Monthly Market Roundup
covering September 2022

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Overview

- It was a tough month for global equities as all regions end September lower.
- A challenging macroeconomic environment continues to play out, shifting investor sentiment to a widespread risk-off tone.
- In a reversal of fortunes from recent months, emerging markets underperformed developed markets, with Asia lagging most.

September was another tough month for equity markets around the world, following on from August's woes. Emerging markets joined the club in losing ground, underperforming developed markets for the first time in months. Major central bank moves in the face of ever-persistent inflation continue to cause turmoil, as a global risk-off sentiment sets in.

Europe

European markets ended the month down with inflation the main driver. It hit a new high of 10%, which was more than expected. Wholesale energy prices, and the rising cost of food, alcohol and tobacco all contributed.

The European Central Bank raised interest rates to the highest level since 2011 in response. Elsewhere, in politics, Italy looks set to elect it's first ever female prime minister. This is a move that will see a shift to the centre-right for the country.

The UK

UK shares fell last month as Liz Truss' incoming government announced policy changes aimed at boosting the country's economy. They included support for households and businesses in the wake of rising energy costs, as well as several tax cuts.

Sterling hit a record low against the dollar last month, close to parity as investor concern grew over the fiscal policy announcements.

The Bank of England raised interest rates by a further 0.5% to the highest level since 2008. In better news, it emerged that inflation dropped slightly for the first time in almost a year from July to August, beating inflation forecasts.

The US

Continued macroeconomic headwinds meant that US markets also ended the month down. This came after an initially positive start, ahead of the release of key inflation data. But, although it was lower than last month, inflation is still higher than forecasted.

The Federal Reserve remained unmoved on it's hawkish stance, delivering the expected 0.75% interest rate rise. Reflecting the sentiment of other major central banks, this dragged on growth expectations and refreshed recession concerns.

There was a slight rally close to month-end as investors looked to take advantage of price weakness caused by the dampened outlook. But this wasn't enough to spark a full recovery.

Asia

A general global risk-off sentiment negatively impacted Asian markets in September. Chinese equities ended down, despite inflation being lower than expected.

It continues to be a difficult environment for technology stocks. This impacted both Korean and Taiwanese markets, with the currency of the former falling to it's lowest level in 13 years.

Having posted a run of strong performances, Indian equities faltered. Low rainfall in food-producing regions put pressure on food prices and consumer price inflation (CPI). In the Pacific region, both Japan and Australia endured difficult months.

Emerging Markets

Emerging markets also fell in September, ending a run of outperformance. They actually underperformed the developed world as broad macroeconomic volatility and currency weakness took a toll.

Not unusually, Latin America showed most steel, followed by Europe, Middle East, Africa (EMEA) with Asia lagging. South Korea, Taiwan and the Phillipines performed best, with Mexico, Indonesia and Peru posting strongest.

The CE3 (three central European countries - Czech, Poland and Hungary) lagged most in EMEA, given their vulnerability to the Russian-Ukraine conflict. Elsewhere, though outperforming the rest of EM, recession fears negatively impacted Latin American gains.

Fixed income

Fixed income markets continue to suffer in another challenging month, especially in the UK with the arrival of a new government with new policy.

The chancellor's not-so-mini budget not only impacted government bond yields, but also soured investor sentiment to UK assets. Several unfunded tax cuts raised fears that the likes of pension funds could be bankrupted.

In response, the Bank of England pledged to buy billions in long-dated government bonds, protecting UK credit and households. Corporate bonds, particularly sterling credit also had a tough time, posting negative returns.

Environmental, Social and Governance

While renewed Russian threat in Ukraine sparked further fears over the energy crisis last month, the EU is also heading into a period of critical negotiations.

They centre around the so-called 'Fitfor55' package, named after the EU's pledge to reduce greenhouse gas emissions. The package touches on almost all areas of the economy and could transform the economy as we know it.

Negotiations have been going on for some time. But they're to reach their denouement this autumn, as the European parliament and member states attempt to iron out their differences in what has become known as 'the triologues'.

