

# Poised to break higher?

## **Global Market Outlook** (In-brief)

March 2019

# Investment strategy

## Poised to break higher?

- In our Global Investment Committee's assessment, equities' recent out-performance relative to bonds and cash has a high probability of extending further.
- Global growth expectations are too pessimistic. A normalisation could brighten the equities and corporate/Emerging Market (EM) bonds outlook.
- Asia ex-Japan is our preferred equity market, with the US ranking second. A US-China trade deal could prove supportive for China's equity markets, both offshore and onshore.
- EM USD government bonds remain preferred, with the ongoing commodity rebound likely to offer support. Asia USD bonds are also preferred amid strong onshore demand.

### Buy or sell into this equity rally?

Equity markets had a positive month with EM equities rebounding sharply towards the end of the month amid trade deal optimism. Global equities are up over 4% since we went tactically positive on equities earlier this year (see *Weekly Market View, 18-Jan-2019*), a view we re-emphasized in subsequent *Global Market Outlooks*. EM USD and Asia USD bonds, too, gained as they outperformed global corporate and government bonds. The USD remained range-bound.

Incoming economic data largely continued to reflect slowing economic growth. However, what is more important is that economic surprise indices (data relative to market expectations) show the magnitude of negative surprises are now close to 2011-13 troughs. This suggests the bar for further negative surprises is much higher, a situation that has historically been indicative of a rebound.

At the same time, major equity, bond (US Treasury) and commodity markets are close to key technical levels. Putting this together with arguably excessive pessimism on economic data, our Global Investment Committee believes there is room for equities to break higher and extend recent gains, especially if a US-China trade deal offers a catalyst.

**Figure 1**

#### Economic expectations are pessimistic

Global economic surprises index

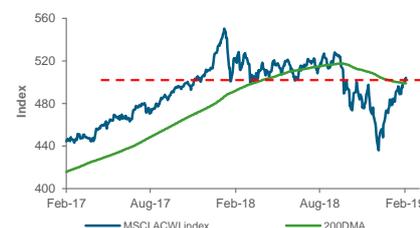


Source: Bloomberg, Standard Chartered

**Figure 2**

#### Global equities poised at a key threshold

MSCI AC World Index; 200-day moving average



Source: Bloomberg, Standard Chartered



## IMPLICATIONS FOR INVESTORS

Equities likely to outperform other traditional asset classes. Asia ex-Japan preferred region.

EM USD govt. and Asia USD bonds expected to outperform Developed Market bonds

Macro environment supportive of core allocation to alternative strategies

## Trade deal may boost Asian equities

Asia ex-Japan is a preferred regional equity market (ie. we would tilt a global equity allocation towards this region). This region suffered some of the biggest falls last year as trade tensions ratcheted higher. However, one of the possibly positive ‘shocks’ we identified in our *Outlook 2019* – that of easing US-China trade tensions – looks increasingly likely to come to pass as the two countries inch closer to a trade deal. Given how much valuations have eased as tensions escalated, we believe they may be poised to outperform other regions should the two countries reach a deal.

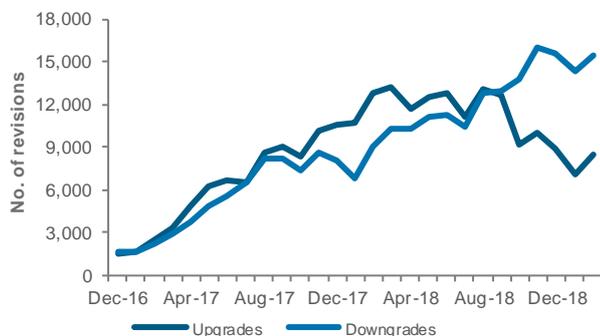
China is a preferred market within the region given it remains at the heart of US-China trade concerns. MSCI’s index inclusion decision should also support inflows. However, a similar case can be made for several other relatively open and inexpensive markets, like Korea or Singapore, which we see as core holdings (ie. equity allocations in line with benchmarks – page 31) within Asia ex-Japan.

US equities rank second in our regional preference order. While they are also likely to benefit from reduced risk aversion and trade tensions, continued signs of improvement in the 2019 earnings outlook will likely be key in extending gains.

