Monthly Market Roundup
covering July 2022

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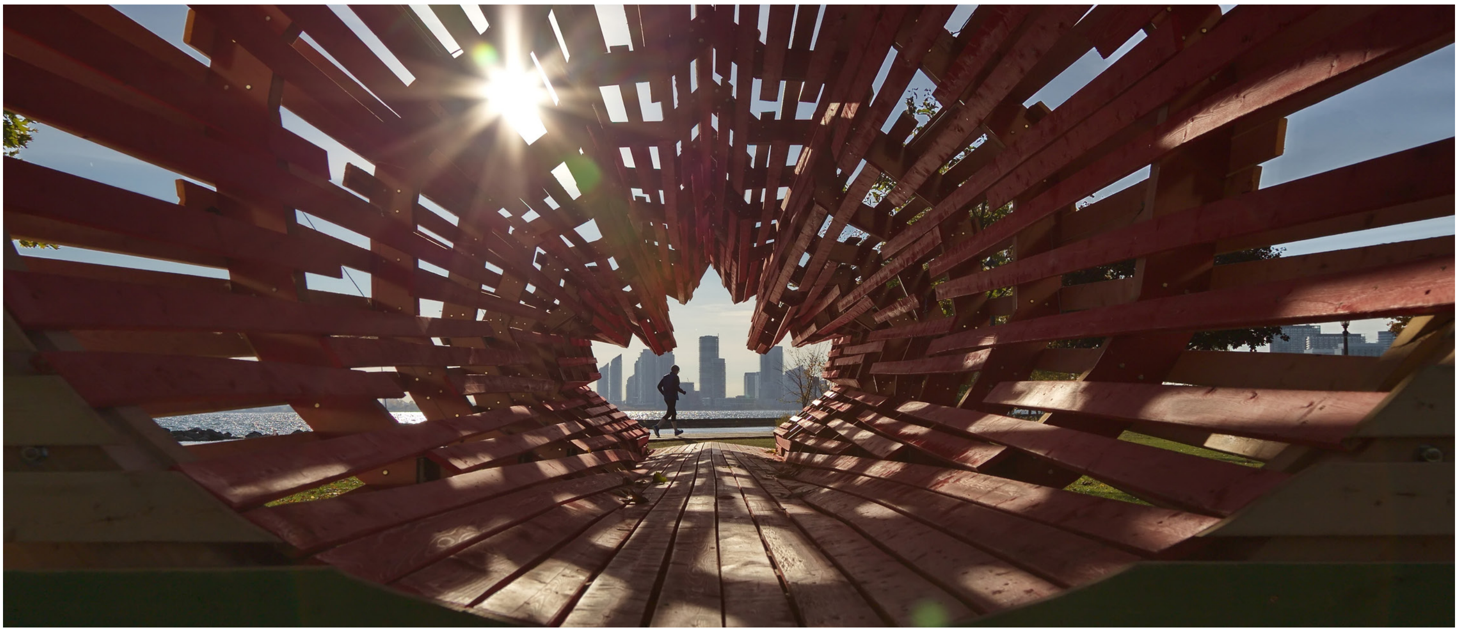

Overview

- July was a better month for global equities as many markets around the world posted gains.
- Europe, the UK, the US fixed income saw positive movements, while Asian equities recovered from a slow start.

July saw a change of fortunes for some equity markets around the world amid what continues to be a challenging environment. European, UK, US and Fixed Income markets all rallied, while Asia and emerging markets lagged.

Europe

In contrast with recent months, european equities ended July with the best monthly performance of 2022 so far.

Gross domestic product (GDP) grew by more than initial estimates, largely driven by tourism in Spain, Italy and France.

Inflation hit a new record high of 8.9%, and the European Central Bank raised rates by 0.5% for the first time in more than 10 years.

The UK

UK equity markets also ended the month up, also posting the strongest performance of the year so far. GDP grew by 0.5% between April and May.

There was political turmoil as prime minister Boris Johnson announced his resignation. The race to elect his successor is down to the final two candidates – Rishi Sunak and Liz Truss.

High inflation persists, hitting a new 40-year high, above consensus. The Bank of England toughened it’s stance on monetary policy, indication the potential for a further interest rate increase of 0.5% in August.

