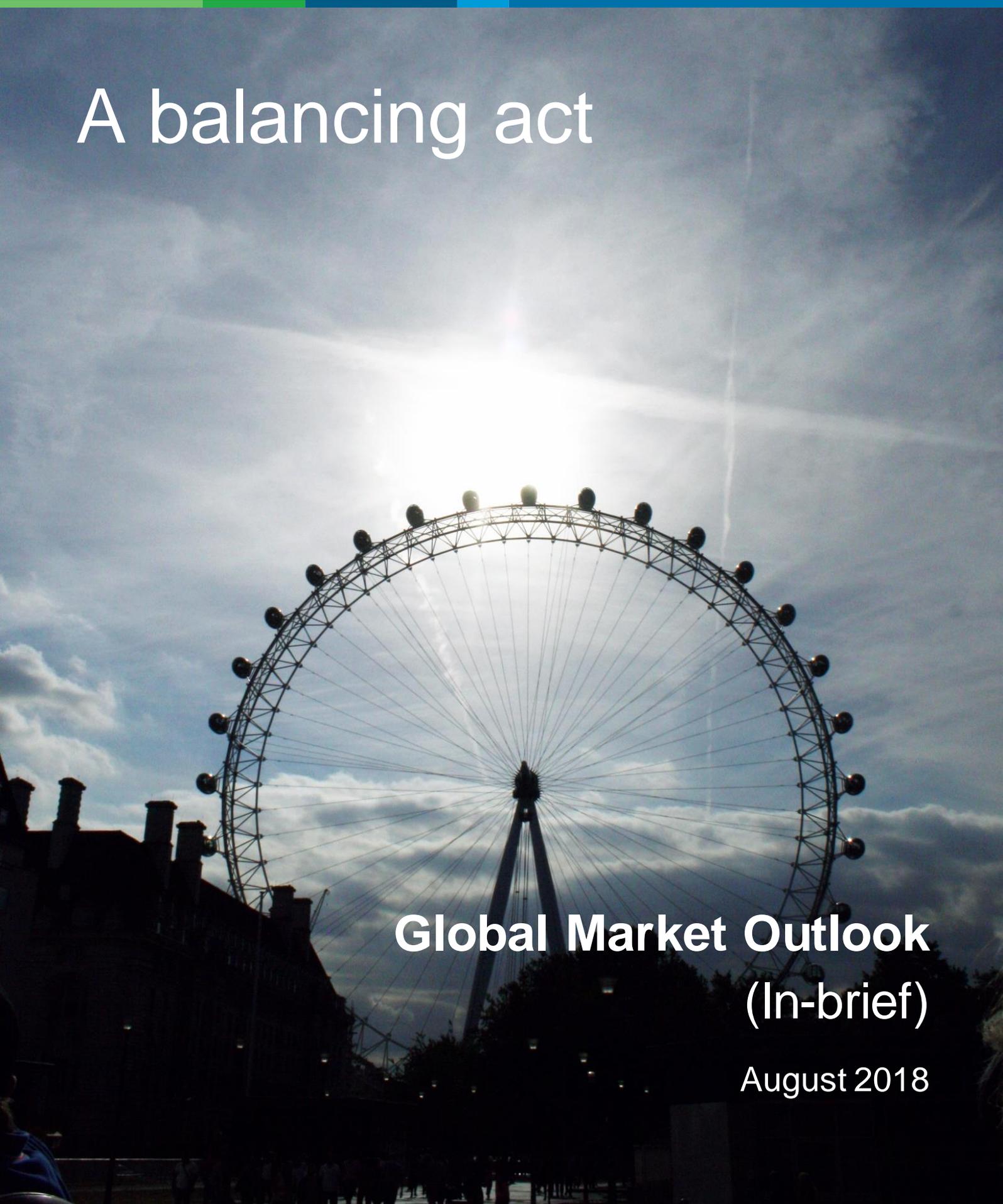


A balancing act



Global Market Outlook (In-brief)

August 2018

Investment strategy

A balancing act

- **Stay invested in equities.** Our Global Investment Committee remains positive on equities. We continue to favour the US, based on strong earnings, share buybacks and likely late-cycle outperformance. We expect other regions to also perform well amid a late-cycle rally.
- **USD near-term outlook improves, medium-term range-bound.** Rising US rates and a dovish ECB are USD positive, but this is offset by elevated valuations and CNY stability.
- **Emerging Markets (EMs) offer selective opportunities.** We do not expect a range-bound USD to be a hindrance to EM assets. We favour EM USD government bonds, which now yield more than global High Yield (HY) bonds, but also see opportunities in Asia USD corporate bonds.

Global equities continued to rebound. US equities achieved new highs as total YTD returns exceeded 10%. Global corporate bonds also rebounded over the past month. EM USD government bonds have outperformed EM equities since mid-year, though EM equity gains accelerated since mid-August.

A more balanced USD view

While we started the year on a bearish note on the USD, we are now increasingly of the view that the USD faces a more range-bound outcome over a 12-month horizon. One of the key assumptions behind our bearish 12-month USD view was that the ECB would hike rates at a faster pace than consensus currently expects. However, this appears increasingly unlikely given the lack of inflation in the Euro area and continued pressure on Italian bonds. The Fed, meanwhile, has signalled it will continue to hike rates at a gradual pace and global USD liquidity is likely to continue to shrink.

