Invesco

Monthly Market Roundup
covering August 2024

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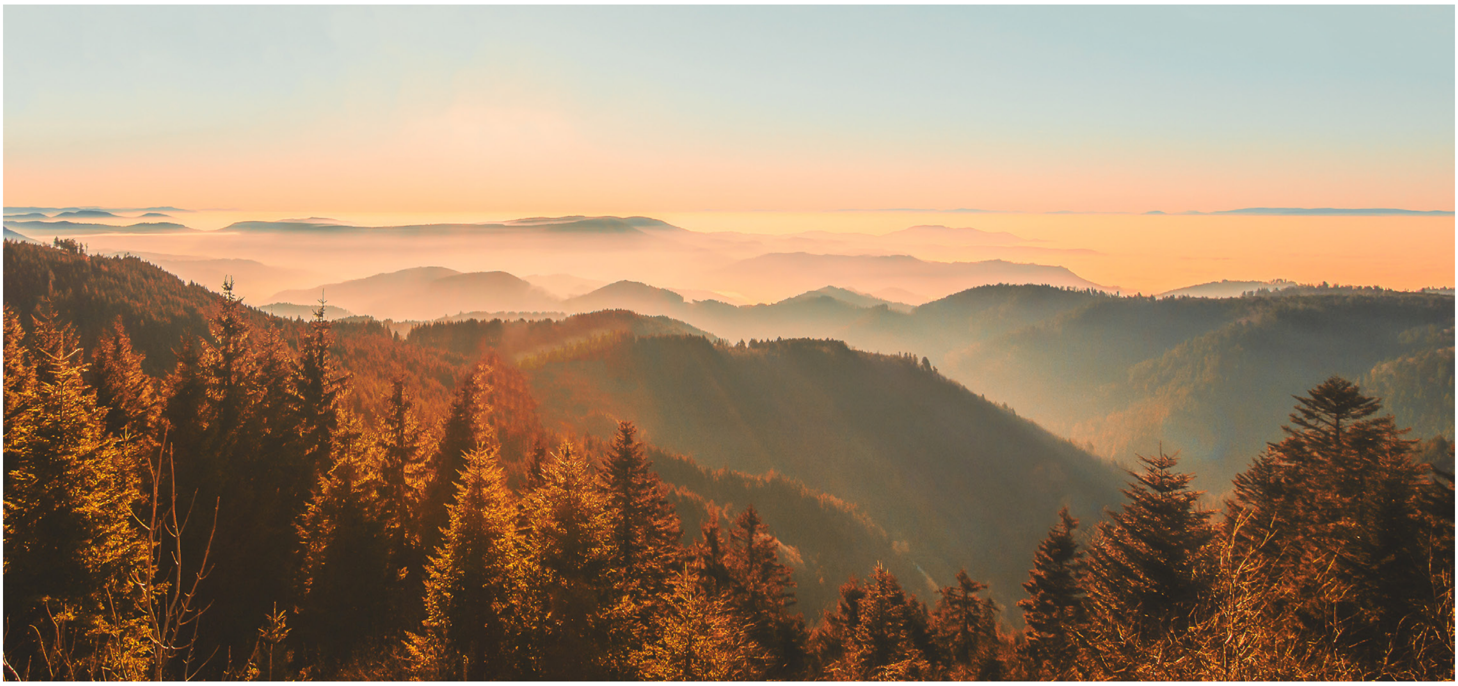

Overview

- European equity markets rebounded after initial turbulence from weaker US labour data.
- The Bank of England cut interest rates to 5.0%, its first reduction in over four years.
- Korea lagged as technology stocks dropped following a sell-off in their US peers.

In August, European equity markets rebounded to post positive returns despite early turbulence, with strong performances in real estate and healthcare. Eurozone inflation fell to a three-year low, boosting expectations for ECB rate cuts. The UK's market rose on the back of the Bank of England's rate cut and solid economic growth. The US also saw gains on anticipated Fed rate cuts, while Asia Pacific and emerging markets, particularly Taiwan and Brazil, performed well.

Europe

European equity markets had a turbulent start due to weaker US labour data but recovered as optimistic economic data emerged, posting positive returns in August.

Real Estate, communication services, and healthcare led, while technology and energy lagged. The case for an ECB (European Central Bank) rate cut was strengthened by slowing wage growth and a drop in eurozone inflation to 2.2%.