Europe

- European Central Bank (ECB) raises interest rates to highest level since 2011
- Inflation hits 10%
- Giorgia Meloni is set to become Italy's first female prime minister

European shares ended lower in September as inflation continued to hit fresh highs. Central banks turned even more hawkish[1] in quarter three, with large interest rate hikes across developed markets. From a sector perspective, all were in negative territory, with real estate and communication services leading the losses.

The ECB raised interest rates by 75 basis points to the highest level since 2011, to 0.75%. This was to try to curb inflation, despite fears energy prices will push the eurozone into a recession. ECB president Christine Lagarde said there would be several rate hikes in the coming months to bring inflation down. The 10-year Bund yield, seen as an indication of borrowing costs across the eurozone, rose 17 basis points to 1.74%.

Eurozone inflation hit another new record of 10.0% in September, higher than consensus estimates. Wholesale gas and electricity prices rose to record levels as food, alcohol and tobacco also contributed significantly. Most of the eurozone countries had double digit levels except France where inflation fell to 6.2% following the subsidies on energy bills. This compares to Germany who had a 71-year high figure of 10.9%.

The flash purchasing managers' composite index (PMI) for the eurozone fell to 48.2, the third consecutive month below the 50 (a figure above 50 which indicates growth) mark and its lowest level since January 2021. The composite PMI, which measures activity at both services and manufacturing companies across the eurozone, was below 50, indicating businesses are contracting. Following this, the euro hit a 20-year low against the dollar. Germany's benchmark 10-year yield rose above 2% for the first time in 11 years.

In other news, in Italy the centre-right coalition has won the largest share of the vote to win the general election, with a majority in both the Upper and Lower Houses. Giorgia Meloni, the leader of the Brothers of Italy, is set to become the country's first female prime minister. Germany announced a €200bn 'protective shield' for businesses and consumers, including a cap on gas and electricity prices which is financed by new borrowing.

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UK

- Liz Truss becomes new prime minister
- Sterling hits a record low against the dollar
- UK inflation fell to 9.9% in August

The UK equity market closed lower in the month. UK stocks sold off in the context of a broader global risk-off tone and growth fears in markets. A shift in policy from the new government to boost the UK economy saw falls in sterling and gilts.

Liz Truss became the new prime minister of the UK after beating her rival Rishi Sunak for the Conservative party leadership. Following her win, she announced support for households and businesses to shield them from rising energy prices. New chancellor Kwasi Kwarteng announced several tax cuts including income tax, stamp duty and reversing of the National Insurance rise.

Sterling hit a record low against the dollar, falling as low as $1.035. This was following investor concerns on the UK's level of borrowing following the tax cuts and spending pledges unveiled by the new government. Kwasi Kwarteng said he would set out a "Medium-Term Fiscal Plan" in November, alongside growth and borrowing forecasts from the Office for Budget Responsibility (OBR).

The Bank of England (BoE) took emergency action releasing a £65bn bond-buying programme to support the gilt market, which sold off sharply. Liz Truss and chancellor Kwasi Kwarteng sought to reassure markets by meeting the OBR. Following these interventions, sterling recovered slightly. The decline in sterling is also a combination of a rally in the dollar market as well as concerns over the UK economy.

Earlier in the month, the BoE raised interest rates by 0.5% to 2.25%, its highest level since 2008. It's now forecasting inflation to peak at 11% in October, lower than previous estimates but staying around the 10% figure for several months. The BoE also expects UK GDP to fall 0.1% in the third quarter of this year better than previous estimates of 0.4%.

The UK economy grew by 0.2% in the second quarter of this year, the Office for National Statistics (ONS) data showed, an upward revision of what was previously thought a 0.1% decline. This shows that the economy is not currently in recession as the BoE previously predicted. But the economy is still smaller than it was before the pandemic. New ONS figures shows the impact of Covid was more severe than previously thought.

UK inflation was 9.9% in August, down from 10.1% in July as inflation fell for the first time in nearly a year. It was better than consensus forecasts as a fall in the price for petrol and diesel being the main drivers behind the fall. Whilst being widespread globally, inflation has been stronger in the UK than in other G7 countries and most European nations.

