Monthly Market Roundup
covering May 2023

Overview

May was a challenging month for global equity markets, with all ending in negative territory bar the US where there were gains for two of its indexes (NASDAQ and S&P 500). The US debt ceiling was a key factor in the broad underperformance. Weakness in China off the back of disappointing April economic data and signs of moderating economic growth weighed on Asia. In the UK meanwhile, persistent inflation and further interest rate hikes were the main concerns.

Europe

European markets ended May down, as uncertainty around the US debt ceiling set in. Weak economic data, pointing to a global slowdown also weighed.

Though inflation fell to its lowest level since February 2022 in May (down 0.9%), it wasn't enough to surpass more negative news. The drop in inflation beat consensus estimates, and core inflation (excluding food and fuel) also fell by 0.3%.

In politics, the Spanish prime minister called a snap general election, following a poor showing for the Socialist party (PSOE) in the local and regional elections. The opposition, Partido Popular (PP) made gains. It's believed will form a coalition with Vox (another political party) after the general election

The UK

In the UK, equity markets also fell, primarily because core inflation hit a 31-year high. This heightened expectations that there'll be more monetary policy tightening (raising of interest rates) from the Bank of England (BoE).

The BoE had already hiked interest rates to their highest level since 2008 at 4.5%. The bank warned that inflation was unlikely to reach the target level of 2% until early 2025.

UK GDP grew marginally in the first quarter of 2023. The BoE revised its prediction of a recession, now believing that the economy will be stagnate in the first half of the year, with growth accelerating in the second half.

The US

There were mixed fortunes in the US in May. While the NASDAQ and S&P500 indexes ended up, the Dow Jones ended down as big losses for the likes of Nike and Walt Disney dragged.

The US debt ceiling dominated headlines over the month. Ultimately, the House of Representatives voted to raise it, which should help the country avoid a default. The bill will still need to be passed by the President and the senate but the vote in the house was seen as step in the right direction.

US inflation fell to its lowest level since April 2021, with core inflation also down slightly. This raised hopes that the Federal Reserve's interest rate hiking cycle may soon be coming to an end, which also gave markets a boost.

Asia

Asian equities fell across the month, weighed by uncertainty off the back of the US debt ceiling and concerns over China's economic recovery. Performance varied between individual countries though, with some faring better than others.

Buoyed by global excitement over the potential of artificial intelligence (AI), the tech-heavy markets of Korea and Taiwan posted positive gains. Tech stocks also boosted overall performance in Indian markets, where all sector gained, apart from utilities.

In China, there were signs of growth moderating, as economic data came in lower than expected. Reports of new Covid-19 infections compounded domestic uncertainties.

Emerging markets

Emerging market equities declined in May, with concerns around the US debt ceiling and China's economic recovery impacting performance. All regions ended on negative ground, Central & Eastern Europe, Middle East and Africa (CEEMEA) lagging most.

Underperformance in CEEMEA was driven by Saudi Arabia, United Arab Emirates and South Africa. Sentiment dampened against the latter as reports emerged that it had allegedly sold arms to Russia.

In Latin America, only Brazil made gains as its unemployment rate fell to the lowest level in seven years. Meanwhile, Asian equities were held back by weakness in China – with disappointing economic data from April and signs of economic growth moderating.

Fixed income

Overall, fixed income markets ended the month down, though there were gains in some areas, like Continental Europe. UK gilts lost the most ground, followed by US treasuries. German bunds saw marginal gains.

Disappointing annual inflation data, which was higher than consensus estimates, was the main reason for UK gilts' underperformance. The Bank of England had already sanctioned a 0.25% increase in interest rates, with more expected this year.

Investment grade bond also struggled in May, given their sensitivity to interest rate movements. Both the US and Sterling corporate indexes lost ground. It was a mixed picture for high-yield bonds. The US index fell, while the euro currency saw marginal gains.