Eurozone Purchasing Managers' Index (PMIs) were mixed but suggested stabilising growth. Unemployment fell to 6.4%, though sentiment varied by country.

The UK

The UK equity market closed higher in August as positive economic data supported UK equities, despite US recession fears.

The Bank of England (BoE) cut interest rates to 5.0%, marking its first reduction in over four years, while cautioning against further rapid cuts.

A global market sell-off in early August, triggered by weak US employment data, was followed by a strong rally. UK inflation rose to 2.2%, below expectations, while core inflation fell to 3.3%.

The US

After a shaky start, US equity markets gained as investors anticipated a Federal Reserve (Fed) rate cut in September. Interest rate-sensitive sectors like real estate and utilities did well, while energy and consumer discretionary sectors lagged.

US Consumer Price Index (CPI) inflation fell to 2.9%, below the 3.0% expectation, fuelling rate cut hopes. Fed Chair Jerome Powell signalled possible cuts, reinforcing these expectations.

Despite slower nonfarm payroll growth and rising unemployment, Second Quarter Gross Domestic Product (GPD) was revised up to 3.0%, and PMI slightly decreased to 54.3.

Asia

Asia Pacific equity markets posted a positive month. The strongest performing markets in the region were Indonesia and Thailand.

Korea lagged as technology stocks dropped following a sell-off in their US peers. Japanese equities fell sharply as a rapid rally in the yen triggered a brutal carry trade unwinding, though the market recovered lost ground.

Overall regional returns were held back by China and India's relative underperformance. Chinese financials advanced, but materials and utilities detracted.

Emerging markets

Emerging equity markets registered a positive month. The strongest performing markets were Brazil, with financial, energy, and consumer stocks adding value.

Brazil's unemployment rate fell to 6.8%, and retail sales volumes rose 4% from a year ago. The Banco Central do Brasil maintained its Selic rate at 10.50%.

The Mexican stock market fell due to a depreciating peso and rising bond yields. Chile gained as the Banco Central de Chile paused rate cuts. South African equities were supported by the formation of a national unity government.

Fixed income

The month began with volatility following a weak US jobs report, sparking recession fears. Market turmoil subsided after positive US economic data (robust retail sales) and reassuring comments from Bank of Japan (BOJ) Deputy Governor Uchida.

Government bonds posted a positive month, led by US Treasuries, which returned 1.31%. The Fed signalled readiness to cut rates in September as inflation eased.

ECB rate cuts were anticipated after eurozone inflation fell. Corporate bonds performed well, with US investment grade returning 1.53% and high yield outperforming.

Europe

- European equity markets broadly flat but this masks wide sector divergence
- Technology sectors lead falls as the second quarter of year earnings season begins
- Eurozone inflation surprises with small uptick

European equity markets had a turbulent start to the month as a weaker-than-anticipated labour market data release was taken as a precursor to imminent recession in the US. This kneejerk response proved to be an overreaction and indeed equity markets regained their poise upon the release of further less pessimistic economic data to ultimately post a positive return over August. Real Estate, communication services and health care were the leading sectors, while technology and energy sectors lagged.

In macroeconomic news, the case for the European Central Bank (ECB) to cut interest rates was strengthened as data showing wage growth in the region slowing sharply in the second quarter, +3.6% versus +4.7% annual growth in the first quarter period. Market expectations that the ECB could follow June's interest rate cut at its 12 September meeting were further bolstered by eurozone headline inflation falling to a three-year low of 2.2% in August. The decline in inflation from 2.6% in July was almost entirely due to a drop in energy inflation from +1.2% to -3.0%, which in turn reflected base effects and the recent decline in the euro price of oil. Food, beverages and tobacco inflation ticked up from 2.3% to 2.4%, while the core rate edged down from 2.9% to 2.8% thanks to a decline in core goods inflation. However, services inflation, which policymakers watch particularly closely, rose from 4.0% to a 10-month high of 4.2%.