The US

Things were looking up in the US as well, as markets here advanced in July. This is believed to be a reaction to the potential for softer monetary policy (where interest rate rises are less aggressive) from the Federal Reserve (Fed).

The Fed is currently committed to a further 0.75% hike though, to fight rising costs. This would make a total of 2.25% this year alone.

Recession fears persist with talk of the US economy being in a technical recession sparked by two consecutive quarters of negative growth. Others point the the uncommonly low unemployment rate as a sign to the contrary.

Asia

There were marginal gains in Asia, but the region lagged the rest of the developed world. China and Hong Kong underperformed, which offset gains elsewhere.

Increasing macroeconomic concerns held back China, despite a positive re-opening outlook post-Covid, with the estimated 2022 GDP target cut.

Technology led a recovery from a volatile start in Taiwan. But India was the top-performer with all sectors bar energy posting positive gains.

Emerging Markets

In a shift from recent performance, emerging markets (EM) significantly underperformed the rest of world. They were able to rally in the second half of the month though, as sentiment in China improved.

Latin America advanced, led by Argentina and Chile. The latter was able to bounce back from underperformance in June. Mexico and Colombia were the only two countries to retract.

EM Europe, Middle East and Africa (EMEA) also posted positively, outperforming the broader region. Qatar and Saudi Arabia were the biggest gainers here.

Fixed income

After a tough few months for fixed income markets, July was more positive. Both soverign and corporate markets recovered strongly.

Following a difficult half one, corporate bond markets witnessed a shift in sentiment during July. In the UK, eurozone and US, both investment grade and high yield bonds gained.

A 'technical recession' (because of two consecutive quarters of negative growth) in the US meant that 10-year instruments in the US, Germany and the UK declined.

Environmental, Social and Governance

The energy crisis remained in focus last month as countries prepare for the expected shut off of Russian gas and the implications for their domestic grids.

The EU released plans which called for a reduction in gas demand to safeguard supplies going into winter. It announced a mandate and will look to substitute gas for other fuels.

Elsewhere, many countries are looking at their own plans to reform energy. France announced it's to fully nationalise EDF. In the UK, it's the electricity market that's under the microscope, in terms of supporting decarbonisation and energy security.

Europe

- ECB raises interest rates
- Inflation hits another new high
- Eurozone sees growth for quarter two of this year

European shares ended higher in July as upbeat earnings pushed shares to their best monthly performance of 2022. All sectors were in positive territory with information technology and real estate leading the gains.

Eurozone gross domestic product (GDP) grew by 0.7% in the second quarter, stronger than the consensus estimates of 0.1%. Tourism was the main driver behind the growth in the eurozone as Spain, Italy and France all had positive figures. Germany remained stagnant - the higher cost of oil and gas imports resulted in a worsening of Germany's trade balance, which impacted growth.

Eurozone inflation hit another new record of 8.9% in July, driven by energy and food prices. This has increased the likelihood of further interest rate rises. With high inflation, the war in Ukraine and with consumer confidence indicators at lows, these are likely to weigh on growth during the second half of the year.

The European Central Bank (ECB) has raised interest rates by half a percentage point, the first time in more than a decade. It ends eight years of negative rates and raises the ECB's deposit rate to zero. ECB president Christine Lagarde said there was a need to tackle inflation pressure while designing a bond-buying scheme to stop higher interest rates causing new eurozone debt issues. The transmission protection instrument (TPI)[1] had no limitation, Lagarde announced.

The flash purchasing managers' composite index (PMI) for the eurozone fell to 49.4, below consensus estimates and a 17-month low. The composite PMI, which measures activity at both services and manufacturing companies across the eurozone, has fallen below 50. A number below 50 on both indexes indicates contraction. This has raised recession fears in the region as companies are hit by falling orders and rising prices.

The Euro fell to parity with the US dollar for first time in two decades as fears about a global recession instigated investors to move to perceived 'safe havens' such as the US Dollar.

In political news, Italy will hold snap elections in September following Mario Draghi's recent resignation as prime minister. Draghi resigned after the three large parties in parliament boycotted a confidence vote in his leadership.

Spain imposed a windfall tax on banks and utilities. It is designed to limit banks' gains from rising interest rates while for utilities to protect the less well-off from energy price rises.

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UK

- Boris Johnson to leave post of PM by September
- UK inflation reaches 9.4%
- UK GDP rebounds

The UK equity market closed higher and recorded the strongest monthly performance of 2022. Early upbeat earnings reports from some companies outweighed economic slowdown worries.