Europe

- Inflation falls more than expected
- Germany in technical recession
- Eurozone PMIs fall but remain above 50

European shares ended lower in May. Concerns about a global slowdown from weak economic data, and uncertainty around the US debt ceiling surpassed positive signs of easing inflation. From a sector perspective, information technology was the only positive contributor. Real estate, energy and communication services were the three worst performing sectors.

Eurozone inflation fell to its lowest level since February 2022, to 6.1% in May, down from 7.0%. This was a sharper fall than consensus estimates as core inflation also fell from 5.6% to 5.3%.

Inflation in Spain fell to 2.9%, in Germany to 6.3% and in France to 6.0%. Inflation fell in 18 out of the 20 eurozone member countries, with the Netherlands being the only country where inflation rose.

Despite this, European Central Bank (ECB) president Christine Lagarde insisted more interest rate rises were needed as inflation was still too high.

Revised figures show Germany's GDP contracted for the first quarter of the year by 0.3%. This was in comparison to a flat reading reported initially, which means that the country has fallen into a technical recession.

The main driver behind this was a drop in household consumption as high inflation and rising rates reduced consumer purchasing power. The IMF expects Germany to shrink by 0.1% for 2023.

The flash purchasing managers' composite index (PMI) for the eurozone fell to 53.3 in May, down from 54.1. The index, which measures activity at both services and manufacturing companies across the eurozone, remains above 50 though, indicating businesses are expanding.

This was the first decline since October last year. The gap between manufacturing and services is increasing, with manufacturing being below 50 while services is above.

In political news, Spain's prime minister Pedro Sanchez called a snap general election for July following defeats for the Socialist party (PSOE) in local and regional elections. Their opposition, the Partido Popular (PP), made strong gains in the regional elections. The outcome of the general election is likely to be a coalition between PP and Vox (lead by PP).

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UK

- Bank of England (BoE) raises interest rates
- Inflation falls but still higher than expected
- Modest growth in first quarter of the year

The UK equity market closed lower in May as core inflation increased to a 31-year high, raising expectations of further interest rate rises. This negatively impacted equity markets.

The BoE raised interest rates to the highest level since 2008. The rates increased by 0.25% to 4.5% as the BoE now warned inflation would not fall to its target level of level of 2% until the start of 2025. The Bank also expects the UK to avoid a recession, forecasting that by halfway through 2026, UK GDP will be 2.25% bigger.

UK inflation fell to 8.7% in April, down from 10.1% in March, with the BoE expecting it to fall to 8.4%. Food price inflation remained high at 19.1% in April compared with 19.2% in March. Core inflation, which excludes energy and food prices, increased from 6.2% to 6.8%. This has heightened expectations of further interest rate rises.

UK GDP grew 0.1% in the first quarter of the year, with growth in January revised up to 0.5% boosting GDP. The BoE now expects the economy to stagnate in the first and second quarters with growth accelerating in the rest of the year. This is after previously forecasting a recession throughout 2023.

Research group Growth for Knowledge (GfKs) index of consumer confidence is a closely watched indicator of how Britons view their personal finances and wider economic prospects. It rose for the fourth consecutive month last month. The latest reading (-27) was the highest since February 2022. The IMF is also no longer forecasting that the UK will go into recession this year but warned inflation would likely remain above 2% until mid-2025.

UK retail sales grew 0.5% in April, higher than consensus estimates. This was following a revised 1.2% fall in March. The rise in April has been attributed to a rebound in spending following bad weather in March and the impact of increased government benefits (in line with 10.1% inflation September 2022).

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US

- Mixed month for US equity markets
- Inflation eases further
- The US Federal Reserve (Fed) raises its benchmark interest rate

A mixed month for US stock markets with the S&P 500 and Nasdaq ending up, whilst the Dow Jones ending down. The tech-heavy Nasdaq closed higher with AI-related stocks leading the gains, particularly Nvidia. The S&P 500 closed marginally higher while Dow Jones closed down, weighed down by losses in big companies such as Nike and Walt Disney.

