Monthly Market Roundup
February 2021

This marketing document is for consumer use in the UK and for Professional Clients, Financial Advisers and Qualified Investors as specified in the important information section.

Overview

- Vaccine rollout provided initial boost to equity markets, but prospects of higher inflation caused market jitters
- Strong month for commodities as metals and oil prices advance
- Political risk in Italy fades as Mario Draghi appointed prime minister

Global equity markets initially benefitted from the successful rollout of Covid-19 vaccinations. The speed at which people are being inoculated (particularly in the US and the UK) could potentially allow for various economies to shake off the shackles of lockdown restrictions and speed up recovery. However, increased government spending to combat the economic fallout of the pandemic has led to a fear of inflation that unsettled the financial markets by month-end.

After being largely unloved for the best part of a decade, commodities (which typically see prices rise when inflation accelerates) saw a broad upswing during the month. Oil has rebounded to its highest since the depths of the pandemic, while copper and aluminium have also enjoyed a surge in demand. This has resulted in some market participants gearing up for a repeat of the 'supercycle' of 2000s, however, others take a more pragmatic view.

Meanwhile, Mario Draghi has been named the new prime minister of Italy, which has boosted the appeal of the country's government bonds for foreign investors. The former head of the European Central Bank is widely known as a pragmatist, and his appointment provided some reassurance following some of the recent uncertainty. The gap between Italian and German 10-year yields briefly narrowed to its tightest since 2015.

US

- Vaccine rollout spurs US equity markets higher but inflation jitters trigger caution
- President Biden's stimulus package takes another step forward ahead of Senate vote
- Energy and financials best performing sectors as hopes of economic rebound increase

Increased optimism that the successful rollout of Covid-19 vaccines would speed up the US economic recovery pushed Wall Street to fresh record highs before inflation jitters prompted a partial pullback towards the end of the month.

Despite the late selling pressure all the major indexes closed higher as President Biden's fresh stimulus package took another step forward. The US$1.9 trillion Covid-19 relief package, a measure that would provide millions of Americans US$1,400 payments and extend unemployment aid through the summer, successfully passed through the Democratically controlled House but still needs to get approval from an evenly divided Senate.

Concerns that this sizeable fiscal stimulus plan could lead to a rise in inflationary pressures took the edge of technology stocks on worries that a rise in long-term interest rates would weaken support for companies with high valuations.

Nerves over the inflation outlook unsettled US bond markets – whose returns are eroded by inflation – as ten-year Treasuries came under selling pressure, pushing yields (which move inversely to price) sharply higher.

However, worries that higher inflation could trigger the US central bank to raise interest rates sooner-than-expected were pushed back when Federal Reserve (Fed) Chairman Powell told Congress that this was not going to happen. He said that the Fed is in no hurry to hike short-term interest rates and would not start to trim its US$120 billion in monthly bond purchases until "substantial further progress" has been made towards the Fed's goals on inflation and employment.

With coronavirus cases starting to plateau in some US states and the vaccination programme going well, economic data was encouraging. Consumer spending increased by 2.4% in January and a recovery in manufacturing was also in evidence with a rise in building permits supporting a strong housing market.

In terms of equity performance, sectors that are seen among those benefiting the most from an economic rebound led the gains with energy and financials coming out on top. Sentiment towards energy firms was also enhanced by higher oil prices with the appeal of banking stocks bolstered further by the rise in long-term interest rates.

By comparison, returns from the technology sector lagged – stocks here are particularly sensitive to rising yields because their value rests heavily on future earnings, which are discounted more deeply when interest rates go up.

Europe

- European equity markets post strong returns in February
- Inflation expectations rise and bond yields rally
- Mario Draghi forms Italian government

European stocks rebounded in February as the 4Q20 earnings season kicked off in a strong fashion. A record number of companies have beaten on EPS (earnings per share) expectations thus far, with weighted earnings coming in 20% ahead of consensus, and continued evidence of profit margin expansion.

Form a sector perspective, financials and commodities sectors have seen the best EPS revisions, whilst ‘defensives’ have been the worst. Unsurprisingly then, energy and financials were the best performing sectors in the broad market. Information technology, industrials and consumer discretionary also rallied significantly. Meanwhile, utilities, real estate and consumer staples sold off sharply.