**Figure 3**

### Deterioration in global earnings’ upwards/downgrades ratio may be coming to an end

Number of analyst 2019 corporate earnings estimate upgrades/downgrades on MSCI AC World constituents over the past 75 days



Source: MSCI, Factset, Standard Chartered

As the chart above illustrates, the sharp fall in earnings expectation upgrades for global equities in 2019 may be showing signs of reversing, both in absolute terms and relative to downgrades. This suggests that, barring an unexpected recession, growth fears may largely be priced in.

We would also be on watch whether a US-China trade agreement has a currency impact. While we expect both the USD and Asian currencies to remain rangebound – the USD index has remained within about a 3% range since *Outlook 2019* – a trade deal could trigger a break higher in Asian currencies.

## Turning more positive on Asia USD bonds

Our Global Investment Committee also raised Asia USD bonds to preferred. In its assessment, the regional asset class’ higher credit quality and lower volatility (both relative to their US and Euro area peers) remain ongoing supports. Many of the positive spillovers from a US-China trade deal would also likely support Asia USD bonds as well. Finally, we believe the re-emergence of regional demand is a key positive reflective of renewed risk appetite, especially against the backdrop of significant new bond supply.

EM USD government bonds remain a preferred bond asset class, with still-reasonable valuations and the ongoing rebound in commodity prices likely to offer support. We also believe a combination of EM USD government bonds and Asia USD bonds is one attractive route to obtain an attractive yield, but with more limited volatility.

Could a rebound in US Treasury yields derail the outlook for either of these asset classes? We believe the risk is small. A modest move higher in 10-year US Treasury yields would be consistent with a rebound in economic surprises. However, we believe any rise is likely to be contained below 3% as any significantly larger move would require renewed inflation worries. In addition, both our preferred bond asset classes offer reasonably wide yield premiums over Treasuries, a narrowing of which would buffer any yield rise.

## A tailwind for multi-asset income strategies

Overall, we continue to believe the environment remains reasonably attractive for both multi-asset income and balanced strategies, without a preference between the two.

For income strategies, we believe bond yields remain attractive despite the falling yields in our preferred areas YTD. Within this, we prefer reducing exposure to leveraged loans relative to simple High Yield (HY) bonds given the lack of value in the former. While a rise in US Treasury yields may pose a small risk to income strategies’ returns, we believe potential gains in Asian equities and EM/Asia USD bonds should help offset such a move.

# Macro overview

## Easing trade tensions, policies

- **Core scenario:** Prospects of a US-China trade pact, the Fed's pause in rate hikes and China's incremental fiscal and monetary stimulus have the potential to stabilise global growth expectations. Subdued inflation is enabling policy easing across Emerging Markets (EMs).
- **Policy outlook:** We expect the Fed to hike only once in 2019, the ECB and BoJ to maintain their existing highly accommodative policy stance and China to ease policies further to support growth.
- **Key risks:** Slowing growth and greater disinflationary pressures in the Euro area; political/geopolitical tensions, including in Europe.

### Core scenario

The Global Investment Committee expects global growth and inflation to slow moderately in 2019, in line with consensus forecasts\*. However, we have turned more constructive over the past month amid increasing prospects of a trade agreement between the US and China, a dovish turn in Fed policy and progressive monetary and fiscal stimulus in China. These factors, seen against the backdrop of subdued inflation, have the potential to stabilise global growth expectations, especially across EMs, which are likely to additionally benefit from easing global financial conditions. The Euro area remains the biggest risk to this constructive outlook if growth and inflation expectations are cut further.

Figure 4

#### Asia ex-Japan and the US remain the world's biggest growth drivers

Region	Growth	Inflation	Benchmark rates	Fiscal policy	Comments
US	●	◐	◐	●	Growth to slow modestly, but remain above trend amid strong job market, consumption. Fed to hike only once in 2019
Euro area	○	●	●	◐	Growth and inflation to fall below long-term trend amid slowing global trade; ECB to maintain its highly accommodative policy
UK	◐	◐	◐	◐	Reduced expectations of a 'hard Brexit'; BoE torn between Brexit risks and tight job market
Japan	○	●	●	◐	Growth and inflation to stay close to long-term trend. BoJ to stay highly accommodative
Asia ex-Japan	●	◐	◐	●	China to further ease fiscal and monetary policies to support growth. Rest of Asia to benefit from easing trade tensions, liquidity
EM ex-Asia	◐	◐	◐	◐	Differentiation remains key; easing trade tensions, liquidity, China stimulus to help

Source: Standard Chartered; \* Consensus global growth estimate: 3.5% in 2019 vs. 3.7% in 2018