The House of Representatives passed a bill to raise the US debt ceiling. This moves the US a step closer to avoiding a default. The bill will still need to be passed by the senate and signed by President Joe Biden, but the vote in the house was seen as the biggest hurdle.

The Fed raised its benchmark interest rate by 0.25%, its tenth consecutive increase. However, Fed chair Jay Powell indicated it could soon pause its monetary tightening (interest rate rises). This is because the recent banking sell-off resulted in tight credit conditions for households and businesses, which is likely to weigh on economic activity and the labour market.

Stocks were buoyed towards the end of the month as the Fed announced the possibility of holding rates unchanged at the next meeting to assess the economic outlook.

US inflation eased to its lowest level since April 2021 to 4.9%, down from 5%. Core CPI (strips out energy and food costs) also fell slightly as the Fed's cycle of interest rate rises looks to be bringing price rises under control.

US jobs growth was stronger than expected in April, in a sign of labour market strength as unemployment fell to 3.4%. The low unemployment rate and wage growth figures show a tight labour market, raising doubts that the Fed will goes as far as cutting rates any time soon.

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Asia

- US debt uncertainties and concerns over China's economic recovery push Asian equity markets into negative territory.
- Major global excitement about the potential of artificial intelligence bolsters the performance of technology stocks, particularly in Taiwan and Korea.
- Nikkei 225 climbs above 31,000 for the first time in 33 years.

Amid the uncertainties surrounding the US debt ceiling and concerns on China's economic recovery, Asian equity markets declined in May. But country performance was dispersed. There was major global excitement about the potential of artificial intelligence (AI) boosting the returns from the technology-heavy indices in Taiwan and Korea. India also gained ground but there were losses for Thailand and Indonesia.

Aside from signs of moderating economic growth, China's April data undershot expectations. Factory activity bounced back to expansionary territory in May though, as the latest Caixin manufacturing Purchasing Managers' Index rose to 50.9, indicating growth. Domestic headwinds were compounded by reports of a new wave of Covid-19 infections.

Healthy equity gains registered in Taiwan and Korea were led by the technology sector on the back of optimism on the AI theme. This was driven by strong revenue guidance from Nvidia, leading to a widespread rebasing of AI growth expectations.

Technology stocks along with consumer-related ones were the top performers in India. All other sectors, except utilities, finished in positive territory.

Elsewhere in Asia, Japanese equities hit a post-bubble high. The Nikkei 225 climbed above 31,000 for the first time in 33 years – on the back of overcoming deflation, a weaker yen and Tokyo Stock Exchange reforms. Upbeat corporate earnings results also provided support.

Australian technology stocks benefited from a global re-rating (where investors are willing to pay a higher price for stocks, anticipating higher earnings in the future) of the sector. However, this was offset by weakness in financials and materials. Iron ore prices have pulled back sharply. This is mainly because China's post re-opening economic momentum has started to wane across key real estate and steel markets.

Other commodity prices also fell. Brent crude oil declined by 11.5% to US$72 a barrel and gold retreated below the US$2,000 level.

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Emerging Markets

- Rally in technology stocks can't rescue emerging markets from China drag.
- Taiwan and Korea prosper from global excitement about the potential of artificial intelligence.
- Turkey's President Erdogan wins another 5-year term following election success.

Amid the uncertainties surrounding the US debt ceiling and concerns on China's economic recovery, global emerging equity markets declined in May. All regions posted negative returns. CEEMEA (Central & Eastern Europe, Middle East and Africa) was the worst performer, followed by Latin America and emerging Asia. Among sectors, technology was the only one to post gains as global excitement about the potential of artificial intelligence increased significantly.