After days of turmoil and mass resignations from his government, Boris Johnson announced his resignation as Conservative leader. He will remain as UK prime minister until his successor is chosen.

Following several rounds of voting, the contest is down to Rishi Sunak and Liz Truss. The two will be campaigning to win the votes of Conservative party members to become prime minister on 5 September 2022. Recent polls suggest Liz Truss is the favourite with Tory members.

UK inflation was 9.4% in June, up from 9.1% in May, as it hit another 40-year high. This was slightly ahead of consensus forecasts and was mainly driven by food and energy prices.

Bank of England (BoE) governor Andrew Bailey raised the possibility of increasing interest rates by half a percentage point in August as he toughened the central bank's language on inflation.

The Office for National Statistics (ONS) data showed the UK economy grew in May. Gross domestic product (GDP) rose 0.5% between April and May. Consensus estimates had expected growth to be relatively flat, as the economy rebounded with growth across all main sectors. GDP figures for the previous months have been revised up to a 0.1% expansion in March and a milder 0.2% contraction in April.

Data released showed that high UK inflation is hitting retail sales, business activity and consumer confidence heightening fears of an economic recession this year. The volume of retail sales in Great Britain fell for the second consecutive month in June as high inflation forced consumers to cut back on spending. Research company GfK revealed that UK consumer confidence remained at -41 in July, the lowest since records began in 1974.

Interest payments on UK government debt hit the highest level on record in June. Public sector borrowing went above last year's level for the first time this year. Debt interest payments rose to £19.4bn in June, £10.3bn more than in June last year. This is the highest since records began in 1997, data ONS showed.

US

- US equities rise as markets debate possibility of softer monetary policy because of the rising risk of a recession
- US Federal Reserve hike interest rates by 75 basis points
- Economy enters a 'technical' recession as quarter two gross domestic product (GDP) comes in negative for the second consecutive quarter

US equity markets advanced in July, with the NASDAQ and S&P 500 outperforming the world, and the Dow Jones Industrials index also posting solid gains. High inflation, rising interest rates and slowing economic growth continue to run in the background though. Stocks advanced as the US earnings season entered full swing. Investors debated a possible softening of monetary policy (where interest rates are raised less aggressively) because of growing recessionary risks.

Inflation remained at a 40-year high, with year-on-year headline CPI coming in at 9.1%. But the US Federal Reserve (Fed) continued to commit to fighting rising costs by raising interest rates (in line with expectations) by 75 basis points, making it +225 basis points in 2022 so far.

The likelihood of a soft landing (slowing growth with limited damage to the economy) fell further though, with this rate hike possibly tipping the US economy closer to a recession. While some say that the second quarter in a row of negative economic growth (quarter two GDP posted a fall of -0.9%) qualifies as a technical recession, others point to a still-robust labour market. The unemployment rate maintains an uncommonly low standing of 3.6%, and the non-farm payrolls surprised by increasing, with 372,000 new jobs created in June.

The higher interest rate environment, combined with the Fed's commitment to contain and fight inflation continued to impact the US housing market. While the initial slowdown in housing activity was a consequence of supply chain issues, rising home prices and increasing mortgage rates have elevated the cost of home ownership. As a result, existing home sales declined for the fifth month in a row. New home sales, a leading indicator for existing home sales, fell to levels not seen since April 2020.

America's fiscal policy also looks to prop up the nation's slowing economy. The $1.8 trillion 'Build Back Better' plan has been replaced by the new $800 billion 'Inflation Reduction Act', announced this month. Additional measures for energy and the climate will be funded with taxes on methane emissions, oil production and corporations. The Senate also passed a $280 billion bill to boost semiconductor production domestically, with subsidies to the chip manufacturing industry.

The ongoing war between Russia and Ukraine continued to place pressure on gas and food prices globally, but the end of the month saw cause for optimism. Signs of progress in diplomatic relations were sparked by a new Russia-Ukraine grain agreement. This will allow the export of grain and other agricultural produces from selected Ukraine Black Sea ports after months of Russian blockade. The deal, brokered by Turkey and the UN, should help alleviate high market prices and ease rising goods insecurity and global hunger worries.