ONS data showed UK unemployment fell to 3.6% in the three months to July, the lowest level since 1974. The fall of 0.2% from the previous quarter was mainly due to people exiting the jobs market, either for studying or due to long-term health conditions. The employment rate fell by 0.2%, to 75.4%.

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US

- US equities extend their losses
- While lower than last month, inflation is recorded higher-than-expected
- Growth expectations further dampened on tighter Fed monetary policy

US equities continued to decline over the month. All three major indices – the S&P 500, the NASDAQ composite and the Dow Jones Industrial Average – were pushed lower by the continued macroeconomic headwinds of high inflation and slowing economic growth.

Stocks initially rose this month ahead of the release of key inflation data, the Consumer Price Index (CPI), which was expected to show further cooling. Concerns about large interest rate hikes were somewhat alleviated as commodity prices had dropped. This lifted hopes that inflation had peaked – and the US labour market remained in robust shape.

But after the CPI report showed higher-than-expected inflation, US equities fell. This sparked fresh concerns that the Federal Reserve (Fed) might adopt more aggressive monetary tightening (raising of interest rates) to tackle this still-hot inflation.

The report did show signs of peaking though as annual inflation, registered at 8.3%, came in 0.2% lower than last month's reading of 8.5%.

As a result, the market expectation of a 75-basis point rise at September's Federal Open Market Committee (FOMC) meeting was met. It triggered a slump in US equities and a spike in Treasury yields.

Fed Chair Jerome Powell's main message was that officials were "strongly resolved" to dragging inflation back down to their 2% goal, indicating a continuation of the up-till-now hawkish (aggressive) monetary policy. This – combined with similar global central bank sentiment – weighed heavily on growth expectations. It further eroded hopes of a soft landing and increased concerns of a global recession.

The increasing risk-sentiment and market volatility did spark a minor recovery near month-end though. Investors 'bought the dip', looking to take advantage of price weaknesses generated by the dampened economic growth expectations and persistent macroeconomic headwinds.

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Asia

- Risk-off sentiment continues to stunt Asian equities
- Chinese equities weaken despite lower-than-expected inflation
- Korea and Taiwan stocks fell as technology stocks continued to struggle

Asian equity markets continued to fall as investor risk-off sentiment across the world persisted and the US dollar continued to strengthen.

Chinese shares fell over the month as macroeconomic headwinds – namely the US Federal Reserve's aggressive monetary policy – stunted market sentiment. This was despite the People's Bank of China intervening to buffer weakness and ensure yuan stability.

High frequency data was mixed. Positives included domestic activity registering above overall expectations amid policy support. Industrial production also showed a further recovery of 1.3% month-on-month and retail sales surprised to the upside. On the flip side, industrial profits contracted, and merchandise exports fell by 5.1% month-on-month.

There were promising signs that rising prices have peaked however, as both CPI (Consumer Price Index) and PPI (Producer Price Index) came in below expectation. China's Covid conditions improved in the month, reflected in Hong Kong announcing a "0+3" scheme (no quarantine plus three days isolation). Macau declared a resumption in travel visas for five provinces in China.

It was a tough month for Taiwanese stocks which faced a double-digit decline, underperforming regional indices. The monthly industrial production beat expectations considerably. But the country's manufacturing Purchasing Manager's Index (PMI) dropped to 42.7 in August (a reading of 50 or above suggestions an expansion of the economy). The central bank acted in line with consensus, raising their policy rates by 12.5 basis points in a bid to tackle inflation.

Korean equities similarly tumbled. Although partially offset by foreign exchange tailwinds, technology firms were still stunted by reduced volumes and the broader market downturn. The Korean won fell 6.5% to its lowest in the past 13 years. But the government has signalled upcoming action at an appropriate time to temper this volatility.

Faced with foreign outflows, Indian stocks gave back some of its recent gains. Headline year-on-year CPI was higher than last month (7.0% versus 6.7%), as low rainfall in food producing regions created upward pressures on food prices. This prompted the Reserve Bank of India to hike the policy repurchase rate by 50 basis points to 5.9%.