CEEMEA equities underperformed the broader emerging markets index, mainly due to South Africa, Saudi Arabia and United Arab Emirates (UAE). Sentiment towards South Africa was knocked following news reports that the country had allegedly engaged in arms sales to Russia. This puts the country at risk of sanctions from the US. Interest rates in South Africa were raised by 0.50%, in line with consensus. A big fall in Brent crude oil prices - down 11.5% to US$72 a barrel – provided a negative backdrop for oil producing nations.

Led by financials, Greece extended its year-to date rally. The country held elections on 21 May with New Democracy picking up 41% of the vote but were still a few seats short of an overall majority. A snap parliamentary election will be held on 25 June.

In neighbouring Turkey, political developments were in the spotlight too. President Erdogan won another five-year term after defeating opponent Kemal Kılıçdaroğlu 52%-48% in a run-off. Turkish equities finished lower, along with the lira.

Brazil was the only country in Latin America to deliver positive returns. Macroeconomic data was favourable with the unemployment rate falling to its lowest level in seven years. This in turn provided a boost to retail sales. The main interest rate (Selic) was kept on hold at 13.75%.

In Mexico, the policy rate also remained unchanged at 11.25%. While domestic demand data from the country was generally strong, equity prices drifted lower. Several reform attempts by President Lopez Obrador were invalidated by the Supreme Court.

Colombia was the weakest performing equity market in the region with confidence unnerved by political uncertainties.

The performance of Asian equites was held back by weakness in China. Aside from signs of moderating economic growth, China's April data undershot expectations. Factory activity bounced back to expansionary territory in May though. The latest Caixin manufacturing Purchasing Managers' Index rose to 50.9 (which indicates that businesses are growing). Domestic headwinds were compounded by reports of a new wave of Covid-19 infections.

Healthy equity gains registered in Taiwan and Korea were led by the technology sector off the back of optimism around the artificial intelligence (AI) theme. This was driven by strong revenue guidance from Nvidia, leading to a widespread rebasing of AI growth expectations. Technology stocks along with consumer-related ones were the top performers in India. All other sectors, except utilities, finished in positive territory.

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Fixed Income

- Gilts feel the pressure as UK inflation data disappoints.
- Better news on the eurozone inflation front but Germany slips into a technical recession.
- US banking woes recede, economy remains resilient, and agreement reached on the debt ceiling issue.

In aggregate, it was a negative month for bond markets. There were gains in some areas though, most notably continental Europe. In government bond markets, UK gilts lost the most ground, down 3.79%. Weakness in US treasuries was less pronounced with a 1.23% decline, whereas German bunds managed a 0.29% gain.

The underperformance of UK gilts was a response to the release of disappointing UK annual inflation data which came in higher than expected at 8.7% versus the forecasted 8.2%. As a result, markets expect the Bank of England to raise interest rates more often than previously envisaged with the terminal (peak) rate rising to 5.35% by year end. Earlier in the month, the monetary policy committee voted 7-2 to increase the Bank rate from 4.25% to 4.50%.

US interest rates were also increased by 25 basis points, rising to their highest level since 2007. The Federal Reserve dropped "some additional policy firming may be appropriate" from their statement. Set against a background of recent regional bank failures and debt cap negotiations, there was increased confidence that this would be the last rate hike in the current tightening (raising interest rates) cycle.

However, continued strength in the labour market (more than 250,000 jobs were added in April) and a stubborn core inflation rate diluted these hopes as the month unfolded.

A deal on the US debt ceiling was eventually agreed between President Biden and Speaker McCarthy. After being approved by the House of Representatives, the deal now needs to be passed by the Senate before it can be signed into law.

The European Central Bank also hiked interest rates by 25 basis points and signalled more interest rate rises are to come. Sovereign bonds in the region rallied towards the end of May though. Weaker-than-expected inflation figures prompted markets to dial back the amount of rate hikes expected over coming months. Both German and French CPI inflation data came in beneath expectations. On the economic front, Germany fell into a recession this winter following two quarters of negative growth.