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



## IMPLICATIONS FOR INVESTORS

The Fed to raise rates only once in 2019

The ECB and BoJ to maintain their highly accommodative monetary policies

China to progressively ease fiscal and monetary policies to support domestic-driven growth



# Bonds

## Favour Emerging Market bonds

- We view bonds as a core holding as we believe it is increasingly important to diversify in the late stage of an economic cycle. Modestly slower growth and inflation lead us to expect US 10-year Treasury yields to remain centred around 2.75%, lower than previously expected.
- Emerging Market (EM) USD government bonds remain a preferred area within bonds as we continue to like the attractive yield and reasonable valuations. We upgrade Asian USD bonds to a preferred holding owing to their high credit quality, low volatility and defensive characteristic.
- We turn more cautious on Developed Market (DM) High Yield (HY) corporate bonds given the sharp gains thus far, as we believe valuations have become somewhat expensive.

**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 fund inflows are positive
Asian USD	▲	●	●	●	NA	High credit quality, defensive allocation. Influenced by China risk sentiment
EM local currency	◆	●	●	○	●	Attractive yield and easier central bank stance balanced by higher volatility
DM IG government	◆	●	●	NA	●	More dovish Fed and ECB policy to cap yields
DM IG corporate	◆	●	●	●	●	Low yield premium and high interest rate sensitivity offset by high credit quality
DM HY corporate	▼	●	●	○	●	Attractive yields on offer, offset by expensive valuations

Source: Standard Chartered Global Investment Committee

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

## A new year, a newfound optimism

In our 2019 Outlook, we had highlighted greater optimism towards bonds as we believed the Fed was likely to hike rates less than market expectations at the time. Market expectations have clearly shifted towards our viewpoint and a more sanguine view of the Fed has helped fuel the recent rally in bonds and risk assets.

Our expectation of slower growth and inflation leads us to believe that the Fed is likely to hike rates only once in 2019. Hence, we expect US 10-year Treasury yields to remain centred around 2.75%, which paints a positive outlook for bonds.



## IMPLICATIONS FOR INVESTORS

EM USD government bonds and Asian USD bonds are most likely to outperform global bonds

Expect US 10-year Treasury yields to remain centred around 2.75%

Reduce exposure to DM HY corporate bonds following recent rally and credit deterioration concerns

**Figure 6**  
Where markets are today

Bonds	Yield	1m return <sup>#</sup>
DM IG government (unhedged)	1.50%*	-0.7%
EM USD government	6.17%	1.0%
DM IG corporates (unhedged)	3.02%*	0.2%
DM HY corporates	6.41%	1.3%
Asia USD	4.73%	0.8%
EM local currency government	6.24%	-0.9%

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

<sup>#</sup> 31 January to 28 February 2019

\*As of 31 January 2019



# Equities

## Equities – Confirming the upgrade

- Global equities are formally raised to our most preferred asset class, from core, with a 73% probability of outperforming our balanced allocation. This follows our January upgrade to the short-term outlook. The two positive shocks with a high impact on markets we highlighted in our Outlook 2019 report were: easing of trade tensions and monetary easing. The former is underway and the latter has occurred via a pause in rate hikes by the Fed and a drop in bond yields.
- Asia ex-Japan is now our most preferred market as we turn more positive on Emerging Markets (EMs) relative to Developed Markets (DMs). Easier monetary conditions in EMs have attracted foreign fund inflows, which have acted as a catalyst to re-rate valuations. In our opinion, Asia ex-Japan has an 89% probability of outperformance.
- US equities are a core holding. The market remains our second most preferred market globally and has a 65% probability of outperforming global equities in the coming 12 months, in our assessment. Earnings weakness is a headwind, but share buybacks remain an important market catalyst.
- Euro area equities are least preferred as concern over capital adequacy among Euro area banks increases in light of weaker-than-expected profit growth. Brexit remains an overhang in the UK, but we assign a high likelihood of a solution in the months ahead.
- Risks to our equity views: US earnings weakness and higher commodity prices negatively impacting corporate margins.