Elsewhere in August, Eurozone Purchasing Managers' Index (PMI) was mixed but ultimately confirmed economic growth is stabilizing and suggested a Services rebound post the drop in June-July. Meanwhile, the Eurozone unemployment rate dropped to 6.4% while the Economic Sentiment Indicator (ESI) came in at 96.6 - higher than most anticipated. The Paris Olympics had a meaningful impact here while in contrast, the measures for Germany and Italy both fell, suggesting that the underlying situation in the eurozone remains somewhat fragile. The breakdown reveals that there was an improvement in the services, industrial and retail sectors but little change in the construction sector and a decline in consumer confidence. Towards the end of the month, politics once again took centre stage with regional elections in Germany making the headlines. The hard-right Alternative for Germany (AfD) party gained considerable momentum, leading the polls with c.33% of the vote. At face value, these developments have the potential to cause alarm - but whilst it's clear the AfD is gaining popularity, it is important to remember that these polls reflect the voting in only 2 of Germany's 16 states and relatively lowly populated states at that. Headlines on French politics picked up slightly after the Olympic games ended. A left minority government was ruled out while the scenario of a more centrist coalition remains open.

UK

- UK inflation remains unchanged at target level.
- Stronger than expected economic growth in May.
- Pound climbs to highest level in a year.

The UK equity market closed higher in August as positive economic data buoyed UK equities, despite fears of a recession in the US.

At the start of the month, the Bank of England (BoE) lowered interest rates to 5.0%, its first cut in more than four years. The Monetary Policy Committee (MPC) voted five to four to reduce the rate by 0.25%. The BoE governor Andrew Bailey cautioned against a succession of further cuts saying, 'we need to make sure inflation stays low, and be careful not to cut interest rates too quickly or by too much'. Markets are now expecting one or two further reductions by the end of the year.

Early in the month there was a sharp global market sell-off, starting in Japan then spreading to Europe and the US. This was following the US employment situation report for July showing non-farm payroll gains were lower than anticipated while US unemployment increased. This sparked investors to be worried about a US recession. However, the markets' perceived risk of a US recession fell away quickly as new data drove a strong rally.

The Office for National Statistics (ONS) figures showed that UK inflation rose less than expected to 2.2% in July, the first rise seen in inflation this year. The BoE expected inflation to come in at 2.4% following a smaller fall in energy bills, but slow rises in hotel costs helped the overall figure be lower. Core inflation, which excludes energy and food prices, fell from 3.5% to 3.3%.

UK economic growth was 0.6% in the second quarter of the year, following flat growth in June. The figure was in line with expectations and sees the UK economy continue to grow back following the technical recession at the end of last year.

UK wage growth slowed to the lowest rate since July 2022 in the three months to June. ONS data showed average total pay grew at an annual rate of 4.5% (including bonuses) in the three months to June in comparison to a year ago. The unemployment rate unexpectedly dropped to 4.2% in the three months to June.

ONS figures showed that British retail sales rebounded in July after falling in June die to the wet weather. Higher spending in department stores and sports equipment drove the 0.5% increase.

Sterling hit the highest level against the dollar since March 2022 as markets price in more interest rate cuts from the US compared to the UK. Sterling has also been boosted by stronger than expected economic growth and optimism of a more stable government.

Fixed Income

- Strong month for bond markets as the US Federal Reserve signal an interest rate reduction in September.
- Bank of England under pressure to reduce borrowing costs with headline inflation remaining unchanged at 2%.
- Bank of Canada (BOC) cut interest rates. Bank of Japan surprise with a hike.

An eventful and volatile start to the month following the release of a weak US jobs report, which ignited fears that the US economy could be heading into a recession. The unwinding of the yen carry trade, prompted by worries that more interest rate hikes in Japan could unfold, added to market volatility.

Market turmoil quickly subsided however following the subsequent release of positive US economic data (robust retail sales) and reassuring words from BOJ's Deputy Governor Uchida - "the bank will not raise its policy rate when financial and capital markets are unstable".

With markets pricing in more interest rate cuts, it was a positive month for government bonds. US treasuries led the gains, returning 1.31%, followed by UK gilts and German bunds, up 0.53% and 0.40% respectively (all returns in local currency, ICE BofA data).

Faced with slowing job growth and easing inflation, the US Fed signalled readiness to start cutting interest rates in September. Reinforcing these dovish expectations were comments from Fed Chair Powell at the Jackson Hole Economic Symposium that "The time has come for policy to adjust". Three-month core US CPI fell to an annualised rate of 1.6%, its lowest level in three and a half years.