Given their sensitivity to interest rate movements, it was a negative month for sterling and dollar-denominated investment grade bonds. The ICE BofA US Corporate Index and the ICE BofA Sterling Corporate Index both fell. By comparison, euro credit held up better with the ICE BofA Euro Corporate Index gaining USD, GBP and EUR investment grade credit spreads widened.

Performance in the high yield market was mixed with the ICE BofA US High Yield Index losing ground and the ICE BofA European Currency (€/£) Index returning marginally positive gains.

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Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	4.40	4.01	4.82	4.31	2.56
US Treasuries 10 year	3.64	3.42	3.92	3.61	2.84
US Treasuries 30 year	3.86	3.67	3.92	3.74	3.05
UK Gilts 2 year	4.34	3.79	3.69	3.30	1.59
UK Gilts 10 year	4.18	3.72	3.83	3.16	2.10
UK Gilts 30 year	4.52	4.09	4.14	3.43	2.39
German Bund 2 year	2.72	2.69	3.14	2.13	0.50
German Bund 10 year	2.28	2.31	2.65	1.93	1.12
German Bund 30 year	2.46	2.42	2.61	1.82	1.38

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 May 2023. The yield is not guaranteed and may do down as well as up.

Corporate Bonds

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

	Current		1 month		3 months		6 months		12 months	
£ AAA Investment Grade Corporate	5.30	90	4.81	89	4.72	79	4.33	98	2.96	97
£ AA	5.45	108	4.94	106	4.89	97	4.49	115	3.10	110
£ A	5.84	143	5.32	138	5.33	137	5.10	170	3.45	143
£ BBB	6.60	215	6.09	214	6.06	206	5.88	245	4.04	202
£ High Yield	10.37	589	10.21	625	9.57	559	10.12	671	7.46	560
£ BB	8.71	415	8.42	439	8.15	409	8.51	505	6.37	444
€ AAA Investment Grade Corporate	3.32	99	3.28	87	3.54	77	2.79	80	1.80	87
€ AA	3.56	114	3.52	106	3.79	95	3.08	108	1.76	100
€ A	3.96	148	3.89	137	4.13	127	3.54	152	2.14	137
€ BBB	4.51	198	4.46	191	4.63	172	4.21	214	2.71	189
€ High Yield	7.54	483	7.49	479	7.33	421	7.27	506	5.64	474
€ BB	6.45	370	6.36	361	6.28	312	6.09	383	4.65	374
European High Yield (inc € + £)	7.85	494	7.78	494	7.56	435	7.56	523	5.83	484

Source: Bloomberg LP, ICE BofA. Data as at 31 May 2023. 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 May 2023

