Seng	3.3	-1.6	-9.8	-4.5	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4
China SE Shanghai Composite (capital returns)	-0.5	4.7	5.0	4.3	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8
Singapore Times	3.6	2.2	1.5	15.7	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3
Taiwan Weighted (capital returns)	0.3	-0.4	-1.1	18.2	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9
Korean Composite (capital returns)	-3.2	-7.1	-5.3	3.8	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7
Jakarta Composite (capital returns)	4.8	8.6	9.9	10.2	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	1.5	12.5	10.7	-1.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	1.1	7.7	4.0	15.1	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4
Mumbai Sensex 30	0.4	13.0	22.5	25.4	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0
Hang Seng China Enterprises index	2.7	-2.4	-15.1	-14.3	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7
ASX 200	-0.1	0.5	6.3	14.7	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2
Topix	-1.4	6.1	6.4	13.0	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	-1.9	5.9	0.3	5.3	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	1.7	-0.1	-5.5	-0.2	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	4.1	23.2
Latin America													
MSCI EM Latin America (US$)	-5.3	-14.3	-8.8	-10.3	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8
MSCI Mexico (US$)	-0.2	-1.0	7.5	15.3	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1
MSCI Brazil (US$)	-9.0	-22.6	-16.1	-19.6	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2
MSCI Argentina (US$)	10.8	27.1	33.1	34.6	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1
MSCI Chile (US$)	-6.2	-8.0	-17.5	-12.1	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities													
Oil - Brent Crude Spot (US$/BBL)	6.5	11.3	26.1	64.0	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1
Oil - West Texas Intermediate (US$/BBL)	11.4	13.0	31.4	72.2	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1
Reuters CRB index	3.8	9.0	19.0	41.7	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	1.5	-3.1	0.1	-6.3	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7
Baltic Dry index	-31.9	6.9	15.3	157.6	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8

Source: Blomberg, total returns in local currency unless otherwise stated.

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