Figure 1

EUR failed to get support from interest rates

EUR/USD and EUR-US rate differentials



Source: Bloomberg, Standard Chartered

Figure 2

US equity valuations eased following pullback earlier this year

US equities 12m forward P/E



Source: Bloomberg, Standard Chartered



IMPLICATIONS FOR INVESTORS

Global equities our preferred asset class

Relative preference for US equities and EM USD government bonds

Don't be too defensive, but ensure you are diversified

Thus, further near-term USD strength is possible. However, this does not translate into a USD-bullish outcome in the next 12 months – a normalisation of bullish USD investor positioning, a low probability of US bond yields rising significantly and potential stability in the CNY and other EM currencies are likely to work against sustained USD strength. On the CNY, specifically, we believe the reintroduction of the ‘counter-cyclical factor’ (which offers the PBoC greater room to influence the currency) could help trigger a stabilisation of the CNY, which, in turn, could benefit the broader EM FX universe. Instead, we believe a range-bound outcome for the USD looks more likely – a key distinction when we consider the USD’s impact on other asset classes.

Maintain preference for US equities

While our FX views have little direct impact on our continued preference for US equities, a study of past economic cycles suggests US equities tend to outperform other regions during late stages of the cycle most of the time. A bottom-up perspective also favours US equities, given the strength of corporate earnings and share buybacks, especially following the most recent earnings season.

Opportunities in select EM assets

We do not see our range-bound USD view significantly impacting our views on EM assets. They tend to suffer during periods of USD strength, but not so much during periods of either USD weakness or a range-bound USD.

In equities, we believe a rising tide will continue to lift all boats. We re-emphasize that, historically, equities tend to perform very well in the late stages of an economic cycle. EM equities, including those in Asia, are likely to benefit from this trend. Contagion from the sharp weakness in TRY, and more recently in ZAR, is a risk, but is not our base expectation, given that those risks are now well-known. Most Asian economies face much smaller external and current account deficits, underscoring our comfort with the region. Developments in Brazil, however, should be closely watched.

In bonds, we maintain our preference for EM USD government bonds. Yields on the asset class are around the same as those on global HY bonds (about 6.5%), valuations remain comfortable and we are relatively less concerned about the asset class’ sensitivity to any rise in US Treasury yields (more on this in the next section). We are also seeing

rising opportunities in Asia USD corporate bonds following last few months’ weakness, with the yield on this asset class crossing 5%. However, we continue to prefer a relatively prudent approach, preferring Investment Grade (IG) corporate bonds, which now yield over 4.3%, over HY bonds.

Treasury yields unlikely to be a drag

We believe US Treasury yields are likely to remain relatively well-contained below 3.25%. The following table analyses bond returns under three potential scenarios for Treasury yields. Only if Treasury yields rise significantly, exceeding expectations, would we see negative returns across the bond spectrum.

Figure 3

Major bond asset class returns still reasonable under baseline and modest-headwind scenarios

Total annualised returns under various scenarios

Name	Interest rate sensitivity	Yield	Scenarios		
			#1	#2	#3
DM IG corp*	6.64	3.02	3.02	-0.30	-1.96
DM HY corp	4.19	6.27	6.27	4.18	-10.48
EM USD Govt	6.70	6.39	6.39	3.04	-7.01
Asia USD	4.43	4.97	4.97	2.76	-1.68

Source: Bloomberg, Standard Chartered

All performance shown in USD terms as of 31-July-2018 unless otherwise specified. Indices used are FTSE WorldBIG Corp Index USD, Bloomberg Barclays Global High Yield, J.P. Morgan EMBI Global Diversified Composite, J.P. Morgan JACI Composite.

Scenarios: #1: +25bps (Treasury yields), -25bps (Credit spreads); #2: +25bps (Treasury yields), +25bps (Credit spreads); #3: +50bps (Treasury yields), +25/+100/+150/+350bps (IG/Asia USD/EM USD/DMHY Credit spreads, approximately replicating 2015-style selloff)

Stay invested and stay diversified

We acknowledge that judging the timing of the various stages of an economic cycle is notoriously difficult. Therefore, while we continue to favour equities (and more cyclical areas within that), we believe investors should not focus entirely on equities, but maintain a diversified allocation, including an exposure to IG bonds.

This is why we continue to prefer a multi-asset balanced allocation. This offers more significant exposure to cyclical areas within equities, while also ensuring diversification. We still see a multi-asset income approach as relevant for income-oriented investors, though we expect it to underperform a more growth-tilted allocation.

Macro overview

US remains the leader

- **Core economic scenario:** The global economy is likely to keep growing at a moderate pace around recent trends, with the US consolidating its lead on the back of last year's tax cuts, while trade tensions and modest USD strength weigh on business sentiment in Europe, Japan and EMs.
- **Policy outlook:** We expect the Fed to hike two more times in 2018 and thrice in 2019, the ECB to end bond purchases this year and hike once in 2019. The BoJ is likely to remain accommodative, while the PBoC shifts focus from pursuing structural reforms towards supporting growth.
- **Key risks:** Further escalation in trade tensions with China, tighter market liquidity conditions and geopolitical developments.