Figure 7

### Asia ex-Japan is raised to our most preferred equity market

Equity	View	Return on Economic Bond				Comments
		Valuations	Earnings	equity	data yields	
Asia ex-Japan	▲	●	●	○	●	Attractive valuations, signs of better earnings outlook as trade war risks ease
US	◆	●	○	●	●	Valuations now fair, earnings weak, but supported by share buybacks in 2019.
EM ex-Asia	◆	●	●	●	●	Valuations attractive with catalyst from higher commodity prices and easing trade tensions
Japan	◆	●	○	●	●	Valuations attractive. Returns to shareholders structurally rising.
UK	◆	●	●	○	●	Soft Brexit is our base case, which could lead to market re-rating
Euro area	▼	●	●	●	●	Bank capital levels and risk of US auto import tariffs trade a concern

Source: Standard Chartered

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



## IMPLICATIONS FOR INVESTORS

Global equities are our preferred asset class, with a tilt towards Emerging Market equities

Asia ex-Japan is preferred, US, Emerging Markets ex-Asia Japan, UK are core holdings. Euro area is least preferred

Prefer China (onshore and offshore) within Asia ex-Japan

Figure 8  
Where markets are today

Market	P/E ratio	P/B	EPS	Index level
<b>US (S&amp;P 500)</b>				
	16x	3.0x	6%	2,784
<b>Euro area (Stoxx 50)</b>				
	13x	1.4x	9%	3,298
<b>Japan (Nikkei 225)</b>				
	13x	1.2x	2%	21,385
<b>UK (FTSE 100)</b>				
	12x	1.6x	5%	7,075
<b>MSCI Asia ex-Japan</b>				
	13x	1.4x	6%	653
<b>MSCI EM ex-Asia</b>				
	11x	1.5x	11%	1,412

Source: FactSet, MSCI, Standard Chartered.

Note: valuation and earnings data refer to 12-month forward data for MSCI indices; as of 28 Feb 2019



# Alternative strategies

## Alternatives as a core holding

- We maintain alternatives as a core holding
- Equity Hedge is now preferred, given our constructive view on equities and expectation of higher volatility with correlations stable at low levels
- Global Macro remains an attractive “diversifier”, given its historical low correlation to traditional assets, especially during sustained pullbacks

### Performance review of alternatives strategies

Market volatility may rise as late-cycle dynamics are expected to persist. In such an environment, we think maintaining alternatives as a core holding makes sense.

In February, most strategies delivered positive returns, except for Event Driven which ended unchanged. Our preferred alternatives allocation returned 0.6% for the month and 1.5% YTD. This performance took place against a backdrop of continued recovery in global equities and other risky assets.

Within alternatives, Equity Hedge is now a preferred holding, alongside Global Macro. In our view, equity market volatility is likely to rise, while correlation between stocks is likely to remain stable at around current levels. Should these conditions materialise, there would be wider performance dispersion across equities, presenting opportunities to long/short managers.

Within alternatives, Global Macro can be an attractive “diversifier”, as it has shown low correlation to traditional assets, especially during sustained pullbacks.

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"> <li>• Positively trending equity markets</li> <li>• Rising equity market dispersion</li> </ul>	●
	Relative Value	Looking to take advantage of differences in pricing of related financial instruments	◆	<ul style="list-style-type: none"> <li>• Falling interest rates/cost of funding</li> <li>• Narrowing credit spreads</li> </ul>	●
	Event Driven	Taking positions based on an event such as a merger or acquisition	▼	<ul style="list-style-type: none"> <li>• Positively trending equity markets</li> <li>• Rising M&amp;A activity</li> <li>• Narrowing credit spreads</li> </ul>	●
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"> <li>• Rising volatility and credit spreads</li> <li>• Increasing cross asset dispersion</li> <li>• Persistent market trends (up/down)</li> </ul>	●

Source: Standard Chartered

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



## IMPLICATIONS FOR INVESTORS

Diversified alternatives allocation preferred, given our outlook on volatility and late-cycle dynamics

Equity Hedge (preferred) supported by expectation of higher volatility and stable correlations

Global Macro (preferred) as a “diversifier” in an investment allocation likely to be beneficial

Figure 10  
Where markets are today

Alternatives	YTD	* 1m return
Equity Hedge	3.1%	1.3%
Relative Value	1.0%	0.2%
Event Driven	1.4%	0.0%
Global Macro	0.2%	0.4%
<b>Alternatives Allocation</b>	<b>1.5%</b>	<b>0.6%</b>

Source: Bloomberg, Standard Chartered  
\* 31 January to 28 February 2019



# FX

## USD: Likely to remain range-bound

- A more dovish Fed has provided a window for easing of global liquidity. Other central banks have moved quickly to a similar dovish stance.
- EUR likely to remain subdued with Germany a key drag. US auto tariffs remain a threat. We expect GBP to move higher as Brexit fears recede.
- A currency agreement within the Sino-US trade pact could keep CNY firm. Asian currencies likely to track CNY, but AUD could stay weak.