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Asia

- Asian equities rise despite lag in China
- Less aggressive US Federal Reserve (Fed) interest rate hike outlook provided some support for markets
- India was the top performing market amid positive macro prints

Asian equity markets ended the month marginally higher. Underperformance in China and Hong Kong offset gains made elsewhere, with India the key outperformer.

Despite a positive re-opening outlook, rising macro concerns dragged on Chinese equities. These included a dampened outlook for the second half of the year after the Politburo (the Communist Party's top decision-making body) made no new stimulus announcement. They also cut their 2022 estimated gross domestic product (GDP) growth target.

Property issues persisted. Worries of the current crisis spreading to the broader financial system as homebuyers refused to pay mortgages on properties where construction has stopped. Energy risks in Europe, slowing growth around the world and continuing geopolitical tensions also dampened markets later in the month.

Hong Kong's re-opening accelerated however, with the city considering a cut to visitor quarantine periods and a new health code system to ensure compliance.

The Taiwanese stock market faced a volatile first half amid heightened recession concerns. But the technology players led a recovery in the second half, driven by resilient Q2 earnings results. Some macroeconomic data did disappoint though, as manufacturing PMI (Purchasing Managers' Index), Q2 GDP and industrial production all contracted.

Equities in Korea rebounded on hopes of slower US rate hikes (as the US economy posted a second consecutive drop in growth) and better than expected Q2 earnings results. While industrial production rose unexpectedly, consumer sentiment was stunted, and retail names weakened amid a resurgence of Covid infections.

India was the top performing market, as all sectors bar energy ended the month in the green. Key macro prints drove gains, with inflation data showing signs of softening and industrial production improving +19.6% year-on-year. The Reserve Bank of India's upcoming Monetary Policy Committee (MPC) meeting in August is expected to produce a less aggressive policy rate hike. This considering growing global recession risks, a minor correction in commodity prices and the expected peaking of domestic inflation.

On Pacific region equities, both Japan and Australia's equities advanced higher over the month, buoyed by a softer Fed rate hike outlook at the end of the month. Australia was the second strongest performer after India, as its tech and healthcare stocks surged. Markets also took some relief from better-than-expected inflation data. Meanwhile in Japan, internet technology names were the best performers amid the Bank of Japan's decision to maintain its monetary policy at -0.1%.

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Emerging Markets

- Emerging equity markets fall marginally, underperforming the developed world
- Weakness in China the main drag on EM equity performance
- A recovery was staged later in the month as sentiment in China improved

Emerging markets (EM) equities fell in value over the month, significantly underperforming developed markets. Most losses took place in the first half of the month, dragged down by an underperforming Chinese market. There was a partial recovery in the second half of July, as the Chinese central bank pledged greater support.

Latin American equities advanced, with Chile and Argentina the strongest performing countries, and Columbia and Mexico the only two to post negative returns. Energy was the leading sector, while telecommunications was the main laggard, followed by materials.

Chilean equities rose amid a rebound following last month's underperformance. The central bank did express concerns about the dollar rising and stated that measures would be put in place "if necessary".

Brazilian stocks gained ground too, though some macro data came in weaker than expected. Industrial production, retail sales growth and economic activity all showed a deceleration. But inflation did come in line with expectations and unemployment reached the lowest level since 2015.

Mexican equities finished the month flat, with industrial production coming in short and services activity decreasing. On the bright side, the earnings season was promising, with most companies beating consensus expectations.

EM Asia posted negative returns, as India's outperformance was offset by China and Thailand's lagging markets. Softer inflation data and improving industrial production buoyed Indian equities. Market relief was taken from growing expectations of lighter monetary tightening (where interest rates are raised less aggressively) by the Reserve Bank of India because of growing global recessionary fears.

In China, investor sentiment soured as the Covid-19 outbreak persisted, internet companies faced regulatory fines and mortgage payments were halted by Chinese homebuyers. But following the central bank's pledge to support the economy, markets recovered most of their losses.

EM EMEA rose in July, outperforming the broader EM region, with Qatar and Saudi Arabia the leading countries. The Czech Republic and Turkey were the main detractors from performance. The CE3 (three central European) countries fell for the most part. Hungary outperformed Poland and the Czech Republic, as investors remained worried over surging inflation and deteriorating growth. Meanwhile, Turkish equities dropped as the currency hit a new all-time low against the US dollar.