Another notable feature of the market over the month was signs of inflation making a comeback. Inflation forecasts have risen significantly following a surge in government spending combined with vast liquidity unleased by central banks. The 10-year German bund rose from -0.52% to -0.26% over the month, hitting levels last seen during the height of the pandemic.

Economic data across the region showed positive signs as the Eurozone composite PMIs rose to 48.8 (47.8 in January). There remains a stark difference in the recovery of manufacturing vs services sectors as the former rose sharply to 57.9 (54.8 in January) whilst recovery in services remains muted rising only marginally to 45.7 (45.4 in January), and remaining below all-important 50-level.

The German ifo also had a strong reading, rising from to 92.4 in February (90.3 in January). The print confirms the picture painted by the PMIs that activity continues to be driven by a resilient industrial sector, supported by exports, now further boosted by the prospect of reopening. Other survey data was also indicative that a recovery was well underway. The European Commission’s Economic Sentiment Indicator rose to 93.4 in February (91.5 in January), beating consensus forecasts and left the index at its highest level since last March.

Meanwhile in Italy, Mario Draghi formed a government after the coalition led by Giuseppe Conte collapsed following disagreements over recovery plans. His cabinet members include a mix of lawmakers from across the political spectrum and technocratic experts and should appease the divided parliament. Draghi appears well placed to help Italy recover given his role in pulling the EU out of the sovereign debt crisis in 2012/13. In his first speech as Prime Minister, Draghi said the government’s main focus would be to accelerate the country’s vaccine rollout. Furthermore, he outlined plans on how €210bn of EU recovery money would be invested – digitalisation, climate change, research and training and health.

UK

- The UK equity market ended February in positive territory despite concerns about the prospect of higher interest rates and rising inflation
- Investors had grown concerned about global economies 'overheating' given the stimulus measures implemented by governments and central banks
- Plans to gradually ease lockdown restrictions and reopen the economy over the next four months boosted travel and leisure stocks

The UK equity market ended February in positive territory as the swift rollout of the Covid-19 vaccine bolstered hopes of an economic rebound once lockdown restrictions end. This was supported by Prime Minister Boris Johnson announcing plans to gradually lift lockdown restrictions and reopen the economy over the next four months.

However, concerns towards the end February about the prospect of higher interest rates and rising inflation, as the broader sell-off in bonds extended to equity markets, saw the UK equity market experience its worst day for four months on the last day of the month.

Investors had grown concerned about global economies 'overheating' (when the rate of growth is unsustainable), given the substantial stimulus measures implemented by governments and central banks in the UK and around the world over the past 12 months. If inflation were to pick up too much, central banks could raise interest rates and potentially scale back the current stimulus measures. However, more stimulus is expected in March when the UK Government lays out its budget plans.

The market rose steadily in the first half of the month, shrugging off economic data which showed that the UK economy shrank by 9.9% in 2020, the direct result of the measures put in place to contain the spread of Covid-19. This was the largest contraction on record and took the UK economy back to the size it was in 2013.

Having risen by 16% in the third quarter of the year, in February real GDP was reported to have risen by a more tempered 1% in the final quarter of 2020. Data released in February also showed a deeper than expected drop in retail sales in January as a result of the latest national lockdown.

During the month, the materials (mining stocks) and energy sectors were the strongest performing areas of the market, boosted by strong metal and crude prices. Boris Johnson's announcement of plans to gradually ease lockdown restrictions and reopen the economy over the next four months boosted travel and leisure stocks as British Airways owner IAG called for digital health passes "to reopen our skies safely" as it posted a record loss for 2020 due to Covid-19 disruption.

The market lost its momentum through February, as expectations of a vaccine-led economic recovery were offset by concerns of a quicker-than-expected rise in inflation which may cause interest rates to rise. This saw gains in mining, energy and banking stocks trimmed. Further weakness came from the more defensive sectors (which are less sensitive to the direction of the economy), such consumer staples, healthcare, and utilities.