Figure 11

Foreign exchange: key driving factors and outlook

Currency	3m View	12m View	Real interest rate differentials	Risk sentiment	Commodity prices	Broad USD strength	Comments
USD	◆	◆	●	○	NA	NA	Medium-term rate differentials remain
EUR	◆	◆	◐	◐	NA	◐	Slow monetary policy normalisation
JPY	◆	◆	◐	◐	NA	◐	Range-bound amid opposing constraints
GBP	▲	▲	◐	●	NA	◐	Brexit dependent but value in medium term
AUD	◆	◆	○	◐	●	◐	Domestic weakness and China slowdown
CNY	◆	◆	○	●	◐	◐	Targeted response to slow growth and trade

Source: Bloomberg, Standard Chartered Global Investment Committee

Legend: ● Supportive ○ Neutral ○ Not Supportive ▲ Bullish ▼ Bearish ◆ Range

### USD – Range-bound as drivers remain benign

The key USD driver continues to be the significant real and nominal positive interest rate differential. This advantage narrowed on the back of the Fed hike pause and talk of an early end of quantitative tightening (QT). Many global central banks have quickly followed the Fed's initiative and the overall USD impact has been relatively benign. We expect this to continue through H1 this year, while absolute rates remain relatively attractive for the USD.

Slowing global growth is generally USD supportive and should allow the USD to remain firm against the EUR. The expected Sino-US currency agreement could result in a mildly stronger CNY. Since the USD is a strong momentum currency, there is ample opportunity for a strong trend to emerge – but thus far the technical and fundamental signals for direction remain mixed. The USD index (DXY) has traded narrowly between 93.20 and 97.70 since May 2018, and only a clear break of these support and resistance levels would suggest a potential trend developing.



## IMPLICATIONS FOR INVESTORS

Currencies may diverge against the USD as trade talks and issues conclude and unfold through Q2

Softer EUR bias likely to continue in H1, but we expect GBP to remain firm through soft Brexit

A currency agreement within a trade agreement supports CNY and some other Asian EMFX, but AUD, KRW and TWD may underperform

Figure 12

Where markets are today

FX (against USD)	Current level	1m change <sup>#</sup>
Asia ex-Japan	106	-0.3%
AUD	0.71	-2.5%
EUR	1.14	-0.7%
GBP	1.33	1.2%
JPY	111	-2.2%
SGD	1.35	-0.5%

Source: Bloomberg, Standard Chartered  
# 31 January to 28 February 2019



# Multi-asset

## Diversification remains key

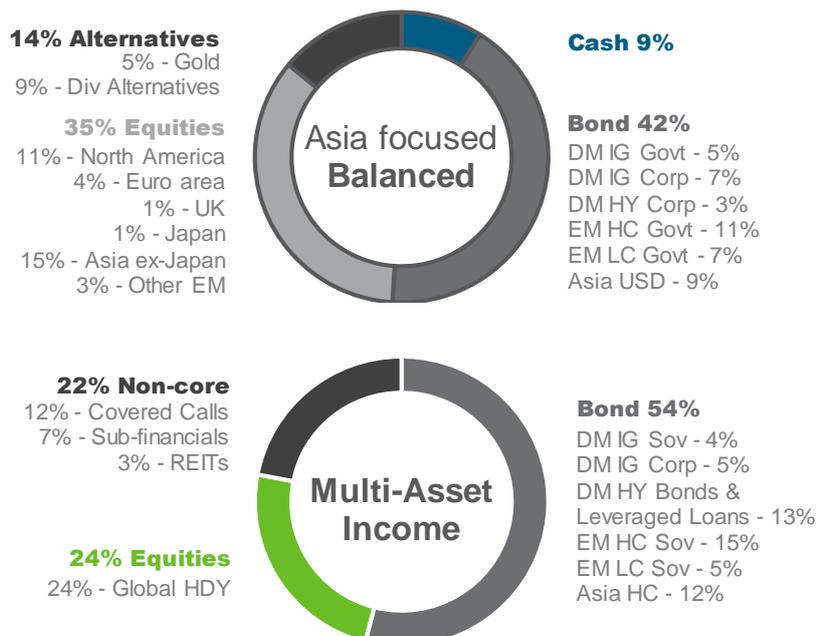
- We believe that continuing to diversify risky asset exposures is the most effective way to manage timing risk in a late-stage economic cycle
- For income-seeking investors, a multi-asset income allocation can continue to help achieve regular income goals

In our *Outlook 2019*, we updated two distinct asset allocations relevant to the goals of i) capital growth-focused investors and ii) income-focused investors (Figure 50).