Fixed Income

- US Federal Reserve and European Central Bank hike interest rates to tackle surging inflation.
- Weakening economic activity data raise hopes that the pace of future rate increases will slow down as US economy contracts for the second consecutive quarter.
- Government and corporate bond markets register broad monthly gains following tough H1.

It was a positive month for fixed income markets as both sovereign and corporate bonds rallied strongly. This was based on hopes that the US hiking cycle would slow with the Federal Reserve (Fed) having to pay more attention to weakening activity data. While the Fed (as expected) delivered a 75 basis points (bps) rate hike at their July meeting, Chair Jerome Powell signalled that at some point the pace of rate hikes would be less aggressive.

But with US inflation hitting a new 40-year high in June of 9.1%, the Fed's priority remains getting prices under control. As such, another rate increase of 75bps in September remains a possibility with policy decisions now being made on a meeting-per-meeting basis with the Fed seeking to avoid providing forward guidance.

The US economy unexpectedly contracted by an annualised rate of 0.9% in Q2. Following a negative GDP reading for Q1, the US economy is likely in a "technical recession" although the National Bureau of Economic Research has yet to confirm this.

Against this backdrop, the yield on the 10-year US treasury note fell from 3.01% to 2.65%. In Europe, yields on 10-year German bunds and UK gilts also declined, moving from 1.34% to 0.82% and 2.23% to 1.86% respectively. In terms of monthly performance, bunds led the gains, delivering a return of 4.51%, followed by gilts (+2.73%). This was followed by treasuries (+1.66%), according to data from ICE BofA.

The announcement of the European Central Bank's (ECB) new anti-fragmentation tool, the Transmission Protection Instrument (TPI)[1], bolstered the performance of Spanish bonds. But gains for Italian government bonds (commonly known as BTPs) were kept in check by political uncertainties following the resignation of Prime Minister Draghi.

During the month, the ECB raised interest rates by 50bps. This was the first hike in more than a decade. Inflation across the eurozone soared to a new record of 8.6% in June as Russia's war in Ukraine added to the cost-of-living crisis.

Following a tough first half year for corporate bond markets, July witnessed a turnaround in sentiment. Investment grade and high yield bonds delivered broad gains across the UK, eurozone and the US.

According to data from ICE BofA, the Sterling Corporate Index returned 3.46% with the Euro and US Corporate Indexes increasing by 4.65% and 2.95% (returns in local currencies). Longer-dated bonds led the gains. By comparison, the Euro and US High Yield Indexes returned +5.07% and 6.02% respectively.

Environmental, Social and Governance

- Concerns of an energy crisis continue across Europe
- EU calls for a reduction in gas demand to safeguard dwindling supplies
- Energy reforms are also in focus for many countries including France and the UK.

In July, the big topic was energy, as countries across Europe prepared for the expected shut off of Russian gas and the implications for their domestic grids. Gazprom has recently announced that it will halt gas deliveries to Latvia. Russia has already cut off gas supplies to Poland, Bulgaria, Finland, the Netherlands, and Denmark, while reducing supplies across Europe due to maintenance of Nordstream 1.

In the catchily titled "Save Gas for a Safe Winter", the EU called for a 15% reduction in gas demand and plans a union alert to mandate reduced demand in the face of severe shortage or high demand. The Plan focuses on substitution of gas with other fuels, and overall energy savings in all sectors. It aims to safeguard supply to households and essential users like hospitals. Not only that, but industries that are decisive for the provision of essential products and services to the economy, and for EU supply chains and competitiveness.

Meanwhile, many countries are analysing and acting to reform their energy markets in the face of the energy crisis. In France, the Government has announced plans to fully nationalize troubled energy provider EDF[2].

In the UK, the Department for Business, Energy, Industrial Strategy (BEIS) is consulting on reforming the electricity market to support decarbonisation and promote energy security. While these reforms will not address some of the short-term risks this winter, it underscores the long-term repercussions and realignment of structural energy systems in the wake of the Russian invasion of Ukraine[3].