Asia

- Sentiment within the region was boosted by the roll-out of Covid-19 vaccines and improved global growth prospects
- China's equity market was dampened by large internet stocks giving back some of their recent gains
- Japan's equity market saw strong quarterly corporate results

Asian equity market performance was mixed over the month. Investor sentiment was boosted by a number of factors: a meaningful decrease in new Covid-19 cases; a faster than expected roll-out of Covid-19 vaccines; the prospects of US fiscal stimulus; and improved global growth prospects, with the large-scale reopening of economies now expected over the second half the year.

Towards the end of the month, however, expectations for faster growth and higher inflation prompted a sell-off across equity markets. Against this backdrop, the Indian equity market significantly outperformed peers as investors welcomed the growth-focused 2021 budget, which included a notable increase in capital expenditure and supply side reforms.

Elsewhere, the Taiwanese market was driven higher partly thanks to better than expected export growth, with broad-based gains in exports seen across both tech and non-tech sectors. Conversely, in China, the equity market underperformed the region as some large internet stocks gave back some of their recent gains while, at the same time, the material sector rallied on the back of a rebound in commodity prices. On the economic front, the domestic recovery continued, with encouraging levels of activity during the Lunar New Year holiday especially on the consumption side. At the same time, the People's Bank of China confirmed its intention to maintain a prudent but flexible policy stance.

Japan's equity market ended the month higher in local currency terms for the fourth consecutive month. Sentiment was helped by improved global growth prospects and robust quarterly corporate results, which included healthy full-year guidance. In particular, manufacturing industries achieved notable expansion, mainly led by exports.

Conversely, expectations for a full corporate earnings recovery are now gaining traction. As regards the Covid-19 outbreak, the government approved Pfizer's vaccine on February 14 and vaccinations began on February 17 for medical staff. The winter spread of Covid-19 is now gradually calming down and the current state of emergency is expected to be lifted by early March.

Emerging Markets

- Buying momentum stalls following rise in US government bond yields
- Strong month for commodities as metals and oil prices advance
- Political worries in Brazil rise following the removal of the CEO of Petrobras

Emerging equity markets made an encouraging start with vaccine optimism raising confidence over global growth prospects. However, most of these gains were erased as growing concerns over inflation began to unnerve financial markets. By the close, the asset class eked out a modest gain, driven by EMEA (Europe, Middle East and Africa) and Asia delivering positive returns. By comparison, Latin America ended in negative territory, dragged lower by political woes in Brazil.

While the US dollar was broadly unchanged – it lost a little ground versus the Russian rouble but gained against the Argentine peso – it was a strong month for commodity prices, particularly for crude oil and metals such as copper and aluminium. As a result, both the materials and energy sectors benefited. Cyclical stocks (this refers to companies that are better positioned to benefit from economies that are recovering) also performed reasonably well. Not all sectors finished higher, however, with healthcare and consumer staples being the weakest performers.

India and Taiwan led the gains in Asia although overall returns for the region were held back by the underperformance of China. In India the announcement of a decisively long-term growth focussed budget was favourably received. Rising exports orders, particularly for microchips, supported the advance in Taiwan's equity market.

Higher energy prices had a positive impact on oil-exporting countries in the emerging markets region with equity markets in Saudi Arabia and Russia among the regional winners. Positive returns in South Africa were driven by basic materials and some good news on the local economy – the government expects the budget deficit (the difference between public expenditure and receipts) to narrow this year following faster tax revenue growth. Foreign outflows had a negative impact on the performance of Turkey's equity market as non-residents reduced their holdings of local stocks.

All equity markets in Latin America registered gains apart from heavyweight Brazil, which was enough to push returns for the region down overall. In Brazil, markets reacted negatively to news that the country's president, Jair Bolsonaro, had replaced the CEO of Petrobras with an army general with no oil and gas industry background. This caused negative sentiment as it increased political risks about the government interfering in state-owned enterprises.

Elsewhere in the region there was more positive news with higher copper prices underpinning equity gains in Chile and Peru, whilst a cut in interest rates in Mexico from 4.25% to 4.0% was warmly received.