In the Pacific region, both Japan and Australia endured a difficult month. In Japan, mining companies lagged, although land and air transport names showed relative strength on the expectation of re-opening. In a press conference, the Governor of the Bank of Japan reaffirmed their accommodative stance. This triggered a sharp depreciation of the yen, which meant the Ministry of Finance had to intervene in the foreign exchange markets for the first time in more than two decades.

The global central bank tightening cycle (interest rate increases) and earnings downgrades on broad commodities (excluding lithium) weighed on the Australian stock markets. Iron ore firms in particular faced headwinds from China's property slowdown and weak ex-China[2] steel production.

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Emerging Markets

- Emerging markets lose out to developed markets
- EM Asia the weakest region, held back by Fed's aggressive stance
- CE3 countries the worst performers, while Latin America was the most resilient

Emerging markets (EM) lost ground in September, underperforming developed markets. Broader macroeconomic headwinds and currency weakness held stocks back. Asia underperformed the most, followed by Europe, Middle East and Africa (EMEA). Latin America showed more resilience. The best performing markets were Mexico, Indonesia and Peru, while the biggest detractors were South Korea, the Philippines and Taiwan.

Asia was partly dragged down by China. It faced volatility because of the increasingly aggressive US Federal Reserve (Fed) interest rate hike cycle and a slower global growth outlook. There was some optimism though, as the country's Covid conditions improved. Both Hong Kong and Macau signalled positive forward steps in easing travel restrictions.

Elsewhere in the region, South Korea and Taiwan underperformed. China's slowdown and the Fed's ongoing difficulties in taming inflation contributed to local currency weakness. The Korean won dropped to its lowest level against the US dollar since 2009, while the New Taiwan dollar hit five-year lows. For both countries, exports have deteriorated mainly due to demand weakness and inventory destocking of its semiconductors.

Markets in EMEA also declined, with the CE3 (Czech, Poland and Hungary) the three biggest laggards. The CE3 remain vulnerable to the risk events associated with the Russo-Ukraine war. This risk increased in September as President Putin called up 300,000 reservists with an explicit mention of nuclear options. Turkish stocks were some of the most resilient in the region. But its upward momentum finally came to an end, led notably by a correction[3] of its state-owned banks.

Equity markets in Latin America, albeit outperforming all other regions, fell as recession fears intensified. Mexico led returns, offsetting weakness in Brazil and Colombia, as the defensive nature of their equity markets supported outperformance, while a reduction in political risk also aided.

Brazil finished more or less in line with EM, with data pointing towards solid economic growth momentum in July. With the central bank keeping interest rates on hold – certainties remained around the first round of elections however which take place in early October. Domestic currencies also suffered, with the Chilean and Argentinian Peso the worst performers against the US dollar.

Mounting recession risks provoked a sell-off in materials, driven in the most part by a price correction in steel and aluminium. Brent oil prices – despite Russia's continued squeeze on supplies – continued their downward trend last month to close at $86.15/barrel, down 10.0%.

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Fixed Income

- A tumultuous month for government bonds as central banks raise interest rates with prospect of more hikes to come this year.
- Sentiment towards UK assets soured by unfunded tax cuts as sterling hits a record low versus the US dollar.
- Bank of England commits to buying long-dated gilts to restore market confidence and overcome fears over a 'doom loop'.

A tumultuous month for fixed interest markets, particularly in the UK. Government bond yields (which move inversely to price) rising to fresh multi-year highs on both sides of the Atlantic. While market turmoil in the UK was triggered by the government's (not so) mini-budget late in the month, a global selloff in sovereign debt was already in motion. Central banks became more explicit about raising interest rates to combat inflationary pressures even if economic growth was to slow.

In terms of market performance, UK government bonds struggled the most with gilts returning -8.46% over the month. By comparison, German bunds fell 3.98% and US treasuries declined 3.75%.

The announcement of the biggest programme of UK tax cuts in more than 50 years, to be funded by new borrowing, prompted an adverse market reaction to UK assets. It led to fears over a 'doom loop'. This is where institutions such as pension funds are forced into a fire sale of assets, for example gilts, to meet margin calls, thus putting fresh pressure on prices and triggering further margin calls.

