

Global Capital Markets Overview

February-17

Major Fixed Income Indices

(%)

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
JPM EMBI Global Diversified	2.00	1.44	5.02	4.04	-4.02	3.48	3.48	8.51
JPM GBI-EM Broad Diversified	1.50	2.03	2.08	2.82	-5.15	3.56	3.56	3.09
Bloomberg Barclays Global Aggregate	0.47	1.13	2.89	0.82	-7.07	1.61	1.61	-2.05
Bloomberg Barclays US Aggregate	0.67	0.20	2.21	0.46	-2.98	0.87	0.87	0.49

Major Equity Indices

(%)

(USD, Net)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
MSCI AC World	2.81	2.73	0.99	5.30	1.19	5.62	5.62	13.65
MSCI World	2.77	2.41	1.01	4.87	1.86	5.25	5.25	13.56
MSCI North America	3.55	2.14	2.49	3.96	3.37	5.76	5.76	16.48
MSCI Pacific	1.78	4.37	0.87	8.46	-1.03	6.23	6.23	15.03
MSCI Europe	1.19	2.08	-2.69	5.40	-0.40	3.30	3.30	5.53
MSCI Kokusai	2.94	2.29	1.01	4.52	2.05	5.29	5.29	13.44
MSCI Emerging	3.06	5.47	0.66	9.03	-4.16	8.70	8.70	14.33
MSCI EM Latin America	3.57	7.61	5.31	5.37	-0.88	11.45	11.45	22.57
MSCI EM Asia	3.64	5.86	0.30	10.51	-6.06	9.71	9.71	14.23
MSCI EM EMEA	0.10	2.10	-1.27	5.67	1.83	2.21	2.21	8.58
MSCI EM Europe	-2.02	1.77	-3.90	4.45	9.40	-0.28	-0.28	9.50

REIT&Commodities

(%)

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
TSE REIT INDEX	-0.92	-0.42	-2.04	-0.12	2.57	-1.33	-1.33	-0.98
FTSE EPRA/NAREIT US	3.59	-0.58	6.36	-0.84	-3.46	2.98	2.98	4.86
CRB	-0.70	-0.20	13.01	-3.17	3.44	-0.90	-0.90	12.17
S&P GSCI	0.23	-1.41	12.67	-4.15	5.76	-1.18	-1.18	12.86
WTI Crude Oil	2.37	-1.86	25.83	-0.33	11.72	0.47	0.47	40.77
NY Golds	3.73	4.67	7.03	0.03	-12.41	8.57	8.57	1.81

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	0.01	3.63	8.99	1.92	-13.30	3.65	3.65	-0.18
EUR	-2.05	2.68	-2.41	1.22	-6.45	0.58	0.58	-7.06
CHF	-1.64	2.94	-1.47	0.47	-4.60	1.25	1.25	-4.38
GBP	-1.58	1.95	-7.31	-2.51	-4.92	0.34	0.34	-13.79
AUD	0.96	5.11	-2.70	2.86	-5.85	6.13	6.13	0.00
BRL	1.35	3.29	11.83	-1.44	0.17	4.68	4.68	15.58

*Fiscal year to date

Source:Datastream, Bloomberg Barclays

<Global Capital Markets for February 2017>

■ Interest Rates

During February 2017, FOMC and BOE made rate announcements at the beginning of the month to keep current policy measures unchanged by unanimous votes. BOJ and ECB did not hold policy meetings for the month. Other central banks including the ones of Sweden, Czech, Poland, Russia (at 10%), Israel (at 0.1%), NZ, India, Thailand, Philippines and Korea maintained their current policy rates. Central Bank of Brazil further lowered their policy rate by 0.75% to 12.25%, while Central Bank of Mexico raised their key rate by 0.50% to 6.25%. As there was no unexpected event during the month, most cash and futures money rates remained more or less unchanged or marginally lower mostly in Europe.

■ Currencies

At beginning of February, JPY rose to the middle of 111yen level against USD based on the weak US employment data, although other US key economic indicators were good. In the middle of February, JPY turned downward based on the reference to the tax cut by Trump. In addition, Fed Chair Yellen's hawkish view moved USDJPY up to 114.95 yen. However, Trump's tax reform was considered to remain a long way from realization because of fiscal deterioration, and USD stagnated against major currencies in late February.

■ Bond Markets

US yield curve was slightly down due to the mix of unforeseen effectiveness of the Trump's policies especially with no specific advancement of tax reform and the several statements by FOMC members. German Bund was down as political uncertainties developed in the continental Europe. US Treasury 10Yr was down by 5bps to 2.41% and German Bund 10Yr was also down by 23bps to 0.21%. European peripherals e.g., Italy was down to 2.09%, Spain was up to 1.66% and Greece was down to 7.15%. On the US spread sectors, all but CMBS showed positive excess returns compared to Treasuries.

■ Equity Markets

Global stock markets continued to move higher due to the expectation of stimulative economic policy by US new president Donald Trump. In term of monthly returns in USD base developed markets gained 2.8% and emerging markets gained 3.1%. Japanese stock market gained slightly by 0.9% due to heavy USD buying against JPY.

As for sector return in developed markets, Health Care sector performed best up 5.8% and Energy sector was the worst and lost 2.0%.

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 Backed Securities (MBS) Index, Bloomberg Barclays World Government Inflation-Linked Bond (WGILB) Index, Bloomberg Barclays Global High Yield Index
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- 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
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