Fixed Interest

- Successful vaccine rollouts in the US and UK helped to buoy sentiment
- Rising optimism and the US President's fiscal stimulus plans raised inflation expectations
- Mario Draghi's appointment as Prime Minister of Italy helped to relieve Italian political risk

The success of the vaccination programmes in the US and UK was positive for sentiment during February. The speed of these programmes has raised expectations that the US and UK economies will be able to substantially reopen in the summer – a point which was underlined by the UK government's roadmap out of the pandemic. However, in the Eurozone, the slower rollout of vaccines has meant that many countries have extended lockdown measures.

A big focus for bond markets was President Biden's US$ 1.9 trillion fiscal stimulus package, which will be in addition to the US$900bn of stimulus agreed last year. The unprecedented amount of liquidity being provided to the US economy has raised inflation expectations. Bonds with longer maturity dates (which are typically more sensitive to inflation) have seen the biggest rise in yields.

The US Federal Reserve has sought to reassure financial markets about this rise by reiterating its commitment to keep interest rates low. Policymakers believe it will be some time before the US economy generates growth substantial enough for it to consider tightening policy.

Nonetheless, the market has begun to bring forward its expectations of when the Fed will begin hiking interest rates with a partial hike now starting to be priced in for late 2022. By the end of the month US 10-year yields had risen to 1.44%. This compares to a level of 0.91% at the start of the year and represents a rise of 38bps over the month.

Italian politics were once again in the news. The appointment of former ECB President, Mario Draghi as the country's Prime Minister helped reassure markets and remove some of the recent uncertainty.
As a result, the premium over German government bonds that the Italian government needs to pay to borrow narrowed.

The rise in most government bond yields fed through to the corporate bond market with longer dated bonds experiencing the biggest sell-offs. However, credit spreads (the premium over government bonds that companies need to pay to borrow) continued to narrow, and Euro denominated investment issuance remained relatively strong. However, sterling issuance was notably weaker.

One corporate issuer that capitalised on the rising confidence of a return to normality and with it a return of international travel was Easyjet. The BBB rated budget airline raised €1.2bn through a 7-year bond. The issue was nearly 5 times oversubscribed meaning that the company was able to borrow at the money at 2%, which was below the original price set for the bond of 2.375%.

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. Past performance is not a guide to future returns.

Government Bonds

Yield to maturity[1] (%)

	28.02.21	31.01.21	30.11.20	31.08.20	29.02.20
US Treasuries 2 year	0.13	0.11	0.15	0.13	0.91
US Treasuries 10 year	1.40	1.07	0.84	0.70	1.15
US Treasuries 30 year	2.15	1.83	1.57	1.47	1.68
UK Gilts 2 year	0.13	-0.11	-0.02	-0.06	0.31
UK Gilts 10 year	0.82	0.33	0.31	0.31	0.44
UK Gilts 30 year	1.39	0.90	0.85	0.89	0.94
German Bund 2 year	-0.66	-0.73	-0.74	-0.65	-0.77
German Bund 10 year	-0.26	-0.52	-0.57	-0.40	-0.61
German Bund 30 year	0.19	-0.08	-0.17	0.06	-0.15

Source: Bloomberg LP, Merrill Lynch data. Data as at 28 February 2021. The yield is not guaranteed and may go down as well as up.

Corporate Bonds

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

	28.02.21		31.01.21		30.11.20		31.08.20		29.02.20	
£ AAA	1.17	40	0.83	43	0.81	42	1.11	56	1.32	64
£ AA	1.18	51	0.85	55	0.84	54	0.94	67	1.29	76
£ A	1.67	85	1.32	91	1.36	94	1.54	114	1.81	124
£ BBB	2.18	135	1.85	144	1.95	151	2.26	186	2.33	173
€ AAA	0.11	47	-0.08	50	-0.10	43	0.04	46	0.09	66
€ AA	0.05	56	-0.07	60	-0.12	57	0.06	64	-0.01	71
€ A	0.32	75	0.19	80	0.16	78	0.42	93	0.33	99
€ BBB	0.68	106	0.57	112	0.58	115	0.97	143	0.79	137
European High Yield (inc € + £)	3.22	330	3.30	359	3.48	378	4.28	459	3.92	422

Source: Bloomberg LP, ICE BofA. Data as at 28 February 2021. The yield is not guaranteed and may go down as well as up.