Core scenario

The Global Investment Committee assigns a 65% probability to a scenario of moderate-to-strong growth with limited inflation unfolding in the next 12 months. Trade tensions have emerged as a key risk in recent months – ahead of US inflation concerns and tightening USD liquidity – affecting business sentiment in Europe, Japan and EMs. This has led to the divergence in the growth and policy outlook between the US and the rest of the world. Nevertheless, the latest US agreement on trade with Mexico leads us to remain optimistic on global growth over the coming year. Moreover, EM volatility may hold back major central banks from turning too hawkish and, thereby, extending the growth cycle.

Figure 4

Global economic growth remains robust and inflation expectations are benign

Region	Growth	Inflation	Benchmark rates	Fiscal policy	Comments
US	●	●	●	●	Growth remains robust, diverging from the rest of the world facing trade uncertainty. Fed to pursue a gradual pace of rate hikes.
Euro area	●	●	●	●	Growth expectations pared back amid trade tensions, although data has stabilised lately; ECB to remain accommodative.
UK	●	●	●	●	Brexit outlook remains clouded. BoE on wait-and-watch mode amid Brexit talks.
Japan	●	●	●	●	Growth forecasts cut to long-term trend amid global trade risks. BoJ unlikely to change its accommodative stance amid still-low inflation.
Asia ex-Japan	●	●	●	●	China shifts focus towards supporting growth as trade tensions rise. PBoC to balance growth with long-term financial stability.
EM ex-Asia	●	●	●	●	Differentiation key, as economies with weaker fundamentals face FX and rates pressures.

Source: Standard Chartered Global Investment Committee

Legend: ● Supportive of risk assets ● Neutral ● Not supportive of risk assets



IMPLICATIONS FOR INVESTORS

The Fed to raise rates 2 more times in 2018

The ECB to end bond purchases by December 2018, while the BoJ remains accommodative

China to support domestic-driven growth, while pursuing structural reforms



Bonds

Focus on Emerging Market bonds

- EM USD government bonds offer a higher yield premium and better credit quality than US High Yield bonds, making them increasingly attractive. They remain our preferred area within bonds, despite the risk from a stronger USD and potential EM contagion.
- Asian USD bonds have more defensive, less volatile characteristics, as demonstrated in the recent EM bond market sell-off.
- Although we expect modestly higher USD government bond yields, we upgrade DM IG government bonds to a core holding, viewing them as a hedge in a late cycle environment.

Figure 5

Bond sub-asset classes in order of preference

Bond asset class	View	Rates policy	Macro factors	Valuations	FX	Comments
EM USD government	▲	●	●	●	NA	Attractive yields, relative value and stabilising credit quality are positive
Asian USD	◆	●	●	●	NA	High credit quality, defensive allocation. Influenced by China risk sentiment
EM local currency	◆	●	●	●	●	Attractive yield balanced by changing central bank stance and currency risks
DM HY corporate	◆	●	●	●	●	Attractive yields on offer, offset by expensive valuations
DM IG corporate	◆	●	●	●	●	Likely to outperform DM IG government bonds. Yield premium is relatively low
DM IG government	◆	●	●	NA	●	Normalising Fed and ECB policy to challenge returns

Source: Standard Chartered Global Investment Committee

Legend: ● Supportive ● Neutral ● Not Supportive ▲ Preferred ▼ Less Preferred ◆ Core

Challenging August, but opportunities ahead

August was a difficult month for bond investors as US government bond yields declined owing to the risk-off environment, given the spike in concerns around Turkey. Yield premiums for Emerging Market (EM) USD government bonds and High Yield (HY) corporate bonds rose, leading to negative returns.

For now, the Fed appears focussed on the US domestic economy, rather than the impact of rate hikes on EMs, leading us to expect two more rate hikes in 2018. However, long-term inflation expectations, a key driver for US Treasury yields, remain contained, which leads us to believe the 10-year US Treasury yield will likely be capped around 3.25% in the next 12 months.



IMPLICATIONS FOR INVESTORS

Prefer EM USD government bonds

Expect 10-year US Treasuries to remain capped below 3.25%

Favour a moderate maturity profile (around 5 years) for USD-denominated bonds

Figure 6

Where markets are today

Bonds	Yield	1m return
DM IG government (unhedged)	*1.63%	-0.2%
EM USD government	6.52%	-1.5%
DM IG corporates (unhedged)	*3.02%	0.4%
DM HY corporates	6.49%	-0.9%
Asia USD	4.96%	0.6%
EM local currency government	6.84%	-5.5%