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Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	2.88	2.95	2.71	1.18	0.18
US Treasuries 10 year	2.65	3.01	2.93	1.78	1.22
US Treasuries 30 year	3.01	3.18	3.00	2.11	1.89
UK Gilts 2 year	1.71	1.84	1.59	1.05	0.06
UK Gilts 10 year	1.86	2.23	1.91	1.30	0.57
UK Gilts 30 year	2.40	2.56	2.04	1.45	0.99
German Bund 2 year	0.28	0.65	0.26	-0.53	-0.76
German Bund 10 year	0.82	1.34	0.94	0.01	-0.46
German Bund 30 year	1.07	1.62	1.09	0.28	0.02

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 2022. 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	2.98	100	3.37	115	2.80	96	1.91	64	1.09	48
£ AA	3.13	119	3.52	132	2.93	108	2.00	74	1.11	57
£ A	3.53	157	3.94	170	3.25	139	2.27	99	1.48	89
£ BBB	4.29	234	4.69	247	3.86	194	2.87	150	1.97	130
£ High Yield	8.54	676	9.13	709	6.74	488	5.40	402	4.50	371
£ BB	7.44	563	7.93	581	5.80	389	4.37	290	3.40	266
€ AAA Investment Grade Corporate	1.53	94	2.27	112	1.60	85	0.51	69	-0.04	55
€ AA	1.57	109	2.31	133	1.52	94	0.38	71	-0.11	56
€ A	2.04	154	2.79	183	1.88	129	0.67	93	0.12	73
€ BBB	2.75	223	3.52	251	2.41	175	1.05	124	0.46	99
€ High Yield	6.37	581	7.47	641	5.31	454	3.63	367	2.88	313
€ BB	5.22	463	6.25	518	4.41	361	2.84	286	2.15	241
European High Yield (inc € + £)	6.60	591	7.65	648	5.46	457	3.83	371	3.05	319

Source: Bloomberg LP, ICE BofA. Data as at 31 July 2022. 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 July 2022

		Change Over:													
	Current value	1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.02	-2.5	-3.1	-9.0	-10.1	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	4.2	1.8	1.8
Euro/GB Sterling	0.84	-2.5	0.1	0.5	-0.2	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	2.3	-2.6	-2.6
Euro/Swiss Franc	0.97	-2.8	-5.2	-6.5	-6.2	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.38	-3.2	0.2	-0.9	0.8	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	9.89	-4.2	0.0	-1.1	-1.3	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	13.6	-5.2	-5.2
Euro/Danish Krone	7.44	0.1	0.1	0.0	0.1	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4	0.4
Euro/Polish Zloty	4.74	0.8	1.2	3.4	3.3	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	404.69	2.1	7.0	13.9	9.6	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	133.27	-1.8	2.8	15.8	15.8	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.28	-0.6	-0.4	0.7	1.3	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	7.1	-2.9	-2.9
US Dollar/South African Rand	16.62	2.1	5.3	8.0	4.3	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	5.17	-1.6	4.0	-2.6	-7.2	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	15.5	9.5	9.5
US Dollar/South Korean Won	1299.25	0.0	3.5	7.7	9.3	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	29.94	0.7	1.6	7.6	8.2	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	36.81	4.1	7.5	10.5	10.2	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.38	-0.7	-0.2	2.2	2.3	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.82	0.1	3.3	10.5	11.1	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	-1.9	-4.4	-4.4
GB Sterling/South African Rand	20.23	2.0	1.8	-2.2	-6.3	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.70	1.2	-1.1	-1.2	-3.8	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-14.2	1.8	1.8
New Zealand Dollar/US Dollar	0.63	0.5	-2.8	-4.5	-8.0	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-0.9	6.6	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 July 2022 (%)