1 Yield to maturity – is the total return anticipated on a bond if the bond is held until it matures.

2 Credit spread – difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality.

Global currency movements – figures to 28 February 2021

	Current value	Change over: 1 month (%)	3 months (%)	6 months (%)	YTD (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.21	-0.5	1.2	1.2	-1.1	-1.1	-4.4	14.1	-3.2	-10.2	-12.0	4.2	1.9
Euro/GB Sterling	0.87	-2.2	-3.2	-2.9	-3.0	-3.0	1.3	4.2	15.7	-5.1	-6.4	2.1	-2.4
Euro/Swiss Franc	1.10	1.5	1.1	1.7	1.4	1.4	-3.7	9.2	-1.6	-9.5	-2.0	1.6	-0.5
Euro/Swedish Krona	10.19	0.4	-0.4	-1.3	1.4	1.4	3.2	2.7	4.4	-2.7	6.6	3.2	-3.9
Euro/Norwegian Krone	10.45	0.6	-1.5	0.4	-0.3	-0.3	0.6	8.4	-5.4	6.2	8.4	13.7	-5.4
Euro/Danish Krone	7.44	0.0	-0.1	-0.1	-0.1	-0.1	0.3	0.2	-0.5	0.2	-0.2	0.0	0.4
Euro/Polish Zloty	4.52	0.0	0.9	2.9	-0.8	-0.8	2.7	-5.1	3.3	-0.6	3.2	1.8	-8.6
Euro/Hungarian Forint	362.45	1.4	1.0	2.0	-0.1	-0.1	3.3	0.5	-2.0	-0.3	6.5	2.1	-7.6
US Dollar/Yen	106.60	1.8	2.2	0.7	3.2	3.2	-2.8	-3.6	-2.8	0.5	13.7	21.4	12.7
US Dollar/Canadian Dollar	1.27	-0.3	-2.0	-2.3	0.1	0.1	8.4	-6.4	-2.9	19.1	9.4	7.1	-2.7
US Dollar/South African Rand	15.10	-0.4	-2.4	-10.9	2.8	2.8	16.1	-9.9	-11.2	33.8	10.2	24.1	4.5
US Dollar/Brazilian Real	5.60	2.5	5.0	1.9	7.8	7.8	17.2	1.8	-17.8	49.0	12.5	15.3	9.9
US Dollar/South Korean Won	1124.89	0.6	1.4	-5.3	3.6	3.6	4.4	-11.6	2.7	7.5	4.1	-0.7	-8.2
US Dollar/Taiwan Dollar	27.88	-0.5	-2.5	-5.1	-0.7	-0.7	3.1	-8.6	-1.2	3.8	6.1	2.7	-4.1
US Dollar/Thai Baht	30.48	2.0	0.6	-1.9	1.4	1.4	-0.7	-9.2	-0.5	9.5	0.6	6.9	-3.1
US Dollar/Singapore Dollar	1.33	0.2	-0.7	-2.1	0.8	0.8	1.9	-7.7	2.2	6.9	4.9	3.4	-5.8
US Dollar/GB Sterling	0.72	-1.8	-4.5	-4.2	-2.2	-2.2	6.2	-8.7	19.3	5.8	-5.9	1.9	4.6
GB Sterling/South African Rand	21.04	1.3	2.1	-7.1	4.7	4.7	9.6	-1.4	-25.7	26.6	3.7	26.6	9.2
Australian Dollar/US Dollar	0.77	0.8	4.9	4.5	0.1	0.1	-9.6	8.1	-0.9	-10.9	-8.4	-14.2	1.6
New Zealand Dollar/US Dollar	0.72	0.6	3.0	7.4	0.7	0.7	-5.2	2.0	1.7	-12.4	-5.0	-0.9	6.4

Source: Thomson Reuters Datastream, all figures subject to rounding.

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance is not a guide to future returns.