Source: Bloomberg, JPMorgan, Barclays, Citigroup, Standard Chartered

*As of 31 July, 2018



Equities

Longest US bull market in history

- Global equities remain our preferred asset class. MSCI All Country World earnings are forecast to rise 11% in the next 12 months, led by the US with 14% earnings growth.
- US equities are preferred. The US bull market is officially the longest in history, surpassing the 1990 bull market in length. Corporate margins continue to expand, with net margins for non-financial firms rising to 11%. US technology, financials and energy are our preferred sectors.
- Asia ex-Japan is a core holding. Recent weakness in the USD has stabilised sentiment towards the region. Confidence has been boosted by announcements by Chinese policy makers, covering access to bank credit and the CNY. China is a preferred market in Asia ex-Japan
- Euro area equities are a core holding. Earnings growth has disappointed in Q2, but the consensus is for a sharp recovery in 2H 2018. The likely end of ECB quantitative easing this year has potentially positive implications for financials, which has been under pressure due to concerns over exposure of Euro area banks to Italy and Turkey.
- Emerging Markets (EM) ex-Asia is a core holding. The US and Mexico are close to signing a trade deal, which, in combination with a potential pick-up in Chinese fixed asset investment, could help lift sentiment.
- Risks to our equity view: US trade policies, USD strength.

Figure 7

The US remains our preferred equity market

Equity	View	Valuations	Earnings	Return on equity	Economic data	Bond yields	Comments
US	▲	●	●	●	●	●	Robust earnings growth, share buy backs underway. Trade war risks easing
Asia ex-Japan	◆	●	●	●	●	●	Earnings recovery, improving margins, fair valuations. Currency concerns easing
Japan	◆	●	●	●	●	●	Strong balance sheets, falling net debt to equity. Trade war concerns remain
Euro area	◆	●	●	●	●	●	Improving credit growth is a positive. Trade war concerns remain
EM ex-Asia	◆	●	●	●	●	●	Elevated oil prices a positive, but rising US rates are weighing on markets
UK	◆	●	●	●	●	●	Rising commodity prices boosting FTSE100. No deal Brexit a risk

Source: Standard Chartered Global Investment Committee

Legend: ● Supportive ● Neutral ● Not Supportive ▲ Preferred ▼ Less Preferred ◆ Core Holding



IMPLICATIONS FOR INVESTORS

Global equities our preferred asset class

US is our preferred regional market

Prefer China within Asia ex-Japan

Figure 8

Where markets are today

Market	P/E ratio	P/B	EPS	Index level
US (S&P 500)	17x	3.2x	14%	2,901
Euro area (Stoxx 50)	13x	1.5x	9%	3,431
Japan (Nikkei 225)	13x	1.2x	6%	22,870
UK (FTSE 100)	13x	1.7x	8%	7,516
MSCI Asia ex-Japan	12x	1.5x	11%	669
MSCI EM ex-Asia	11x	1.4x	16%	1,296

Source: FactSet, MSCI, Standard Chartered. Note: valuation and earnings data refer to 12 month forward data for MSCI indices, as of 30 Aug 2018



Alternative strategies

Relative Value performing

- Our reference alternatives allocation is up 1.3% since *Outlook 2018*
- Equity Hedge remains our most preferred strategy as we continue to believe we are late in the cycle, supporting equity-related strategies
- Relative Value has been the best performer YTD, supported by a continuing attractive cost of funds, often used in their strategies

Performance review of alternatives strategies

Global Macro was the top performer this month, while other strategies were flat to negative. Putting this into context, Relative Value has been the best performer YTD. A key driver has been a continued attractive funding cost, given the frequent use of borrowing to magnify returns within Relative Value strategies.

Looking ahead, we continue to believe equity hedge will outperform, supported by our view that we are in the latter stages of the cycle, which historically has been beneficial for equities and equity-related strategies. Also supportive are improved company fundamentals and greater differences amongst equity sector earnings, providing more potential opportunities for Equity Hedge strategies.

Within an allocation, Equity Hedge can provide an attractive “substitute” for traditional equity exposure. Historically, as equity volatility spikes, Equity Hedge strategies have had lower drawdowns when compared with traditional equity.

Our alternatives strategies allocation remains unchanged: Equity Hedge 46%, Relative Value 28%, Event Driven 8% and Global Macro 18%. For more information on our alternatives allocation, please refer to *Outlook 2018*.

Figure 9

Traffic light framework alternatives strategies

	Description	View	Drivers for strategies to perform
Substitutes	Equity Hedge	In essence, buying undervalued stocks and selling overvalued stocks	<ul style="list-style-type: none"> • Positively trending equity markets • Rising equity market dispersion
	Relative Value	Looking to take advantage of differences in pricing of related financial instruments	<ul style="list-style-type: none"> • Falling interest rates/cost of funding • Narrowing credit spreads
	Event Driven	Taking positions based on an event such as a merger or acquisition	<ul style="list-style-type: none"> • Positively trending equity markets • Rising mergers and acquisitions • Narrowing credit spreads
Diversifier	Global Macro	Looking to exploit themes, trends and asset class relationships (correlations) at a global level, generally with leverage	<ul style="list-style-type: none"> • Rising volatility and credit spreads • Increasing cross asset dispersion • Clear market trends (up/down)

Source: Standard Chartered

Legend: Supportive Neutral Not Supportive Preferred Less Preferred Neutral



IMPLICATIONS FOR INVESTORS

Equity Hedge (most preferred) supported by our reflationary scenario

Global Macro and Relative Value are core holdings

Equity Hedge can provide an attractive “substitute” for traditional equity exposure

