

## Global Capital Markets Overview

November-16

### Major Fixed Income Indices

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
JPM EMBI Global Diversified	-4.09	-1.24	5.02	4.04	-5.28		8.70	3.49
JPM GBI-EM Broad Diversified	-5.85	-0.50	2.08	2.82	-6.33		7.36	-1.69
Bloomberg Barclays Global Aggregate	-3.97	-2.78	2.89	0.82	-6.64		2.56	-3.16
Bloomberg Barclays US Aggregate	-2.37	-0.76	2.21	0.46	-3.11		2.50	-0.51

### Major Equity Indices

(USD, Net)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
MSCI AC World	0.76	-1.70	0.99	5.30	-0.95		5.58	5.33
MSCI World	1.44	-1.94	1.01	4.87	-0.53		5.00	5.37
MSCI North America	3.46	-1.87	2.49	3.96	1.53		9.58	8.17
MSCI Pacific	-1.64	0.16	0.87	8.46	-1.48		3.70	7.78
MSCI Europe	-2.18	-3.26	-2.69	5.40	-5.36		-5.36	-2.93
MSCI Kokusai	1.83	-2.25	1.01	4.52	-0.47		5.35	5.08
MSCI Emerging	-4.60	0.24	0.66	9.03	-4.38		10.94	4.95
MSCI EM Latin America	-10.61	9.92	5.31	5.37	-1.74		29.91	9.04
MSCI EM Asia	-3.33	-1.44	0.30	10.51	-4.72		7.66	5.61
MSCI EM EMEA	-4.87	-0.16	-1.27	5.67	-5.02		11.88	-0.91
MSCI EM Europe	-1.19	1.30	-3.90	4.45	0.10		14.83	0.47

### REIT&Commodities

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
TSE REIT INDEX	0.89	-2.01	-2.04	-0.12	-1.13		5.89	-3.26
FTSE EPRA/NAREIT US	-1.97	-5.89	6.36	-0.84	-7.74		2.78	-2.70
CRB	1.67	0.01	13.01	-3.17	1.67		7.78	11.26
S&P GSCI	2.53	-1.50	12.67	-4.15	1.00		6.35	9.07
WTI Crude Oil	5.51	-2.66	25.83	-0.33	2.70		33.07	28.81
NY Golds	-7.86	-3.60	7.03	0.03	-11.18		10.48	-4.91

### Currency Returns (against the USD) Thomson Reuters Spot Rate (London 4pm)

	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
JPY	-8.43	-3.32	8.99	1.92	-11.46		5.12	-1.65
EUR	-3.58	-2.31	-2.41	1.22	-5.81		-2.51	-6.96
CHF	-2.77	-1.77	-1.47	0.47	-4.49		-1.49	-5.46
GBP	2.13	-5.64	-7.31	-2.51	-3.64		-15.16	-12.93
AUD	-2.95	-0.70	-2.70	2.86	-3.63		1.45	-3.56
BRL	-5.76	2.23	11.83	-1.44	-3.66		17.04	6.18

\*Fiscal year to date

Source:Datastream, Bloomberg Barclays

## <Global Capital Markets for November 2016>

### ■ Interest Rates

During the month of November, while there was no policy decision made at ECB, BOJ, FOMC and BOE all decided to maintain the existing policy stance by 7 to 2 (BOJ), 8 to 2 (FOMC) and unanimous (BOE) votes. Central Bank of Turkey raised their key rate from 7.50% to 8.00%, while Reserve Bank of New Zealand lowered their policy rate from 2.00% to 1.75%.

Other central banks including the ones of Hungary, Israel, Peru, Chile, Colombia, Thailand, Philippines, Korea and South Africa maintained their policy rates. Following the outcome of US Presidential Election, rate hike at the next FOMC meeting is considered to be a done deal. Accordingly, US cash and futures money rates are generally higher, while GBP, EUR and JPY rates are more or less unchanged for the month.

### ■ Currencies

USD had short-lived drop on voting of US election, and the unforeseen occurrence Trump scored this election triumph conducted USD to rise sharply against major currencies based on his expansionary economic policy. In addition, the minute of FOMC and strong US economic indexes drove USDJPY to 114.55 yen level. EUR continued downside trend against USD during November. Emerging currencies had mixed response to the result of US election.

### ■ Bond Markets

US yields were mixed around the beginning of the month and then rose dramatically by the victory of Trump due to his policies to expand of US economy and accelerate inflation along with the expectation of rate hike by Fed in December. European yields were also pushed up by the US election but eased by ECB policy and attention to political risks in Europe. US Treasury 10Yr was up 44bps to 2.29% and German Bund 10Yr was also up 5bps to 0.22%. European peripherals e.g., Italy was up to 1.99%, Spain was also up to 1.55% while Greece was down to 6.58%. On US spread sectors, Corporates were good while Securitized were lagged except CMBS compared to Treasuries.

### ■ Equity Markets

Global stock markets were soft due to the uncertainty before US presidential election, After Donald Trump won the presidential election, the expectation for deregulation of financial institution, trade policy to focus on the benefit of US and increase of investment for infrastructure lead the appreciation of US stock market and US dollar. In term of monthly return in US dollars, developed markets gained by 1.5% but emerging markets lost by 4.6%. Japanese stock market gained significantly due to the depreciation of JPY to the level of 114 against USD and TOPIX went up by 5.5%.