Global equity and commodity index performance – figures to 28 February 2021 (%)

	1 month	3 months	6 months	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada													
MSCI World (US$)	2.6	5.9	11.9	1.6	16.5	28.4	-8.2	23.1	8.2	-0.3	5.5	24.7	16.5
MSCI World Value (US$)	4.8	7.5	16.5	3.7	-0.4	22.7	-10.1	18.0	13.2	-4.1	4.4	27.5	16.4
MSCI World Growth (US$)	0.4	4.4	7.9	-0.6	34.2	34.1	-6.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	5.0	15.1	30.1	7.2	16.5	26.8	-13.5	23.2	13.3	0.1	2.3	32.9	18.1
MSCI Emerging Markets (US$)	0.8	11.6	22.5	3.9	18.7	18.9	-14.2	37.8	11.6	-14.6	-1.8	-2.3	18.6
FTSE World (US$)	2.5	6.4	12.9	1.7	16.3	27.7	-8.8	24.1	8.7	-1.4	4.8	24.7	17.0
Dow Jones Industrials	3.4	4.9	9.9	1.4	9.7	25.3	-3.5	28.1	16.5	0.2	10.0	29.7	10.2
S&P 500	2.8	5.6	9.7	1.7	18.4	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0
NASDAQ	1.0	8.3	12.4	2.5	44.9	36.7	-2.8	29.6	8.9	7.0	14.8	40.1	17.5
Russell 2000	6.2	21.2	41.7	11.6	20.0	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	4.4	5.8	11.0	4.0	5.6	22.9	-8.9	9.1	21.1	-8.3	10.6	13.0	7.2
Europe & Africa													
FTSE World Europe ex-UK €	2.2	3.6	11.0	1.1	2.8	27.6	-10.5	13.0	3.4	10.9	0.2	25.2	17.8
MSCI Europe	2.6	4.2	11.3	1.8	-2.8	26.9	-10.0	10.9	3.2	8.8	7.4	20.5	18.1
CAC 40	5.6	3.7	15.9	2.9	-5.0	30.5	-8.0	12.7	8.9	11.9	2.7	22.2	20.4
DAX	2.6	3.7	6.5	0.5	3.6	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	6.3	2.8	20.4	2.5	-11.4	16.8	-11.4	11.4	-4.8	-3.8	8.0	30.0	1.8
FTSEMIB	5.9	4.0	17.0	3.2	-3.3	33.8	-13.2	17.3	-6.5	15.8	3.0	20.5	12.2
Swiss Market Index (capital returns)	-0.7	0.4	3.8	-1.7	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	2.5	7.7	19.3	4.5	5.7	28.5	-7.4	16.5	13.6	7.4	8.7	20.7	14.1
HSBC European Smaller Cos ex-UK	2.9	9.9	21.2	3.9	12.6	27.8	-13.6	18.6	6.4	23.5	5.2	34.0	20.4
MSCI Russia (US$)	2.5	10.0	12.7	-0.3	-11.6	52.7	0.2	6.1	55.9	5.0	-45.9	1.4	14.4
MSCI EM Europe, Middle East and Africa (US$)	1.5	7.3	12.9	1.9	-7.2	20.0	-7.5	16.5	22.8	-14.7	-28.4	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	5.9	16.1	20.3	11.4	7.0	12.1	-8.5	21.0	2.6	5.1	10.9	21.4	26.7
UK													
FTSE All-Share	2.0	5.1	12.0	1.2	-9.8	19.2	-9.5	13.1	16.8	1.0	1.2	20.8	12.3
FTSE 100	1.6	4.1	10.0	0.8	-11.6	17.3	-8.7	12.0	19.1	-1.3	0.7	18.7	10.0
FTSE 250	3.5	8.5	18.5	2.2	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	7.2	16.2	37.6	8.9	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	-1.5	4.2	7.7	-1.6	7.3	39.3	-4.9	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan													
Hong Kong Hang Seng	2.5	10.0	15.7	6.4	-0.3	13.0	-10.5	41.3	4.3	-3.9	5.5	6.6	27.5
China SE Shanghai Composite (capital returns)	0.7	3.5	3.3	1.0	13.9	22.3	-24.6	6.6	-12.3	9.4	52.9	-6.7	3.2
Singapore Times	1.7	5.3	17.3	3.9	-8.1	9.4	-6.5	22.1	3.8	-11.2	9.6	3.0	23.4
Taiwan Weighted (capital returns)	5.4	16.3	26.7	8.3	22.8	23.3	-8.6	15.0	11.0	-10.4	8.1	11.9	8.9
Korean Composite (capital returns)	1.2	16.3	29.5	4.9	30.8	7.7	-17.3	21.8	3.3	2.4	-4.8	0.7	9.4
Jakarta Composite (capital returns)	6.5	11.2	19.2	4.4	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	2.8	0.1	15.5	-4.8	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	2.3	6.6	14.9	3.6	-5.2	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.6	41.3
Mumbai Sensex 30	6.2	11.5	27.8	3.0	17.3	15.9	7.5	29.8	3.7	-3.5	32.4	10.9	27.8
Hang Seng China Enterprises index	0.3	6.7	13.0	4.7	0.0	14.5	-9.9	29.6	1.5	-16.9	15.6	-1.5	19.8
ASX 200	1.5	3.0	11.5	1.8	1.4	23.4	-2.8	11.8	11.8	2.6	5.6	20.2	20.3
Topix	3.1	6.4	16.4	3.4	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	4.7	9.6	25.2	5.6	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	1.4	12.0	22.3	5.0	22.8	19.5	-13.7	37.3	7.1	-9.1	3.1	3.7	22.6
Latin America													
MSCI EM Latin America (US$)	-3.0	1.3	15.9	-9.5	-13.5	17.9	-6.2	24.2	31.5	-30.8	-12.0	-13.2	8.9
MSCI Mexico (US$)	0.4	2.5	27.5	-3.8	-1.6	11.8	-15.3	16.3	-9.0	-14.2	-9.2	0.2	29.1
MSCI Brazil (US$)	-6.3	-1.8	10.0	-13.6	-18.9	26.7	-0.2	24.5	66.7	-41.2	-13.7	-15.8	0.3
MSCI Argentina (US$)	11.0	7.3	13.8	-2.4	12.7	-20.7	-50.7	73.6	5.1	-0.4	19.2	66.2	-37.1
MSCI Chile (US$)	8.0	21.4	33.3	8.0	-4.1	-16.0	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities													
Oil – Brent Crude Spot (US$/BBL)	19.2	40.6	45.6	28.6	-24.4	34.0	-24.2	20.9	51.6	-33.5	-49.4	0.2	3.2
Oil – West Texas Intermediate (US$/BBL)	21.8	40.1	49.1	31.6	-21.0	35.1	-25.3	12.5	44.8	-30.5	-45.8	6.9	-7.1
Reuters CRB index	9.3	19.0	24.3	13.5	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-7.0	-2.7	-12.2	-9.0	24.8	18.7	-1.7	12.6	9.0	-10.5	-1.8	-27.3	5.6
Baltic Dry index	15.4	36.5	12.6	22.6	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8