Figure 10
Where markets are today

Alternatives	YTD	1m return
Equity Long/Short	1.0%	0.1%
Relative Value	2.6%	0.3%
Event Driven	-4.6%	0.6%
Global Macro	-1.1%	1.3%
Alternatives Allocation	0.1%	0.4%

Source: Bloomberg, Standard Chartered



FX

USD: Medium-term range trading

- Following the current USD correction, our assessment is that further near-term USD strength is possible
- We move to a more balanced range-bound view on the USD in the medium term, from our previous bearish stance, expecting global growth to coincide with a USD peak near year-end
- EUR weakness is likely near-term as risk of internal tension rises and the ECB remains patient. However, EUR is our preferred medium-term currency which should benefit from improving global growth
- In China, the PBoC has moved to a balanced approach in managing the impact of US tariffs on the economy and currency weakness

Figure 11

Foreign exchange; key driving factors and outlook

Currency	View	Real interest rate differentials	Risk sentiment	Commodity prices	Broad USD strength	Comments
USD	◆	●	●	NA	NA	Medium-term rate differentials stable
EUR	▲	●	●	NA	●	Monetary policy normalisation on hold
JPY	◆	●	●	NA	●	Range-bound amid opposing constraints
GBP	◆	●	●	NA	●	Brexit dependency
AUD	◆	●	●	●	●	Domestic weakness and slow China growth
EM FX	◆	NA	●	●	●	Global growth and liquidity dependent

Source: Bloomberg, Standard Chartered Global Investment Committee

Legend: ● Supportive ● Neutral ● Not Supportive ▲ Preferred ▼ Less Preferred ◆ Neutral

USD – Near-term USD strength; medium-term range trading

The USD rallied in the first half of August, hitting a 13-month high. The US's imposition of tariffs on Turkey and the subsequent market tension on Emerging Market (EM) currencies added support to the USD. Since then, the USD has weakened slightly, possibly as speculative long positions were unwound. We expect USD strength to resume in the coming weeks, on the back of rising real interest rate differentials and continued trade tensions. However, the Fed Chairman Powell's recent speech has triggered speculation that Fed policy may not be as hawkish as previously expected. Global growth and inflation may pick up by year-end, and our expectation is for the USD to range trade from a higher peak in the medium term.



IMPLICATIONS FOR INVESTORS

USD near-term strength reasserts

USD medium-term range trading

EUR to rise medium-term

Figure 12

Where markets are today

FX (against USD)	Current level	1m change
Asia ex-Japan	105	-0.7%
AUD	0.73	-1.9%
EUR	1.17	-0.3%
GBP	1.30	-0.9%
JPY	111	0.1%
SGD	1.37	-0.4%

Source: Bloomberg, Standard Chartered



Multi-asset

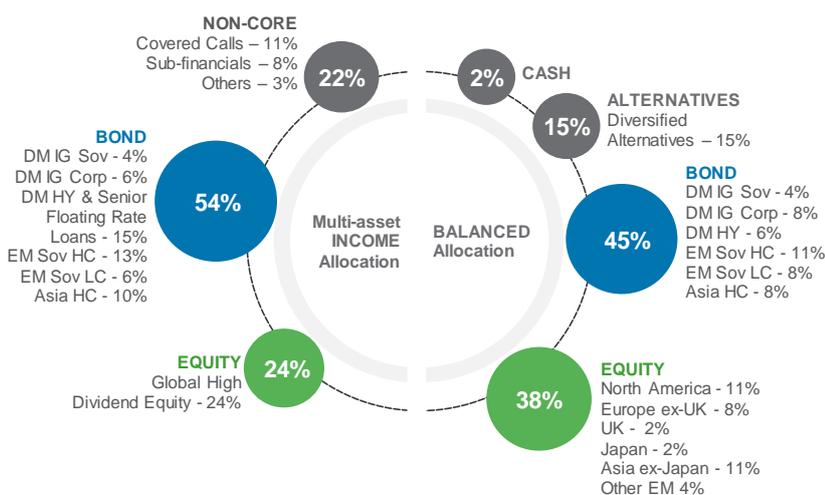
Impact of recent USD strength limited on diversified allocations

- We believe that staying invested in diversified allocations is the most effective way to manage timing risk in a late-stage economic cycle
- For income-seeking investors, a multi-asset income allocation can continue to help an investor's regular income goal
- Multi-asset allocations may not be overly impacted by recent USD strength, given historical asset class performances during these times

In our *Mid-Year Outlook*, we updated two distinct asset allocations focusing on goals for i) capital growth investors and ii) income-focused investors (Figure 49).

In a month marked by rising concerns over Emerging Markets (EMs), our multi-asset income allocation proved more resilient than our balanced allocation (Figure 48) largely due to far lower exposure to EM equities (7% in Multi-asset Income vs 15% in Balanced), which have been negatively impacted over the month.