To restore market confidence, the Bank of England intervened by committing to buying long-dated gilts and prevent a spill-over into UK credit and households. The action prompted the largest single day rally in the gilt market ever and provided support to sterling which had previously fallen to a record low against the US dollar.

Earlier in the month the Bank of England had voted by a majority of 5-3-1 for a 50 basis points[4] (bps) hike in interest rates. Three members wanted a 75bps increase and one voted for 25bps.

By contrast, the US Federal Reserve followed through on market expectations by delivering a third straight 75bps hike, lifting the Fed Funds rate to a new target range of 3.0% to 3.25%. New projections from the Federal Open Market Committee indicated that members favoured a further 125bps of rate increases this year. The Fed Chair said that "history suggests delay (in getting to a restrictive stance) only leads to more pain."

US inflation eased back to 8.3% in August (down from an annual rate of 8.5% in July). But core inflation - which strips out volatile items like energy and food - rose to 6.3% in August.

Inflation is still not showing signs of abating in Europe, with the early estimate for September rising to 10.0%. The European Central Bank raised interest rates by 75bps. Natural gas futures spiked higher following reports of leaks from the Nord Stream 1 and 2 pipelines. The right wing coalition led by Giorgi Meloni's Brothers of Italy party won a clear majority and will form the next Italian government.

It was also a tough month for corporate bonds with weakness more pronounced in sterling credit. According to data from ICE BofA, the Sterling Corporate Index returned -9.59%, whereas the Euro and US Corporate Indexes fell 3.47% and 5.31% respectively. Credit spreads (the additional yield over government bonds) widened with sterling-denominated investment grade bonds moving up and euro and dollar bonds also rising.

High yield bonds also lost ground with the ICE BofA European Currency High Yield Index returning -4.26% versus a 4.02% decline for the US High Yield Index. There was also a widening in credit spreads with European currency increasing and dollar-denominated bonds moving up too.

A tumultuous month for fixed interest markets, particularly in the UK. Government bond yields (which move inversely to price) rising to fresh multi-year highs on both sides of the Atlantic.

Environmental, Social and Governance

- Renewed Russian threat in Ukraine reignited concerns over the energy crisis
- The EU's 'Fitfor55' package which outlines the EU's ambition to reduce greenhouse gas emissions reaches its final stage of negotiations this autumn
- It could have huge implications for the EU economy, touching on almost every part.

Much of the news has been dominated by the energy crisis due to the Russian invasion of Ukraine. But meanwhile, the EU is heading into critical negotiations this autumn that could reinvent the EU economy as we know it.

The package, known as "Fitfor55", after the EU's commitment to reduce greenhouse gas (GHG) emissions by 55% by 2030, will touch on almost all sectors of the economy. This includes reforming the EU's cap-and-trade emissions scheme (ETS) and introducing a Carbon Border Adjustment Mechanism (CBAM) to prevent carbon leakage. Not only that, but it'll reform energy efficiency rules, renewable energy targets and ban petrol and diesel cars from 2035.

Negotiations on these files have been ongoing for several months but will reach a critical point in the next few months. The final rules must be established as the European Parliament and member states seek to reconcile their differing views, a process known as "trilogues".

While the member states have stuck close to the European Commission's proposals, the European Parliament has largely pushed for more ambitious proposals across the board. This includes:

- reduced emissions in the ETS sectors from 61% to 63% by 2030 and include commercial road transport and buildings system from 1 January 2024;
- an earlier application of the CBAM, as well as a broader scope of covered goods (organic chemicals, plastics, hydrogen and ammonia). The inclusion of indirect emissions; phasing out of free allowances in the ETS sectors covered by the CBAM from 2027 until 2032; and an adjustment mechanism for free EU ETS allocations for the most efficient EU installations that export to non-EU countries without carbon pricing mechanisms;
- raising the renewable energy target from 40% to 45%;
- an intermediate emissions reduction targets for 2030 to be set at 55% for cars and 50% for vans, before moving to zero tailpipe emissions by 2035.

Negotiators hope the get agreement on many of these files by the end of the year. But negotiations are likely to go down to the wire, given the current backdrop.

Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
UUS Treasuries 2 year	4.28	3.49	2.95	2.33	0.28
US Treasuries 10 year	3.83	3.19	3.01	2.34	1.49
US Treasuries 30 year	3.78	3.29	3.18	2.45	2.04
UK Gilts 2 year	4.23	3.02	1.84	1.35	0.41
UK Gilts 10 year	4.09	2.80	2.23	1.61	1.02
UK Gilts 30 year	3.83	3.08	2.56	1.76	1.37
German Bund 2 year	1.76	1.20	0.65	-0.07	-0.69
German Bund 10 year	2.11	1.54	1.34	0.55	-0.20
German Bund 30 year	2.09	1.63	1.62	0.67	0.28

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 September 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	5.53	134	4.01	105	3.37	115	2.42	84	1.38	45
£ AA	5.78	152	4.19	123	3.52	132	2.53	95	1.45	56
£ A	6.36	209	4.66	168	3.94	170	2.81	121	1.81	86
£ BBB	7.24	289	5.42	243	4.69	247	3.39	172	2.26	126
£ High Yield	11.43	699	9.11	610	9.13	709	6.28	463	4.51	353
£ BB	10.11	565	7.92	491	7.93	581	5.17	345	3.53	250
€ AAA Investment Grade Corporate	3.19	121	2.47	109	2.27	112	1.14	74	0.13	50
€ AA	3.34	143	2.52	124	2.31	133	1.04	81	0.06	56
€ A	3.82	192	3.01	172	2.79	183	1.37	110	0.30	73
€ BBB	4.55	259	3.66	232	3.52	251	1.87	151	0.63	98
€ High Yield	8.31	625	6.95	553	7.47	641	4.52	400	2.97	304
€ BB	7.13	502	5.87	442	6.25	518	3.68	312	2.23	234
European High Yield (inc € + £)	8.61	632	7.17	559	7.65	648	4.71	406	3.13	309

Source: Bloomberg LP, ICE BofA. Data as at 30 September 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 30 September 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	0.98	-2.5	-6.5	-11.4	-13.8	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	4.2	1.8	1.8
Euro/GB Sterling	0.88	1.4	1.9	4.2	4.3	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	-1.6	-3.4	-5.3	-6.8	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.87	1.4	1.4	4.6	5.6	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	10.67	6.9	3.4	9.7	6.4	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	0.0	0.0	0.0	0.0	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4	0.4
Euro/Polish Zloty	4.86	2.9	3.3	4.5	5.9	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	423.15	5.7	6.7	15.1	14.6	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	144.74	4.2	6.6	18.9	25.8	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.38	5.3	7.4	10.6	9.4	-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	18.09	5.6	11.1	23.8	13.5	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	5.42	4.5	3.0	14.2	-2.9	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	1431.15	7.0	10.2	18.1	20.4	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	31.77	4.4	6.9	11.0	14.8	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	37.73	3.5	6.7	13.4	12.9	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.44	2.7	3.2	6.0	6.4	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.90	4.1	9.0	17.7	21.1	-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	20.21	1.6	1.9	5.2	-6.4	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.64	-6.5	-7.3	-14.5	-11.9	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	0.56	-8.5	-10.3	-19.4	-18.0	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 30 September 2022 (%)