Source: Thomson Reuters Datastream, 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 is not a guide to 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

Issued in Austria by Invesco Asset Management Österreich – Zweigniederlassung der Invesco Asset Management Deutschland GmbH, Rotenturmstrasse 16-18, 1010 Wien, Austria

Issued in Belgium, Cyprus, Finland, France, Italy, Luxembourg, Malta, Netherlands, Norway, Spain and Sweden by Invesco Asset Management S.A., 16-18 rue de Londres, 75009 Paris, France

Issued in Dubai by Invesco Asset Management Limited
PO Box 506599, DIFC Precinct Building No 4, Level 3, Office 305, Dubai, United Arab Emirates
Regulated by the Dubai Financial Services Authority

Issued in Germany by Invesco Asset Management Deutschland GmbH
An der Welle 5, 60322 Frankfurt am Main, Germany

Issued in Ireland by Invesco Asset Management Limited
Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Authorised and regulated by the Financial Conduct Authority

Issued in the Isle of Man by Invesco Management S.A.
37A Avenue JF Kennedy, L-1855 Luxembourg

Issued in Jersey and Guernsey by Invesco International Limited
2nd Floor, Orviss House, 17a Queen Street, St Helier, Jersey, JE2 4WD
Regulated by the Jersey Financial Services Commission

Issued in Switzerland and Liechtenstein by Invesco Asset Management (Schweiz) AG, Talacker 34, 8001 Zurich, Switzerland

Issued in the UK by Invesco Asset Management Limited
Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Authorised and regulated by the Financial Conduct Authority

EMEA1920/2021