Figure 13
Breakdown of our Income and Balanced allocations



Source: Bloomberg, Standard Chartered

Note: If allocation figures do not sum to 100%, it is due to rounding



IMPLICATIONS FOR INVESTORS

Preference for diversified growth-tilted balanced allocation

Multi-asset income strategy remains key for income investors looking to generate overall yield across assets

Tailor your overall multi-asset allocation in line with your return expectations and risk appetite

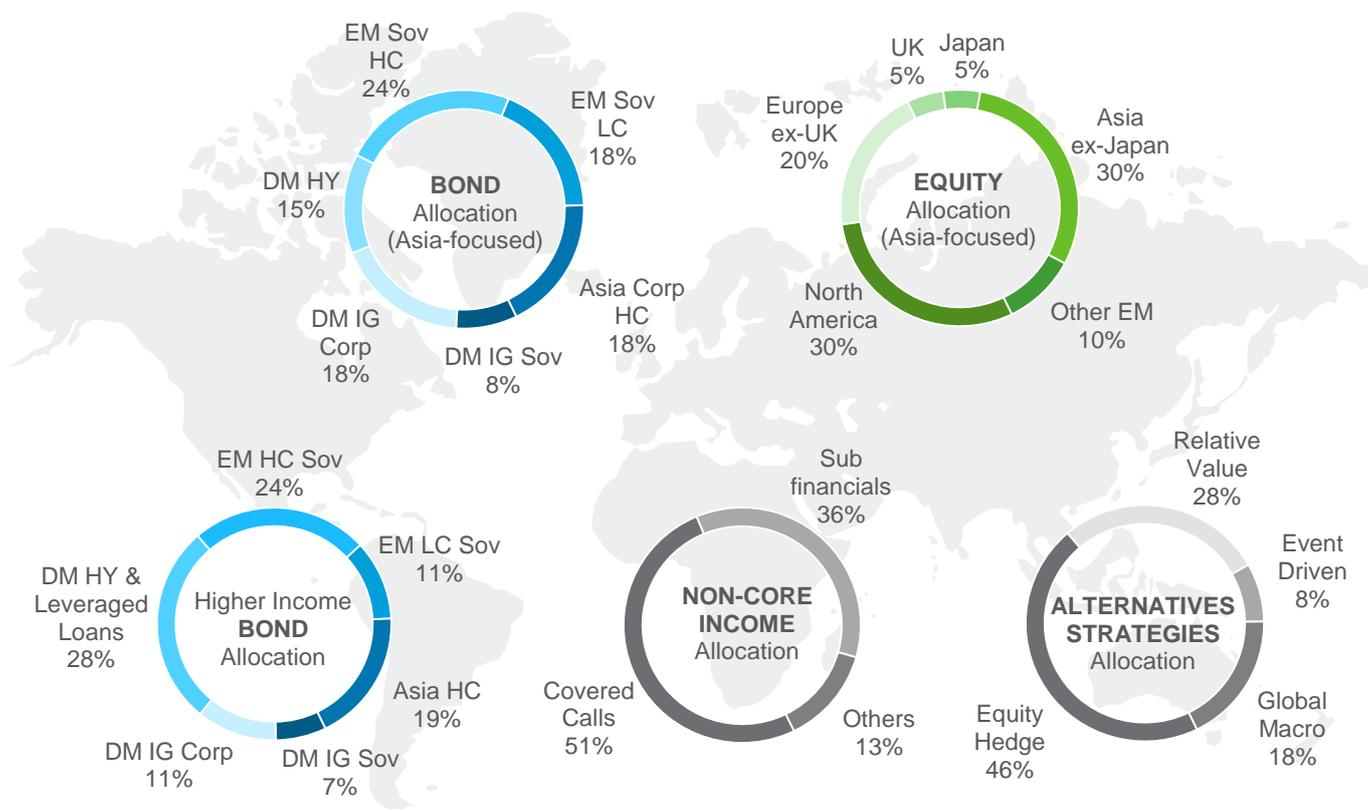
Figure 14
Key multi-asset views

Allocation performance	YTD	1m return
Total return balanced	0.0 %	-0.7%
Multi-asset income	2.1%	0.0%

Source: Bloomberg, Standard Chartered

Our recommended allocations

Asset class sleeves



Tailoring a multi-asset allocation to suit an individual's return expectations and appetite for risk

- We have come up with several asset class “sleeves” across major asset classes driven by our investment views
- Our modular allocations can be used as building blocks to put together a complete multi-asset allocation
- These multi-asset allocations can be tailored to fit an individual's unique return expectations and risk appetite
- We illustrate allocation examples for both Global and Asia-focused investors, across risk profile

BOND Allocation (Asia-focused)	Higher Income BOND Allocation	EQUITY Allocation (Asia-focused)	NON-CORE Income Allocation	ALTERNATIVES STRATEGIES Allocation
<ul style="list-style-type: none"> • For investors who want a diversified allocation across major fixed income sectors and regions • Asia-focused allocation 	<ul style="list-style-type: none"> • For investors who prefer a higher income component to capital returns from their fixed income exposure • Includes exposures to Senior Floating Rate bonds 	<ul style="list-style-type: none"> • For investors who want a diversified allocation across major equity sectors and regions • Asia-focused allocation 	<ul style="list-style-type: none"> • For investors who want to diversify exposure from traditional fixed income and equity into “hybrid” assets • Hybrid assets have characteristics of both fixed income and equity • Examples include Covered Calls, REITs, and sub-financials (Preferred Shares and CoCo bonds) 	<ul style="list-style-type: none"> • For investors who want to increase diversification within their allocation • Include both “substitute” and “diversifying” strategies

Note: If summation of allocation figures does not add up to 100, it is due to rounding exercise

Asset allocation summary

Tactical Asset Allocation - (12m). All figures are in percentages.