As for sector return in developed markets, difference among sectors widened due to the expectation of new president's economic and fiscal policy. Financial sector gained 7.8% and energy sector gained by 5.7%. On the other hand, utility sector dropped by 6.1% and consumer staple sector dropped by 5.1%.

## Index

- Citigroup World Government Bond Index, Citigroup US High -Yield Market Index (Citigroup fixed income indices are developed, calculated and distributed by Citigroup Global Markets Inc.)
- Bloomberg Barclays Global Aggregate Index, Bloomberg Barclays US Aggregate Bond Index, Bloomberg Barclays US Aggregate 1-3 Year Index, Bloomberg Barclays Euro Aggregate Bond Index, Bloomberg Barclays US Mortgage Back Securities (MBS) Index, Bloomberg Barclays World Government Inflation-Linked Bond (WGILB) Index, Bloomberg Barclays Global High Yield Index  
“BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates (collectively, “Bloomberg”) or Bloomberg’s licensors own all proprietary rights in the BLOOMBERG BARCLAYS INDICES.
- JPMorgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified), JPMorgan Emerging Local Markets Bond Index Plus (ELMI+), JPMorgan Government Bond Index - Emerging Markets Global Diversified (GBI-EM GT JPMorgan Government Bond Index - Emerging Markets Broad Diversified (GBI-EM BD)  
JPMorgan shall not guarantee the quality, accuracy or completeness of any data of JPMorgan Index, all data contained in which, all data pertaining to licensed right, all data acquired for the use of which, acquired by licensee or other per entities.
- BofA Merrill Lynch USD Libor 1M, 3M, 6M, BofA Merrill Lynch JPY Libor 1M, 3M,6M, BofA Merrill Lynch EUR Libor 1M, 3M, 6M, BofA Merrill Lynch GBP Libor 1M,3M,6M, BofA Merrill Lynch US High Yield Master II Index, BofA Merrill Ly Euro High Yield EUR Hedged, BofA Merrill Lynch US Treasury 1-3 Years Index, BofA Merrill Lynch US Treasury & Agency 1-5 Years Index , Index data is utilized under the permission for usage by BofA Merrill Lynch.
- MSCI AC World, MSCI AC Asia , MSCI AC Asia ex Japan , MSCI Asia Pacific, MSCI Asia Pacific ex Japan, MSCI KOKUSAI, MSCI China A, MSCI World ,MSCI EAFE MSCI Emerging Markets, Index data is utilized under the permissic usage by MSCI Inc.
- TOPIX Dividend Index  
Indices and trademark of TOPIX is the intellectual property of The Tokyo Stock Exchange Inc. (hereinafter referred to as “TSE”). TSE shall have all the rights relating to TOPIX, such as calculation of stock index, official announce and us exponent value. TSE may, alter the method of calculation or official announcement of exponential value of TOPIX, suspend calculation or official announcement of exponential value TOPIX, and alter or suspend the use of trademark. TSE not assume any responsibility for error, delay or suspension of calculation or official announcement of TOPIX.
- NOMURA-BPI Overall, NOMURA-BPI Overall, Short-term(1-3 years) , Mid-term(3-7 years), Long(7 years~)  
NOMURA-BPI Overall, Short-term(1-3 years) , Mid-term(3-7 years), Long(7 years~)is an index officially announced by Nomura Securities Co., Ltd. Its intellectual rights shall be vested in Nomura Securities Co., Ltd.. Nomura Securities Ltd. shall not assume any responsibility relating to HC’s business activities and services using NOMURA-BPI Overall, Short-term (1-3 years), Mid-term(3-7 years) and Long(7 years~)
- Russell/Nomura Japan Index  
Russell/ Nomura Japan Index is an index officially announced by Nomura and its intellectual property right shall be vested in Nomura Securities Co., Ltd. and Russell Investments. Nomura Securities Co, Ltd. nor Russell/Nomura Japan In shall not guarantee the accuracy, completeness, credibility or availability of Russell/Nomura Japan Index, and shall not assume any responsibility of HC’s business activities and services using Russell/Nomura Japan Index.
- Russell 2000 Growth Index  
Russell Investments is the owner of the trademarks, service marks and copyrights related to the Russell Indexes. Indexes are unmanaged and cannot be invested in directly.
- Eurekahedge Asian Hedge Fund Index, Eurekahedge Asian Hedge Fund Index(Asia ex-Japan Index) Index data is utilized under the permission for usage by Eurekahedge.
- FTSE All World, FTSE World, S&P500
- Credit Suisse Leveraged Loan Index, S&P European Leveraged Loan Index  
※All the above indices are total return indices. The term “Net” shall be accompanied in case it is calculated on an after-tax basis at times when using abbreviation.  
※Intellectual property right and all other rights on the above indices are the properties of the index providers and the licensors.

Source: Datastream, Bloomberg and respective web sites of licensors. Kindly note that all the index data are used, based on the contracts with Datastream, Bloomberg or respective licensor (if applicable), and/or with the permission of applicable licensor .