Strengthening the case for the ECB to cut interest rates was data showing wage growth in the region slowing sharply in the second quarter, +3.6% versus +4.7% annual growth in the first quarter period.

Market expectations that the ECB could follow June's interest rate cut at its 12 September meeting were further bolstered by eurozone inflation falling to a three-year low of 2.2% in August.

With the UK economy picking up steam and services inflation remaining sticky, market consensus that the BoE rate cutting cycle is likely to be more gradual than that of the Fed and ECB increased. At the end of August, the gap between 10-year gilt and treasury yields rose to its highest level in nearly a year. However, UK consumer prices rose less than expected to 2.2% in July with services inflation, the BoE's key measure of domestic price pressures, declining more than expected from 5.7% to 5.2% in July.

It was another positive month for corporate bond markets with the strongest returns coming from US dollar-denominated bonds. High yield outperformed investment grade corporate bonds. According to ICE BofA data, US investment grade returned 1.53% versus 0.30% and 0.29% for euro and sterling bonds (all returns in local currency). While euro and sterling spreads widened, moving from 110bps to 115bps and 112bps to 116bps respectively, they modestly tightened from 97bps to 96bps for US debt.

In the high yield corporate market, dollar and European currency (€/£) bonds returned 1.59% and 1.16% respectively (all returns in local currency, ICE BofA data).

Spreads tightened from 325bps to 317bps for dollar bonds and from 365bps to 353bps for European currency bonds.

Supply of euro/sterling investment grade corporate bond issuance in August was a healthy €47 billion (according to data from Barclays), far higher than expected.

Asia

- Markets had a positive month with the ASEAN countries advancing.
- Indian equities continued to make progress post national elections.
- Chinese equities marked time as pressure builds to boost the economy

Asia Pacific equity markets posted a positive month. The strongest performing markets in the region were Indonesia and Thailand. Korea lagged as technology stocks dropped following a sell-off in their US peers. Japanese equities fell sharply as a rapid rally in the yen triggered a brutal carry trade unwinding, the market recovered lost ground over the month. Overall regional returns were held back by relative underperformance of China and India.

Chinese equities made a small positive gain during the month with financials advancing, but materials and utilities sectors detracting. Beijing's urgency to support economic growth may be building after China's GDP undershot expectations in the second quarter. China's PMI data also slipped to 49.1 in August due to weaker domestic demand and weather disruptions. As a result, this key gauge remained below the 50-mark threshold separating growth from contraction.

In Korea, markets slipped back with the information technology sector under pressure as the shares of US mega-cap technology companies sold off. The Bank of Korea (BOK) kept its base rate unchanged at 3.5%. This move came amid conflicting economic signals where inflation eased, but household debt has increased. The BOK highlighted it would study the proper timing of a rate cut, while maintaining a restrictive monetary policy stance.

Taiwanese equities were positive over the month with the information technology sector leading gains. Early August saw some volatility as AI-related tech stocks saw a sharp correction as elevated expectations and valuations have started to be questioned, although share prices rebounded. Taiwan cut its 2024 GDP growth forecast to 3.90%, with its trade-driven economy expected to grow at a slightly slower pace than previously forecast.

Equity markets in India moved forward with information technology and financials posting a steady month. Indian equities continued to reflect positive market sentiment, supported by constructive economic indicators. The Reserve Bank of India (BOI) maintained its benchmark policy repo at 6.5% to carefully manage inflation while supporting growth. India's inflation was 3.54% in July, marking the slowest increase in five years.

Japanese equities recovered ground lost at the start of the month. The unwinding of the yen carry trade, prompted by worries that more interest rate hikes in Japan could unfold, added to market volatility. Market turmoil quickly subsided however following reassuring words from Bank of Japan's (BOJ) Deputy Governor Uchida - "the bank will not raise its policy rate when financial and capital markets are unstable". The core inflation rate hit 2.7% in July keeping market expectations that the central bank could further raise interest rates.

Australia's equity market advanced with the financial sector performing the strongest. Although core inflation has softened, it still runs at 3.8% year-on-year. The decline in the core inflation measure will provide some confidence that inflation is not reaccelerating. Inflation has moved sideways this year, and the Responsible Business Alliance (RBA) kept its cash rate unchanged at 4.35% during its August meeting.

