

## Global Capital Markets Overview

October-17

### Major Fixed Income Indices

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
JPM EMBI Global Diversified	0.37	0.01	2.24	2.63	0.37		9.40	5.32
JPM GBI-EM Broad Diversified	-2.38	-0.58	3.40	3.14	-2.38		10.34	4.11
Bloomberg Barclays Global Aggregate	-0.38	-0.90	2.60	1.76	-0.38		5.85	4.02
Bloomberg Barclays US Aggregate	0.06	-0.48	1.45	0.85	0.06		3.20	2.37

### Major Equity Indices

(USD, Net)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
MSCI AC World	2.08	1.93	4.27	5.18	2.08		19.69	11.95
MSCI World	1.89	2.24	4.03	4.84	1.89		18.21	11.12
MSCI North America	2.11	2.10	2.82	4.50	2.11		16.16	9.72
MSCI Pacific	3.53	0.99	3.92	3.87	3.53		19.48	11.75
MSCI Europe	0.47	3.30	7.37	6.45	0.47		23.37	14.82
MSCI Kokusai	1.63	2.27	3.92	4.92	1.63		18.07	10.81
MSCI Emerging	3.51	-0.40	6.27	7.89	3.51		32.26	18.68
MSCI EM Latin America	-3.60	1.58	-1.74	15.07	-3.60		22.15	9.00
MSCI EM Asia	5.30	-0.02	8.64	7.02	5.30		38.80	22.42
MSCI EM EMEA	0.99	-3.89	2.12	6.25	0.99		12.58	9.58
MSCI EM Europe	-0.13	-1.35	2.38	10.39	-0.13		14.43	12.87

### REIT&Commodities

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
TSE REIT INDEX	-1.29	-1.53	-3.85	-1.28	-1.29		-9.43	-6.30
FTSE EPRA/NAREIT US	-1.24	0.16	1.33	0.72	-1.24		1.00	0.79
CRB	2.54	1.32	-5.76	5.03	2.54		-1.85	1.50
S&P GSCI	3.82	3.32	-5.46	7.22	3.82		-0.08	5.23
WTI Crude Oil	5.21	9.33	-8.94	12.28	5.21		1.13	7.56
NY Golds	-1.12	-2.45	-0.30	3.25	-1.12		9.67	1.78

### 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	-1.01	-2.24	-0.88	-0.10	-1.01		2.87	-1.97
EUR	-1.42	-0.81	7.27	3.40	-1.42		10.75	9.33
CHF	-2.96	-0.98	4.67	-1.02	-2.96		2.07	0.54
GBP	-0.85	3.61	3.80	2.84	-0.85		7.65	5.84
AUD	-2.26	-1.42	0.81	1.87	-2.26		6.11	0.37
BRL	-3.39	-0.44	-5.56	4.60	-3.39		-0.55	-4.57

\*Fiscal year to date  
Source:Datastream, Bloomberg

## <Global Capital Markets for October 2017>

### ■ Interest Rates

During the month of October, ECB and BOJ held monetary policy meetings and maintained current policy rates unchanged. As expected, ECB announced that APP (Asset Purchase Program) will be reduced from current EUR 60bln to EUR 30bln from January 2018 and APP is extended until September 2018. Other central banks including the ones of Hungary, Poland, Turkey, India, Indonesia, South Korea, Chile and Peru maintained their policy rates unchanged. Central Banks of Brazil, Columbia and Russia lowered their policy rates from 8.25% to 7.50%, 5.25% to 5.00% and 8.50% to 8.25% respectively. No major central bank raised their key rate during the month. Cash and futures money rates in major currencies were mixed for the month; JPY unchanged across maturities, GBP higher in cash markets but more or less unchanged in futures, EUR unchanged in cash but marginally lower in the longer ends of futures and USD marginally higher across maturities most notably in the longer ends of futures.

### ■ Currencies

In October, with no geopolitical development in East Asia, USD gradually strengthened against major currencies over the month based on the strong US economic indicators, record high equity markets and recovering US Treasury yields. Also, the passage of 2018 US Budget improved USD sentiment despite the re-emerging political scandal of Trump administration. EUR remained firm for most of the month based on the expectation of ECB tapering and recovering Euroland economies. However, after the ECB meeting, dovish tone of the statement brought EUR sharply lower towards the month end. JPY closed the month further lower against USD at 113.64 (112.51) but marginally higher against EUR at 132.34 (132.92).

### ■ Bond Markets

In US, the yield was down due to the uncertainty of CPI prospect for the first half and then moved up due to the expectation of additional rate hike as well as of US tax reform. In Europe, the yield was down as the emphasis of easing by Draghi. US Treasury 10Yr was increased by 5bps to 2.38% and German Bond 10Yr was decreased by 10bps to 0.36%. European peripherals e.g., Italy, Spain and Greece were down to 1.83%, 1.46% and 5.47% respectively. On the US spread sectors, Corporate and CMBS were robust and other Securitized was almost neutral compared to Treasuries.

### ■ Equity Markets

Global stock markets rose in October on the back of improved macro economy and corporate earnings. The expectation of progress of tax reform in US was also supportive. In terms of monthly return in USD, developed markets gained 1.9% and emerging markets rose by 3.5%. Japanese stock market gained 5.4% in TOPIX on the back of strong corporate earnings. As for sector return in developed markets, the best performer was IT sector which rose by 7.1% supported by robust economy. The worst performer was Telecommunication sector which dropped by 2.9%.

## 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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- 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 permission for usage by MSCI Inc.
- TOPIX Dividend Index  
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- Russell/Nomura Japan Index  
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- Russell 2000 Growth 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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