	Current value	Change Over: 1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.07	-3.0	1.1	2.7	-0.1	-5.8	-6.9	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	-12.0	1.8
Euro/GB Sterling	0.86	-2.0	-2.3	-0.4	-3.0	5.2	-5.9	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	-6.5	-2.6
Euro/Swiss Franc	0.97	-1.2	-2.3	-1.1	-1.6	-4.6	-4.0	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	-2.0	-0.7
Euro/Swedish Krona	11.60	2.6	4.8	6.2	4.0	8.4	2.4	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	6.7	-3.8
Euro/Norwegian Krone	11.85	1.0	7.9	15.7	12.9	4.7	-4.4	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	8.1	-5.2
Euro/Danish Krone	7.45	-0.1	0.1	0.1	0.1	0.0	-0.1	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	-0.2	0.4
Euro/Polish Zloty	4.53	-1.3	-3.8	-3.1	-3.4	2.1	0.6	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	3.2	-8.7
Euro/Hungarian Forint	370.50	-0.7	-2.1	-9.4	-7.3	8.2	1.8	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	6.5	-7.5
US Dollar/Yen	139.34	2.2	2.3	0.9	6.3	13.9	11.5	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	13.7	12.8
US Dollar/Canadian Dollar	1.36	0.2	-0.5	1.2	0.1	7.3	-0.7	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	9.4	-2.9
US Dollar/South African Rand	19.73	7.8	7.5	14.7	15.8	6.9	8.5	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	10.3	4.7
US Dollar/Brazilian Real	5.06	1.4	-3.5	-2.6	-4.3	-5.3	7.3	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	12.7	9.5
US Dollar/South Korean Won	1326.35	-0.9	0.2	0.6	4.8	6.4	9.4	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	4.1	-7.1
US Dollar/Taiwan Dollar	30.75	0.0	0.9	-0.5	0.1	11.0	-2.2	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	6.1	-3.9
US Dollar/Thai Baht	34.80	1.9	-1.6	-1.3	0.6	3.6	11.5	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	0.1	-3.1
US Dollar/Singapore Dollar	1.35	1.3	0.2	-0.7	0.9	-0.7	2.0	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	4.9	-5.8
US Dollar/GB Sterling	0.80	1.0	-3.4	-3.1	-2.9	12.0	1.0	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	6.3	-4.4
GB Sterling/South African Rand	24.55	6.8	11.2	18.3	19.2	-4.6	7.4	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	3.7	9.3
Australian Dollar/US Dollar	0.65	-1.7	-3.4	-4.2	-4.6	-6.2	-5.6	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-8.3	1.8
New Zealand Dollar/US Dollar	0.60	-2.6	-2.6	-4.4	-5.2	-7.0	-5.0	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-5.1	6.6

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 does not predict future returns.

Global equity and commodity index performance – figures to 31 May 2023 (%)