Emerging Markets

- Markets posted a positive month with India continuing to make gains.
- Taiwan and Korea fell during July as technology stocks dropped.
- Latin American equities progressed on stronger signals of a Fed rate cut.

Emerging equity markets registered a positive month. The strongest performing markets were Taiwan, China and Brazil while Korea detracted most strongly. Association of Southeast Asian Nations (ASEAN) equities gained ground, their currencies have strengthened relative to the US dollar, which helped stocks recover some of their recent underperformance.

Brazilian equities posted a positive month with financial, energy and consumer stocks adding value. Brazil's unemployment rate fell to 6.8% for the three months ending in July, highlighting a robust labour market. Consumers have responded positively to the improvements in the labour market. For example, retail sales volumes were up 4% from a year ago at the latest data point. Spending on food, motor vehicles, and pharmaceuticals were among the fastest-growing categories. The Banco Central do Brasil maintained its Selic rate at 10.50% in its July 2024 meeting.

The Mexican stock market fell due to a depreciating peso and rising government bond yields. Economic performance has remained weak with Mexico's second quarter GDP growth figure revised down to 2.1% year-on-year. Domestic demand has continued to weaken, which may have contributed to Banco de Mexico's decision to continue its cycle of rate cuts, reducing its benchmark interest rate to 10.75%.

In Chile, markets gained with the Banco Central de Chile pausing its cycle of rate cuts opting to keep the reference rate unchanged at 5.75%. Inflationary pressures in Chile have emerged, driven by increases in electricity rates.

Within EMEA, South Africa and Poland outperformed. South African equities were supported by positive sentiment following the formation of the national unity government. According to the International Monetary Fund (IMF), South Africa's GDP growth rate is projected to be around 2.5% in 2024 driven primarily by a gradual recovery in sectors like mining, manufacturing, and agriculture.

Inflation is 5.2% currently, influenced by domestic supply chain issues and currency fluctuations.

The South African Reserve Bank kept the repo rate unchanged at a 15-year high of 8.25%, adopting a cautious approach to monetary policy and balancing the need to control inflation with the desire to support economic growth.

US

- US equity markets gained ground after investors responded positively to interest rate cut signalling from the Federal Reserve (Fed), which supported interest rate sensitive sectors like real estate and utilities.
- US Inflation fell more than expected to 3.0%.
- Labour market showed some signs of resilience, adding 206,000 new jobs.

After a shaky start, US equity markets registered positive returns for the month with investors responding positively to indications that the Federal Reserve (Fed) will likely cut interest rates in September. At the sector level, performance was strong with interest rate sensitive areas like real estate and utilities amongst the biggest gainers whilst energy and consumer discretionary were the only detractors.

US consumer price index (CPI) inflation fell below the 3.0% expectation to 2.9%, once again increasing investor expectations that an interest rate cut could soon follow given the fact that inflation was now within the 2% target.

This was supported by the Fed Chair Jerome Powell giving his strongest signal so far that interest rates could begin to fall soon, as he said at the Jackson Hole conference "the time has come for policy to adjust". The Fed Chair also stated that they would do "everything they can to support a strong labour market as we make progress towards price stability". Following Powell's speech investors increased their bets on larger Fed rate cuts this year.

The US labour market was a significant talking point as early data releases spooked markets and gave rise to recessionary fears. US nonfarm payrolls grew at slower pace than the 176,000 economists had been expecting, coming in it at 114,000. This was also significantly lower than the average gain of 215,000 over the past 12 months.

Moreover, despite expectations that it would remain unchanged, the unemployment rate rose by 20bps to 4.3%, triggering the Sahm Rule - an indicator that signals the start of a recession when the three-month average national unemployment rate is at least half a percentage point higher than its lowest point during the previous 12 months.

The gross domestic product (GPD) figure for the second quarter was revised up to 3.0%, which was stronger than the 2.8% economists had been expecting. US Composite PMI for July remained strong but the preliminary estimate of 55 was also revised down to 54.3, a slight decrease from June's figure of 54.8. A PMI reading above 50 signals an expansion in the economy whereas a reading below 50 indicates a contraction.

Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	3.92	4.26	4.87	4.62	4.86
US Treasuries 10 year	3.90	4.03	4.50	4.25	4.11
US Treasuries 30 year	4.20	4.30	4.65	4.38	4.21
UK Gilts 2 year	4.11	3.83	4.41	4.30	5.15
UK Gilts 10 year	4.02	3.97	4.32	4.12	4.36
UK Gilts 30 year	4.53	4.54	4.76	4.57	4.61
German Bund 2 year	2.39	2.53	3.10	2.90	2.98
German Bund 10 year	2.30	2.30	2.66	2.41	2.47
German Bund 30 year	2.55	2.51	2.78	2.54	2.59

Source: Bloomberg LP, ICE BofA (local currency returns, unless stated). Data as at 31 August 2024. 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	4.64	57	4.61	52	4.93	46	4.79	49	5.39	72
£ AA	4.73	68	4.73	66	5.09	62	4.95	64	5.61	95
£ A	5.10	95	5.08	91	5.45	92	5.39	101	6.01	131
£ BBB	5.69	145	5.66	141	6.01	139	5.96	151	6.69	197
£ High Yield	8.61	439	8.67	441	9.09	441	8.63	412	10.58	574
£ BB	7.03	271	7.11	277	7.35	253	7.40	278	8.83	391
€ AAA Investment Grade Corporate	2.98	72	2.99	67	3.39	65	3.21	69	3.38	84
€ AA	3.10	81	3.15	77	3.56	73	3.46	82	3.71	106
€ A	3.42	105	3.45	99	3.87	96	3.81	108	4.09	136
€ BBB	3.72	130	3.76	126	4.21	124	4.16	140	4.56	181
€ High Yield	6.29	343	6.51	356	6.66	329	6.61	346	7.45	450
€ BB	4.96	220	5.10	224	5.36	203	5.48	236	6.37	337
European High Yield (inc € + £)	6.53	353	6.74	365	6.93	341	6.85	354	7.78	463

Source: Bloomberg LP, ICE BofA. Data as at 31 August 2024. 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 August 2024

		Change Over:															
	Current value	1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.10	2.1	1.8	2.2	0.1	3.1	-5.8	-6.9	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-10.2	-12.0	1.8
Euro/GB Sterling	0.84	-0.1	-1.2	-1.7	-2.9	-2.1	5.2	-5.9	5.7	-5.9	1.2	4.1	15.8	-5.1	-5.1	-6.5	-2.6
Euro/Swiss Franc	0.94	-1.2	-4.1	-1.7	1.1	-6.1	-4.6	-4.0	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-9.5	-2.0	-0.7
Euro/Swedish Krona	11.35	-2.0	-0.6	1.3	1.9	-0.2	8.4	2.4	-4.3	3.4	3.2	2.7	4.4	-2.9	-2.9	6.7	-3.8
Euro/Norwegian Krone	11.72	-0.7	3.0	2.1	4.4	6.9	4.7	-4.4	6.5	-0.6	0.6	8.3	-5.4	6.6	6.6	8.1	-5.2
Euro/Danish Krone	7.46	0.0	0.0	0.1	0.0	0.2	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	4.28	-0.2	0.2	-0.8	-1.4	-7.3	2.1	0.6	7.2	-0.8	2.7	-5.1	3.4	-0.6	-0.6	3.2	-8.7
Euro/Hungarian Forint	392.76	-0.3	0.9	0.1	2.4	-4.1	8.2	1.8	9.5	3.1	3.3	0.4	-1.9	-0.4	-0.4	6.5	-7.5
US Dollar/Yen	146.17	-2.5	-7.1	-2.5	3.6	7.6	13.9	11.5	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	0.4	13.7	12.8
US Dollar/Canadian Dollar	1.35	-2.3	-1.0	-0.6	1.9	-2.3	7.3	-0.7	-2.0	-4.7	8.5	-6.5	-2.9	19.1	19.1	9.4	-2.9
US Dollar/South African Rand	17.82	-2.1	-5.2	-7.2	-3.0	7.8	6.9	8.5	5.0	-2.4	15.9	-9.9	-11.2	33.7	33.7	10.3	4.7
US Dollar/Brazilian Real	5.61	-0.8	6.9	12.8	15.4	-8.0	-5.3	7.3	29.0	4.0	17.1	1.8	-18.0	49.1	49.1	12.7	9.5
US Dollar/South Korean Won	1337.80	-2.4	-3.4	0.5	3.9	1.8	6.4	9.4	-6.0	3.6	4.2	-11.4	3.0	6.7	6.7	4.1	-7.1
US Dollar/Taiwan Dollar	31.96	-2.7	-1.4	1.2	4.1	0.0	11.0	-2.2	-5.8	-2.2	3.1	-7.6	-2.1	4.0	4.0	6.1	-3.9
US Dollar/Thai Baht	33.86	-5.0	-8.0	-5.6	-0.8	-1.3	3.6	11.5	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	9.7	0.1	-3.1
US Dollar/Singapore Dollar	1.31	-2.2	-3.3	-2.9	-1.0	-1.4	-0.7	2.0	-1.8	-1.2	2.0	-7.7	2.0	7.0	7.0	4.9	-5.8
US Dollar/GB Sterling	0.76	-2.1	-2.9	-3.8	-3.0	-5.1	12.0	1.0	-3.0	-3.8	5.9	-8.6	19.4	5.7	5.7	6.3	-4.4
GB Sterling/South African Rand	23.40	-0.1	-2.3	-3.4	0.4	13.1	-4.6	7.4	8.2	1.3	9.6	-1.3	-25.7	26.5	26.5	3.7	9.3
Australian Dollar/US Dollar	0.68	3.4	1.7	4.1	-0.7	0.0	-6.2	-5.6	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-10.9	-8.3	1.8
New Zealand Dollar/US Dollar	0.62	5.0	1.7	2.7	-1.1	-0.5	-7.0	-5.0	6.6	0.3	-5.3	2.4	1.5	-12.4	-12.4	-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 August 2024 (%)