In a month marked by a continuation of the recovery in equities and other risky assets, our multi-asset income and balanced allocations both delivered positive returns. The multi-asset income allocation performed slightly better than the balanced allocation, largely due to the performance of the fixed income and non-core components in the multi-asset income allocation.

**Figure 13**

**Breakdown of our recommended Balanced and Income allocations**



Source: Bloomberg, Standard Chartered

Note: Allocation figures may not sum to 100% due to rounding



## IMPLICATIONS FOR INVESTORS

Diversifying your income strategy across multiple assets (Multi-asset income strategy) remains key for income investors looking to generate consistent levels of yield

Neutral between income-tilted and growth-tilted allocations within multi-asset space

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

**Figure 14**

**Key multi-asset views**

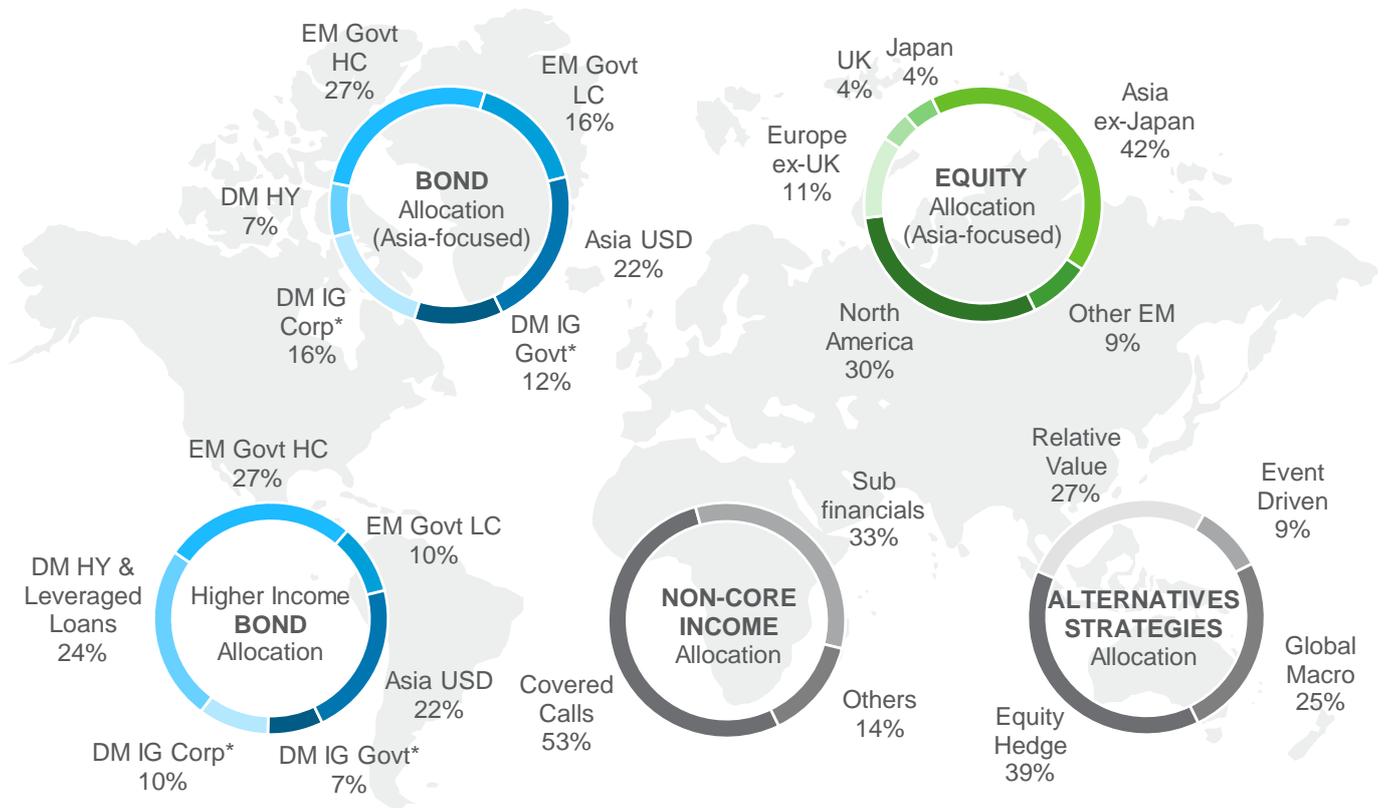
Allocation performance	YTD	1m return*
<b>Total return balanced</b>	4.4%	1.0%
<b>Multi-asset income</b>	4.3%	1.3%