Summary	View	ASIA FOCUSED				GLOBAL FOCUSED			
		Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
Cash	●	11	2	1	0	11	2	1	0
Fixed Income	●	65	45	35	10	65	45	35	10
Equity	●	24	38	49	80	24	38	49	80
Alternative Strategies	●	0	15	15	10	0	15	15	10

Asset class	View	ASIA FOCUSED				GLOBAL FOCUSED			
		Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
USD Cash	●	11	2	1	0	11	2	1	0
DM Government Bonds*	●	5	4	3	1	8	6	4	1
DM IG Corporate Bonds*	●	12	8	6	2	16	11	8	2
DM HY Corporate Bonds	●	9	6	5	1	12	8	6	2
EM USD Sovereign Bonds	●	15	11	8	2	12	9	7	2
EM Local Ccy Sovereign Bonds	●	12	8	6	2	9	6	5	1
Asia Corporate USD Bonds	●	12	8	6	2	9	6	5	1
North America	●	7	11	15	24	12	19	24	40
Europe ex-UK	●	5	8	10	16	2	4	5	8
UK	●	1	2	2	4	1	2	2	4
Japan	●	1	2	2	4	1	2	2	4
Asia ex-Japan	●	7	11	15	24	5	8	10	16
Non-Asia EM	●	2	4	5	8	2	4	5	8
Alternatives	●	0	15	15	10	0	15	15	10
		100	100	100	100	100	100	100	100

Source: Bloomberg, Standard Chartered

For illustrative purposes only. Please refer to the disclosure appendix at the end of the document. * FX-hedged

Note: 1. For small allocations we recommend investors implement through global equity/global bond products; 2. If allocation figures do not sum to 100%, it is due to rounding

● Least preferred ● Core holding ● Most preferred

Market performance summary*

Equity

	Year to date	1 month
Global Equities	3.6% ↑	1.2% ↑
Global High Dividend Yield Equities	1.3% ↑	0.8% ↑
Developed Markets (DM)	5.1% ↑	1.7% ↑
Emerging Markets (EM)	-7.0% ↓	-2.8% ↓
BY COUNTRY		
US	9.7% ↑	3.7% ↑
Western Europe (Local)	1.4% ↑	-1.1% ↓
Western Europe (USD)	-1.8% ↓	-1.6% ↓
Japan (Local)	-2.8% ↓	-1.2% ↓
Japan (USD)	-1.6% ↓	-1.6% ↓
Australia	0.2% ↑	-0.2% ↓
Asia ex- Japan	-4.5% ↓	-0.7% ↓
Africa	-18.8% ↓	-9.1% ↓
Eastern Europe	-4.4% ↓	-5.2% ↓
Latam	-12.0% ↓	-10.5% ↓
Middle East	15.3% ↑	-1.9% ↓
China	-7.0% ↓	-3.6% ↓
India	-0.4% ↓	1.5% ↑
South Korea	-9.7% ↓	1.6% ↑
Taiwan	6.0% ↑	2.0% ↑
BY SECTOR		
Consumer Discretionary	7.0% ↑	2.0% ↑
Consumer Staples	-4.2% ↓	-0.7% ↓
Energy	6.0% ↑	-2.0% ↓
Financial	-3.5% ↓	-1.4% ↓
Healthcare	10.6% ↑	3.7% ↑
Industrial	0.0% ↑	0.7% ↑
IT	14.6% ↑	5.3% ↑
Materials	-3.1% ↓	-1.8% ↓
Telecom	-6.6% ↓	-0.6% ↓
Utilities	1.5% ↑	-0.3% ↓
Global Property Equity/REITS	1.7% ↑	1.6% ↑

Bonds

	Year to date	1 month
SOVEREIGN		
Global IG Sovereign	-1.6% ↓	-0.2% ↓
US Sovereign	-0.8% ↓	0.8% ↑
EU Sovereign	-1.6% ↓	0.0% ↑
EM Sovereign Hard Currency	-4.3% ↓	-1.5% ↓
EM Sovereign Local Currency	-9.2% ↓	-5.5% ↓
Asia EM Local Currency	-3.7% ↓	0.8% ↑
CREDIT		
Global IG Corporates	-2.4% ↓	0.4% ↑
Global HY Corporates	0.2% ↑	0.2% ↑
US High Yield	2.0% ↑	0.9% ↑
Europe High Yield	-3.0% ↓	-0.4% ↓
Asia USD Corporates	-1.3% ↓	0.6% ↑

Commodity

	Year to date	1 month
Diversified Commodity	-4.0% ↓	-1.9% ↓
Agriculture	-11.3% ↓	-6.2% ↓
Energy	10.6% ↑	2.1% ↑
Industrial Metal	-13.4% ↓	-2.1% ↓
Precious Metal	-11.5% ↓	-3.2% ↓
Crude Oil	20.8% ↑	2.9% ↑
Gold	-7.9% ↓	-1.8% ↓