	1 month	3 months	6 months	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global US & Canada														
MSCI World (US$)	2.7	6.7	10.9	17.1	24.4	-17.7	22.4	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6
MSCI World Value (US$)	2.9	7.0	11.9	15.0	12.4	-5.8	22.8	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5
MSCI World Growth (US$)	2.5	6.4	10.0	19.1	37.3	-29.0	21.4	34.2	34.2	-6.4	28.5	3.2	3.5	6.6
MSCI World Small Cap (US$)	0.5	5.4	8.7	9.3	16.4	-18.4	16.2	16.5	26.8	-13.5	23.2	13.2	0.8	2.3
MSCI Emerging Markets (US$)	1.6	6.1	9.9	9.8	10.2	-19.8	-2.3	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0
FTSE World (US$)	2.7	6.8	10.9	16.6	24.2	-17.5	21.0	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8
Dow Jones Industrials	2.0	7.9	7.6	11.7	16.2	-6.9	20.9	9.7	25.3	-3.5	28.1	16.4	0.2	10.0
S&P 500	2.4	7.4	11.6	19.5	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.7
NASDAQ	0.7	6.0	10.5	18.6	44.7	-32.5	22.2	45.0	36.7	-2.8	29.7	9.0	7.1	14.8
Russell 2000	-1.5	7.5	8.7	10.4	16.9	-20.5	14.8	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9
S&P/ TSX Composite	1.2	5.6	11.0	13.6	11.8	-5.8	25.2	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5
Europe & Africa														
FTSE World Europe ex-UK €	1.6	1.2	7.3	12.0	18.4	-11.9	25.1	2.9	27.6	-10.5	12.9	3.2	10.7	7.2
MSCI Europe	1.6	1.9	8.8	12.7	16.5	-9.0	25.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5
CAC 40	1.3	-4.2	-1.2	4.0	20.1	-6.7	31.9	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5
DAX	2.2	2.2	7.0	12.9	20.3	-12.3	15.8	3.5	25.5	-18.3	12.5	6.9	9.6	2.7
Ibex 35	3.1	1.8	17.2	16.6	28.1	-2.0	10.5	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5
FTSEMIB	1.8	0.2	9.4	18.0	34.3	-9.4	26.8	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0
Swiss Market Index (capital returns)	1.0	3.6	8.7	15.1	3.8	-16.7	20.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5
Amsterdam Exchanges	0.4	2.4	10.3	19.4	17.2	-11.4	30.5	5.5	28.5	-7.4	16.5	13.6	7.3	8.7
MSCI EM Europe, Middle East and Africa (US$)	0.1	5.5	0.9	5.5	10.5	-35.3	24.1	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2
FTSE/JSE Africa All-Share (SA)	1.4	9.6	17.7	11.4	9.3	4.0	29.3	7.1	12.1	-8.4	21.0	2.8	5.3	10.9
UK														
FTSE All-Share	0.4	2.4	12.5	11.2	7.7	0.2	18.3	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2
FTSE 100	0.8	2.3	12.4	11.5	7.7	4.6	18.4	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7
FTSE 250	-2.0	2.6	12.8	9.6	8.0	-17.4	16.9	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7
FTSE Small Cap ex Investment Trusts	0.7	4.8	19.4	15.1	10.4	-17.3	31.3	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7
FTSE TechMARK 100	-1.2	-0.5	3.4	7.3	6.1	-7.5	13.6	7.3	39.2	-4.9	9.8	10.0	16.6	12.3
Asia Pacific & Japan														
Hong Kong Hang Seng	3.9	1.7	12.7	9.2	-10.5	-12.6	-11.8	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3