Source: Bloomberg, Standard Chartered

\* 31 January to 28 February 2019

# 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 profiles

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

\* FX-hedged

Note: Allocation figures may not add up to 100 due to rounding.

# 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	◆	19	9	4	0	19	9	4	0
Fixed Income	◆	62	41	30	8	62	41	30	8
Equity	▲	19	36	52	83	19	36	52	83
Alternative Strategies	◆	0	14	13	8	0	14	13	8

Asset class	View	ASIA FOCUSED				GLOBAL FOCUSED			
		Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
USD Cash	◆	19	9	4	0	19	9	4	0
DM Government Bonds	◆	7	5	4	1	11	7	5	1
DM IG Corporate Bonds*	◆	10	7	5	1	14	9	7	2
DM HY Corporate Bonds*	▼	5	3	2	1	6	4	3	1
EM USD Government Bonds	▲	17	11	8	2	13	8	6	2
EM Local Currency Government Bonds	◆	10	7	5	1	8	5	4	1
Asian USD Bonds	▲	13	9	7	2	10	7	5	1
North America	◆	6	11	16	25	10	18	26	42
Europe ex-UK	▼	2	4	6	9	1	2	3	5
UK	◆	1	2	2	4	1	2	2	3
Japan	◆	1	2	2	4	1	2	2	3
Asia ex-Japan	▲	8	15	22	35	5	10	14	23
Non-Asia EM	◆	2	3	4	7	2	3	4	7
Alternative Strategies	◆	0	14	13	8	0	14	13	8
		100	100	100	100	100	100	100	100