FX (against USD)

	Year to date	1 month
Asia ex- Japan	-4.5% ↓	-0.7% ↓
AUD	-7.0% ↓	-1.9% ↓
EUR	-2.8% ↓	-0.3% ↓
GBP	-3.7% ↓	-0.9% ↓
JPY	1.5% ↑	0.1% ↑
SGD	-2.3% ↓	-0.4% ↓

Alternatives

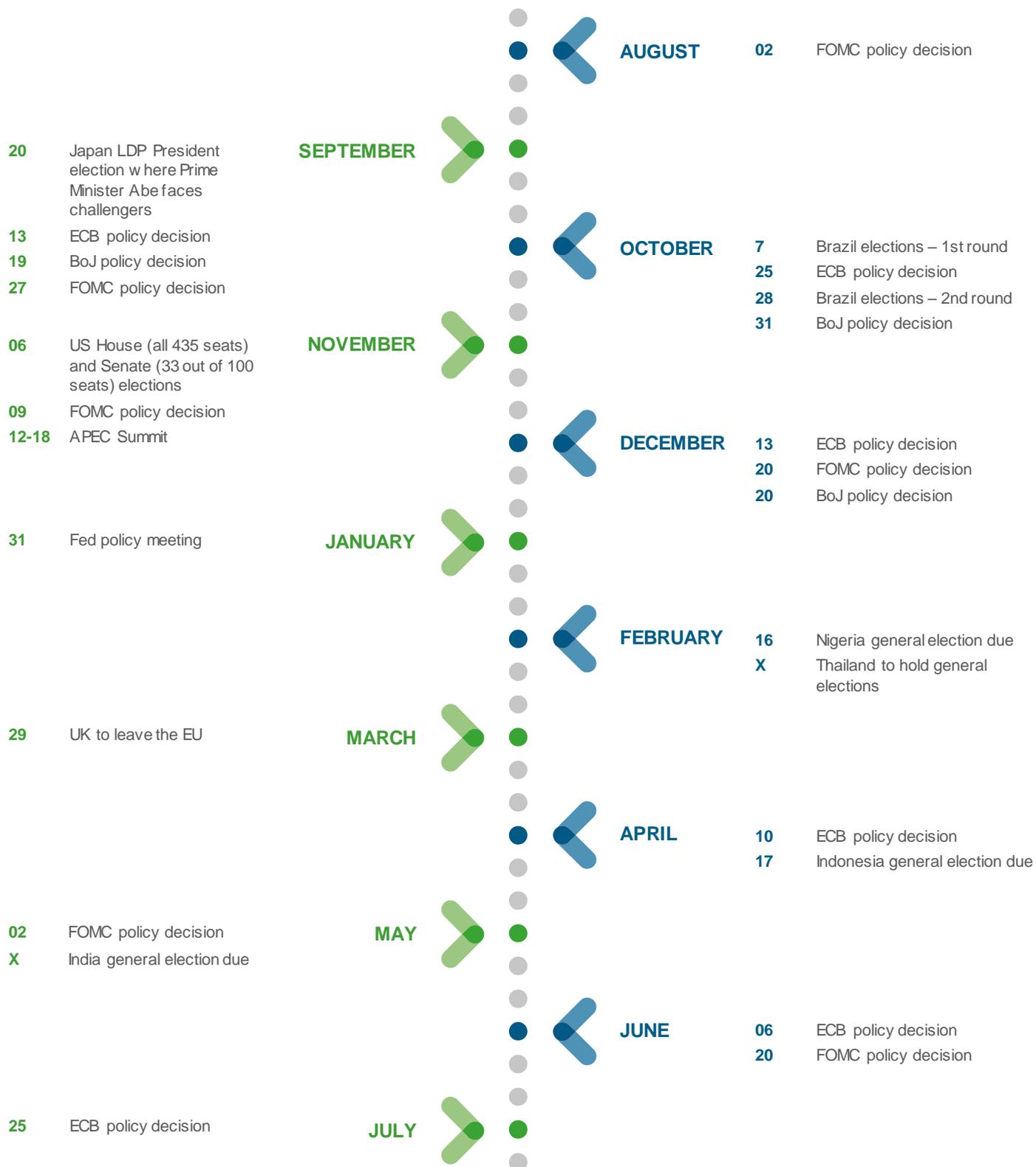
	Year to date	1 month
Composite (All strategies)	-0.4% ↓	0.5% ↑
Relative Value	2.6% ↑	0.3% ↑
Event Driven	-4.6% ↓	0.6% ↑
Equity Long/Short	1.0% ↑	0.1% ↑
Macro CTAs	-1.1% ↓	1.3% ↑

Source: MSCI, JPMorgan, Barclays, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

*All performance shown in USD terms, unless otherwise stated

*YTD performance data from 31 December 2017 to 30 August 2018 and 1-month performance from 30 July 2018 to 30 August 2018

Events calendar



Legend: X – Date not confirmed | ECB – European Central Bank | FOMC – Federal Open Market Committee (US) | BoJ – Bank of Japan

The team



Our experience and expertise help you navigate markets and provide actionable insights to reach your investment goals.

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Disclosure appendix

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