China SE Shanghai Composite (capital returns)	-3.1	-5.7	-3.3	-1.9	-1.0	-12.8	7.0	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0
Singapore Times	1.7	5.3	14.6	11.4	4.7	8.4	13.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6
Taiwan Weighted (capital returns)	0.6	7.0	19.8	26.9	31.3	-18.8	26.9	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2
Korean Composite (capital returns)	-3.5	1.7	2.1	1.8	20.5	-23.2	5.6	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5
Jakarta Composite (capital returns)	5.7	10.0	4.8	8.5	6.2	4.1	10.1	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3
Philippines Composite (capital returns)	4.2	7.2	-0.7	9.2	-1.8	-7.8	-0.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8
Thai Stock Exchange	3.6	1.7	1.4	-1.2	-12.7	3.5	17.7	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1
Mumbai Sensex 30	1.0	11.9	14.7	15.3	20.3	5.8	23.2	17.2	15.7	7.2	29.6	3.5	-3.7	32.0
Hang Seng China Enterprises index	3.7	1.8	15.0	13.2	-10.7	-15.6	-21.2	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5
ASX 200	0.5	5.7	7.0	9.9	14.0	0.5	18.7	2.3	25.0	-1.5	13.4	13.4	4.2	7.1
Topix	-2.9	-2.0	2.6	16.0	28.3	-2.5	12.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3
Nikkei 225 (capital returns)	-1.2	0.4	-1.3	16.6	28.2	-9.4	4.9	16.0	18.2	-12.1	19.1	0.4	9.1	7.1
MSCI Asia Pac ex Japan (US$)	2.4	6.6	12.1	11.6	7.9	-17.0	-2.5	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5
Latin America														
MSCI EM Latin America (US$)	2.6	-2.5	-7.8	-12.3	33.6	9.6	-7.7	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1
MSCI Mexico (US$)	-5.2	-14.5	-15.4	-19.3	41.5	-1.6	22.9	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3
MSCI Brazil (US$)	6.8	4.3	-6.6	-11.9	33.4	14.6	-17.1	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8
MSCI Argentina (US$)	16.6	1.7	36.8	38.3	66.7	35.8	20.9	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2
MSCI Chile (US$)	3.4	-2.7	4.6	-1.7	6.4	23.3	-14.7	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2
Commodities														
Oil - Brent Crude Spot (US$/BBL)	-1.9	-0.2	-5.4	3.0	-4.6	5.5	49.2	-25.0	35.5	-23.7	20.9	44.8	-31.4	-47.8
Oil - West Texas Intermediate (US$/BBL)	-5.6	-4.5	-6.0	2.7	-10.7	4.2	58.7	-20.5	34.5	-24.8	16.3	45.0	-30.5	-45.9
Reuters CRB index	0.0	-3.3	3.4	8.8	0.0	22.0	38.5	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9
Gold Bullion LBM (US$/Troy Ounce)	1.0	6.0	46.1	22.5	4.0	-8.8	-8.1	34.9	51.3	-17.1	8.1	74.1	-34.1	-0.2
Baltic Dry index	6.2	-0.1	-14.1	-13.4	38.2	-31.7	62.3	25.3	-14.2	-7.0	42.1	101.0	-38.9	-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.

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

View and opinions are based on current market conditions and are subject to change.

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