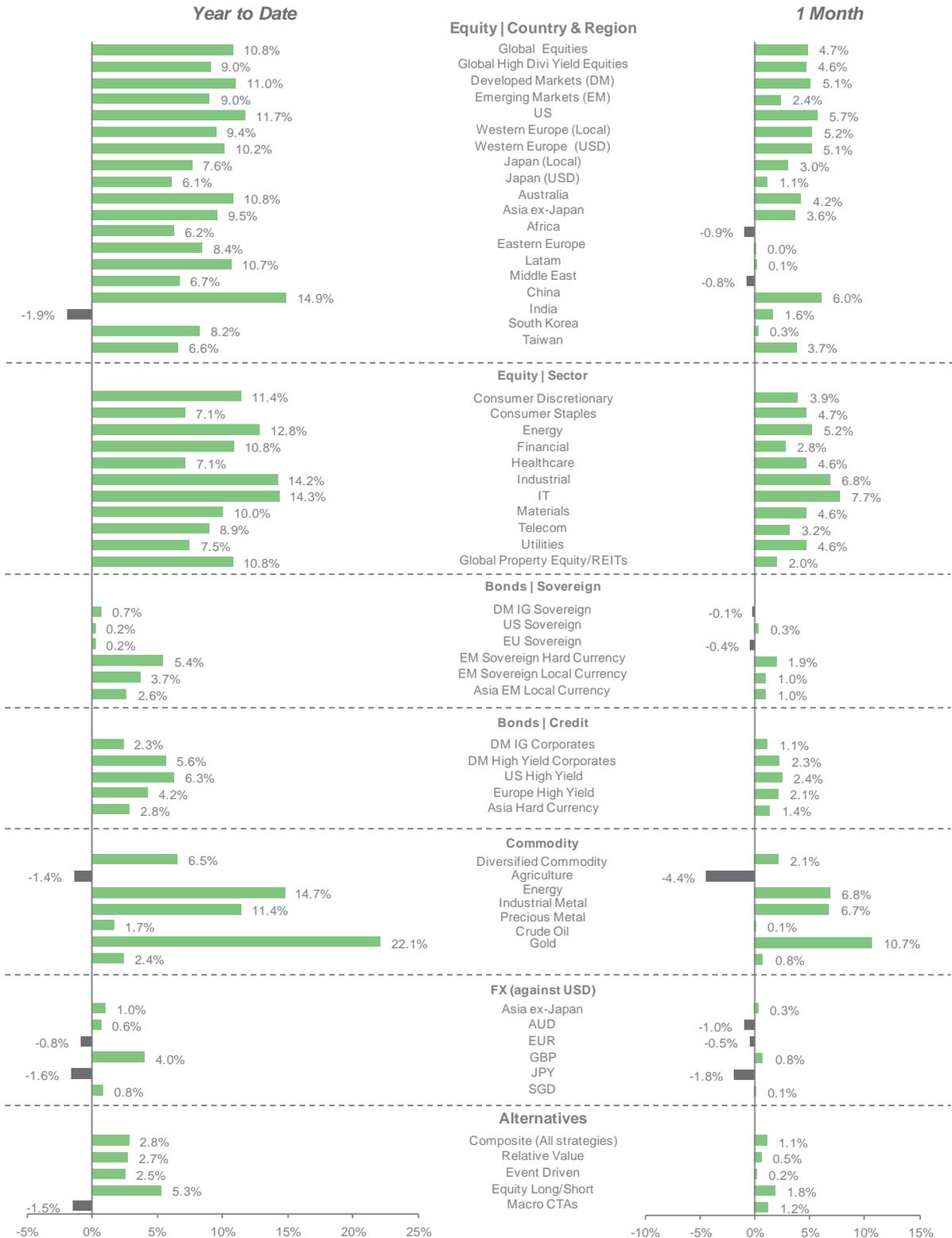
Source: Bloomberg, Standard Chartered

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

Note: 1. For small allocation we recommend investors to implement through global equity/global bond product 2. Allocation figures may not add up to 100 due to rounding.

Legend: ▼ Least preferred ◆ Core holding ▲ Most preferred

# Market performance summary\*



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

\*All performance shown in USD terms, unless otherwise stated

\*YTD performance data from 31 December 2018 to 28 February 2019 and 1-month performance from 28 January 2019 to 28 February 2019

# Events calendar

## january

- 23 BoJ policy decision
- 24 ECB policy decision
- 31 FOMC policy decision

## february

- 01 India budget statement
- 05 RBA policy decision
- 07 BoE policy decision

## march

- 05 China National People's Congress
- 05 RBA policy decision
- 07 ECB policy decision
- 15 BoJ policy decision
- 21 BoE policy decision
- 21 FOMC policy decision
- 29 UK to leave the EU

## april

- X China Politburo meeting on economic policy
- 02 RBA policy decision
- 10 ECB policy decision
- 17 Indonesia general election due
- 25 BoJ policy decision

## may

- X Australia federal election
- 02 BoE policy decision
- 02 FOMC policy decision
- 07 RBA policy decision
- 23-26 European Parliament election
- X India general election due

## june

- 04 RBA policy decision
- 06 ECB policy decision
- 20 BoE policy decision
- 20 FOMC policy decision
- 20 BoJ policy decision
- 28-29 G20 Leaders' summit

## july

- X China Politburo meeting on economic policy
- 01 Japan Upper House election
- 02 RBA policy decision
- 25 ECB policy decision
- 30 BoJ policy decision

## august

- 01 FOMC policy decision
- 01 BoE policy decision
- 06 RBA policy decision

## september

- 03 RBA policy decision
- 12 ECB policy decision
- 19 FOMC policy decision
- 19 BoJ policy decision
- 19 BoE policy decision

## october

- X China Politburo meeting on economic policy
- 01 RBA policy decision
- 24 ECB policy decision
- 31 Last day of ECB President Mario Draghi's 8-year term
- 31 FOMC policy decision
- 31 BoJ policy decision

## november

- X Japan's Constitutional referendum
- X APEC summit
- 05 RBA policy decision
- 07 BoE policy decision

## december

- X China Central Economic Conference
- X China Politburo meeting on economic policy
- 03 RBA policy decision
- 12 FOMC policy decision
- 12 ECB policy decision
- 19 BoJ policy decision
- 19 BoE policy decision

**Legend:** X – Date not confirmed | **ECB** – European Central Bank | **FOMC** – Federal Open Market Committee (US) | **BoJ** – Bank of Japan | **BoE** – Bank of England | **RBA** – Reserve Bank of Australia

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