	1 month	3 months	6 months	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global US & Canada														
MSCI World (US$)	-0.9	4.1	4.2	8.8	-17.7	22.4	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	5.6
MSCI World Value (US$)	-4.5	-3.1	-3.8	-1.5	-5.8	22.8	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	4.5
MSCI World Growth (US$)	2.4	11.4	12.6	19.9	-29.0	21.4	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	6.6
MSCI World Small Cap (US$)	-2.7	-5.2	-1.9	1.5	-18.4	16.2	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	2.3
MSCI Emerging Markets (US$)	-1.7	0.2	-0.2	1.1	-19.8	-2.3	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.0
FTSE World (US$)	-0.8	4.0	4.4	8.7	-17.5	21.0	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	4.8
Dow Jones Industrials	-3.2	1.4	-3.9	0.2	-6.9	20.9	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	10.0
S&P 500	0.4	5.7	3.3	9.6	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	13.7
NASDAQ	5.9	13.2	13.3	24.1	-32.5	22.2	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	14.8
Russell 2000	-0.9	-7.4	-6.5	-0.1	-20.5	14.8	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	4.9
S&P/ TSX Composite	-4.9	-2.4	-2.7	2.3	-5.8	25.2	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5	10.5
Europe & Africa														
FTSE World Europe ex-UK €	-2.0	0.9	6.6	10.0	-11.9	25.1	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	7.2
MSCI Europe	-2.4	0.3	5.2	9.0	-9.0	25.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	7.5
CAC 40	-3.9	-0.1	8.0	12.3	-6.7	31.9	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	2.5
DAX	-1.6	1.9	8.8	12.5	-12.3	15.8	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	2.7
Ibex 35	-1.9	-2.3	10.6	12.1	-2.0	10.5	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	8.5
FTSEMIB	-2.6	-2.5	9.3	13.5	-9.4	26.8	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	3.0
Swiss Market Index (capital returns)	-1.9	1.1	0.8	7.7	-16.7	20.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	9.5
Amsterdam Exchanges	-0.9	0.5	4.8	10.1	-11.4	30.5	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	8.7
HSBC European Smaller Cos	-6.6	-5.7	3.9	3.1	-29.6	12.7	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	-9.6
MSCI EM Europe, Middle East and Africa (US$)	-3.0	2.3	-2.1	0.8	-35.3	24.1	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-28.2
FTSE/JSE Africa All-Share (SA)	-3.9	-1.9	2.1	4.5	4.0	29.3	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	10.9
UK														
FTSE All-Share	-4.7	-4.3	0.1	1.5	0.2	18.3	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	1.2
FTSE 100	-5.0	-4.2	0.2	1.7	4.6	18.4	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	0.7
FTSE 250	-3.3	-4.9	-0.7	0.7	-17.4	16.9	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	3.7
FTSE Small Cap ex Investment Trusts	-1.7	-5.2	1.6	0.3	-17.3	31.3	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	-2.7
FTSE TechMARK 100	-1.7	2.1	7.7	7.9	-7.5	13.6	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	12.3
Asia Pacific & Japan														
Hong Kong Hang Seng	-7.9	-7.0	-1.0	-6.9	-12.6	-11.8	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	5.3
China SE Shanghai Composite (capital returns)	-3.4	-2.1	2.0	4.0	-12.8	7.0	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	58.0
Singapore Times	-2.3	-1.0	-1.5	-0.3	8.4	13.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	9.6
Taiwan Weighted (capital returns)	6.4	7.3	12.0	17.7	-18.8	26.9	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	11.2
Korean Composite (capital returns)	3.0	7.0	6.1	15.5	-23.2	5.6	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	-3.5
Jakarta Composite (capital returns)	-4.1	-3.1	-6.3	-0.4	4.1	10.1	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	22.3
Philippines Composite (capital returns)	-2.2	-1.2	-4.5	0.3	-7.8	-0.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	22.8
Thai Stock Exchange	0.7	-4.1	-4.5	-6.4	3.5	17.7	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	19.1
Mumbai Sensex 30	2.9	6.6	-0.2	3.5	5.8	23.2	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	32.0
Hang Seng China Enterprises index	-7.9	-6.2	-3.1	-7.9	-15.6	-21.2	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	15.5
ASX 200	-2.5	-0.9	-0.6	3.4	0.5	18.7	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	7.1
Topix	3.6	8.2	8.9	14.1	-2.5	12.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	10.3
Nikkei 225 (capital returns)	7.0	12.5	10.4	19.6	-9.4	4.9	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	7.1
MSCI Asia Pac ex Japan (US$)	-2.3	-1.2	-0.3	0.1	-17.0	-2.5	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	3.5
Latin America														
MSCI EM Latin America (US$)	-0.7	2.9	1.9	6.1	9.6	-7.7	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-12.1
MSCI Mexico (US$)	-2.5	3.1	12.3	20.4	-1.6	22.9	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	-9.3
MSCI Brazil (US$)	0.7	3.8	-2.0	0.9	14.6	-17.1	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-13.8
MSCI Argentina (US$)	3.9	0.1	27.1	13.0	35.8	20.9	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	19.2
MSCI Chile (US$)	-1.9	-3.8	-0.1	1.9	23.3	-14.7	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-12.2
Commodities														
Oil - Brent Crude Spot (US$/BBL)	-11.5	-12.7	-16.8	-15.3	9.7	51.4	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-49.7
Oil - West Texas Intermediate (US$/BBL)	-11.3	-11.6	-15.5	-15.2	4.2	58.7	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	-45.9
Reuters CRB index	-4.9	-4.7	-7.1	-6.7	22.0	38.5	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-17.9
Gold Bullion LBM (US$/Troy Ounce)	-0.9	7.7	12.0	8.3	0.4	-4.3	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-0.2
Baltic Dry index	-38.0	-1.3	-27.9	-35.5	-31.7	62.3	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	-65.7

Source: Blomberg, 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 does not predict future returns.

Footnotes

[1] Tightening – raising interest rates

Risk warnings

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

Data as of 31 May 2023 unless stated otherwise.

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au

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