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada														
MSCI World (US$)	8.0	-1.2	-9.1	-13.9	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6	16.6
MSCI World Value (US$)	4.6	-2.5	-6.6	-7.7	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5	16.5
MSCI World Growth (US$)	11.5	-0.2	-12.3	-20.5	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6	16.6
MSCI World Small Cap (US$)	9.1	-1.9	-8.4	-15.3	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1	18.1
MSCI Emerging Markets (US$)	-0.2	-6.3	-16.1	-17.7	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6	18.6
FTSE World (US$)	7.6	-1.7	-9.5	-14.1	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2	17.2
Dow Jones Industrials	6.8	0.1	-5.5	-8.6	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2	10.2
S&P 500	9.2	0.4	-7.8	-12.6	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0	16.0
NASDAQ	12.4	0.7	-12.6	-20.5	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7	17.7
Russell 2000	10.4	1.5	-6.4	-15.5	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4	16.4
S&P/ TSX Composite	4.7	-4.4	-5.3	-5.7	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5	13.0	7.2	7.2
Europe & Africa														
FTSE World Europe ex-UK €	8.0	-1.9	-6.1	-10.5	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0	21.0
MSCI Europe	7.6	-1.2	-3.7	-6.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9	17.9
CAC 40	9.0	0.5	-5.4	-7.4	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4	20.4
DAX	5.5	-4.4	-12.8	-15.1	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1	29.1
Ibex 35	1.5	-3.7	-3.1	-3.8	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2	2.2
FTSEMIB	5.7	-5.6	-13.7	-15.1	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	20.4	12.2	12.2
Swiss Market Index (capital returns)	3.8	-8.1	-8.8	-11.1	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9	14.9
Amsterdam Exchanges	10.7	3.4	-1.9	-7.1	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0	14.0
HSBC European Smaller Cos	4.2	-10.6	-21.2	-27.8	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	34.9	22.2	22.2
MSCI EM Europe, Middle East and Africa (US$)	4.8	-11.2	-32.2	-31.2	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1	25.1
FTSE/JSE Africa All-Share (SA)	4.2	-4.5	-5.0	-4.2	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7	26.7
UK														
FTSE All-Share	4.4	-1.2	-0.1	-0.5	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3	12.3
FTSE 100	3.7	-1.0	1.5	2.6	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0	10.0
FTSE 250	8.3	-1.9	-6.6	-12.7	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1	26.1
FTSE Small Cap ex Investment Trusts	3.5	-6.6	-10.5	-13.5	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3	36.3
FTSE TechMARK 100	5.7	0.6	-5.1	-12.0	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0	23.0
Asia Pacific & Japan														
Hong Kong Hang Seng	-7.3	-2.5	-13.3	-11.8	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4	27.4
China SE Shanghai Composite (capital returns)	-3.1	9.1	-1.0	-8.6	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8	5.8
Singapore Times	3.6	-3.4	0.9	5.0	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3	23.3
Taiwan Weighted (capital returns)	3.1	-6.6	-12.1	-14.7	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9	12.9
Korean Composite (capital returns)	5.1	-8.8	-7.6	-17.3	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7	10.7
Jakarta Composite (capital returns)	0.6	-3.8	4.8	7.9	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9	12.9
Philippines Composite (capital returns)	2.6	-6.2	-14.2	-10.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0	33.0
Thai Stock Exchange	0.5	-5.2	-2.8	-3.3	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4	40.4
Mumbai Sensex 30	8.7	1.6	0.1	-0.3	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0	28.0
Hang Seng China Enterprises index	-9.3	-3.0	-15.2	-14.0	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7	19.7
ASX 200	5.7	-6.0	1.7	-4.1	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2	22.2
Topix	3.7	2.3	3.8	-1.3	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9	20.9
Nikkei 225 (capital returns)	5.3	3.6	3.0	-2.4	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9	22.9
MSCI Asia Pac ex Japan (US$)	0.1	-5.4	-11.9	-15.4	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	4.1	23.2	23.2
Latin America														
MSCI EM Latin America (US$)	4.3	-6.3	-3.2	4.0	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8	8.8
MSCI Mexico (US$)	-0.1	-4.6	-2.7	-7.8	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1	29.1
MSCI Brazil (US$)	5.5	-7.5	-4.0	8.6	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2	0.2
MSCI Argentina (US$)	9.1	-9.6	-11.5	-6.9	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1	-37.1
MSCI Chile (US$)	12.4	8.5	11.2	25.2	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3	8.3
Commodities														
Oil - Brent Crude Spot (US$/BBL)	-6.1	1.3	18.7	39.4	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1	4.1
Oil - West Texas Intermediate (US$/BBL)	-6.8	-5.8	11.9	28.1	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1	-7.1
Reuters CRB index	0.5	-4.9	15.1	26.3	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-3.5	-8.3	-2.3	-2.9	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7	5.7
Baltic Dry index	-15.4	-21.2	33.6	-14.5	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8	-59.8

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] The Transmission Protection Instrument (TPI) is an anti-fragmentation tool that aims to apply eurozone monetary policy smoothly across member states
[2] France Offers to Pay $9.9 Billion to Fully Nationalize EDF - Bloomberg
[3] Review of Electricity Market Arrangements (publishing.service.gov.uk)

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