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada														
MSCI World (US$)	-9.3	-6.1	-21.2	-25.1	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6	16.6
MSCI World Value (US$)	-8.4	-7.1	-17.7	-18.0	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5	16.5
MSCI World Growth (US$)	-10.1	-5.0	-25.1	-32.3	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6	16.6
MSCI World Small Cap (US$)	-10.2	-5.2	-21.4	-26.4	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1	18.1
MSCI Emerging Markets (US$)	-11.7	-11.5	-21.5	-27.0	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6	18.6
FTSE World (US$)	-9.5	-6.4	-21.5	-25.2	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2	17.2
Dow Jones Industrials	-8.8	-6.2	-16.3	-19.7	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	-4.9	-20.2	-23.9	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0	16.0
NASDAQ	-10.4	-3.9	-25.3	-32.0	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7	17.7
Russell 2000	-9.6	-2.2	-19.0	-25.1	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4	16.4
S&P/ TSX Composite	-4.3	-1.4	-14.4	-11.1	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 €	-6.4	-4.1	-14.0	-20.6	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0	21.0
MSCI Europe	-6.3	-4.1	-12.4	-16.9	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9	17.9
CAC 40	-5.8	-2.5	-11.2	-17.1	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4	20.4
DAX	-5.6	-5.2	-16.0	-23.7	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1	29.1
Ibex 35	-6.6	-8.3	-10.7	-13.1	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2	2.2
FTSEMIB	-4.1	-2.5	-14.7	-21.6	-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)	-5.4	-4.4	-15.6	-18.0	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9	14.9
Amsterdam Exchanges	-5.8	-2.2	-9.9	-17.9	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0	14.0
HSBC European Smaller Cos	-13.4	-15.3	-32.8	-41.3	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$)	-7.4	-2.6	-16.6	-36.1	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1	25.1
FTSE/JSE Africa All-Share (SA)	-4.0	-1.8	-13.2	-9.7	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7	26.7
UK														
FTSE All-Share	-5.9	-3.5	-8.4	-8.0	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3	12.3
FTSE 100	-5.2	-2.8	-6.5	-3.8	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0	10.0
FTSE 250	-9.7	-7.3	-17.5	-25.3	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1	26.1
FTSE Small Cap ex Investment Trusts	-8.5	-9.0	-18.6	-24.0	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3	36.3
FTSE TechMARK 100	-3.2	3.3	-2.0	-14.0	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0	23.0
Asia Pacific & Japan														
Hong Kong Hang Seng	-13.2	-20.1	-19.4	-24.0	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4	27.4
China SE Shanghai Composite (capital returns)	-5.4	-9.7	-4.6	-14.8	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8	5.8
Singapore Times	-2.8	2.4	-5.3	3.8	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3	23.3
Taiwan Weighted (capital returns)	-10.8	-7.0	-20.9	-23.1	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9	12.9
Korean Composite (capital returns)	-12.8	-7.6	-21.6	-27.3	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7	10.7
Jakarta Composite (capital returns)	-1.9	1.9	-0.4	9.5	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9	12.9
Philippines Composite (capital returns)	-12.8	-6.7	-20.3	-18.0	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0	33.0
Thai Stock Exchange	-2.6	2.3	-4.6	-1.6	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4	40.4
Mumbai Sensex 30	-3.5	8.6	-1.0	-0.3	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0	28.0
Hang Seng China Enterprises index	-13.3	-21.5	-18.6	-25.6	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7	19.7
ASX 200	-6.2	0.4	-11.6	-8.3	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2	22.2
Topix	-5.6	-0.9	-4.6	-5.7	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9	20.9
Nikkei 225 (capital returns)	-7.7	-1.7	-6.8	-8.2	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9	22.9
MSCI Asia Pac ex Japan (US$)	-12.5	-12.5	-21.7	-26.1	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$)	-3.2	3.7	-18.8	3.4	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8	8.8
MSCI Mexico (US$)	-0.4	-5.4	-19.6	-12.7	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1	29.1
MSCI Brazil (US$)	-3.3	8.7	-17.7	11.8	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2	0.2
MSCI Argentina (US$)	-1.0	19.9	-13.8	2.3	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1	-37.1
MSCI Chile (US$)	-10.6	3.3	-11.4	15.1	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3	8.3
Commodities														
Oil - Brent Crude Spot (US$/BBL)	-10.0	-25.1	-19.2	11.2	-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$/BBL)	-11.2	-24.8	-20.7	3.2	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1	-7.1
Reuters CRB index	-7.4	-7.2	-8.2	16.6	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-2.6	-8.0	-13.9	-7.4	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7	5.7
Baltic Dry index	82.4	-21.4	-25.4	-20.6	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] A hawkish stance is one that believes in increased interest rates as a control measure for inflation
[2] ex-China – Asian markets excluding China
[3] A correction is a decline of an asset, index or market by 10% or more
[4] A basis point is one hundredth of 1 percentage point

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 30 September 2022 unless stated otherwise.

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