

## Global Capital Markets Overview

October-16

### Major Fixed Income Indices

(%)

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
JPM EMBI Global Diversified	-1.24	0.40	5.02	4.04	-1.24		13.34	7.90
JPM GBI-EM Broad Diversified	-0.50	1.77	2.08	2.82	-0.50		14.04	4.43
Bloomberg Barclays Global Aggregate	-2.78	0.55	2.89	0.82	-2.78		6.80	0.85
Bloomberg Barclays US Aggregate	-0.76	-0.06	2.21	0.46	-0.76		4.99	1.90

### Major Equity Indices

(%)

(USD, Net)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
MSCI AC World	-1.70	0.61	0.99	5.30	-1.70		4.79	4.54
MSCI World	-1.94	0.53	1.01	4.87	-1.94		3.51	3.87
MSCI North America	-1.87	0.12	2.49	3.96	-1.87		5.91	4.55
MSCI Pacific	0.16	1.96	0.87	8.46	0.16		5.43	9.58
MSCI Europe	-3.26	0.87	-2.69	5.40	-3.26		-3.26	-0.77
MSCI Kokusai	-2.25	0.43	1.01	4.52	-2.25		3.46	3.19
MSCI Emerging	0.24	1.29	0.66	9.03	0.24		16.30	10.01
MSCI EM Latin America	9.92	-0.82	5.31	5.37	9.92		45.33	21.98
MSCI EM Asia	-1.44	1.33	0.30	10.51	-1.44		11.37	9.25
MSCI EM EMEA	-0.16	2.87	-1.27	5.67	-0.16		17.60	4.16
MSCI EM Europe	1.30	1.43	-3.90	4.45	1.30		16.21	1.68

### REIT&Commodities

(%)

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
TSE REIT INDEX	-2.01	0.32	-2.04	-0.12	-2.01		4.96	-4.12
FTSE EPRA/NAREIT US	-5.89	-1.82	6.36	-0.84	-5.89		4.84	-0.74
CRB	0.01	3.42	13.01	-3.17	0.01		6.02	9.43
S&P GSCI	-1.50	4.14	12.67	-4.15	-1.50		3.72	6.38
WTI Crude Oil	-2.66	7.68	25.83	-0.33	-2.66		26.12	22.08
NY Golds	-3.60	1.04	7.03	0.03	-3.60		19.91	3.20

### 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	-3.32	2.05	8.99	1.92	-3.32		14.79	7.40
EUR	-2.31	0.74	-2.41	1.22	-2.31		1.11	-3.51
CHF	-1.77	1.26	-1.47	0.47	-1.77		1.31	-2.77
GBP	-5.64	-1.23	-7.31	-2.51	-5.64		-16.93	-14.74
AUD	-0.70	1.94	-2.70	2.86	-0.70		4.53	-0.63
BRL	2.23	-1.01	11.83	-1.44	2.23		24.19	12.67

\*Fiscal year to date

Source:Datastream, Bloomberg Barclays

## <Global Capital Markets for October 2016>

### ■ Interest Rates

During October, while there was no policy decision made at FOMC, BOJ and BOE, ECB decided to keep three key rates unchanged at 0.00%, 0.25% and -0.40%. While other major central banks including the ones of Hungary, Poland, Turkey, Canada, Chile and Singapore maintained their policy rates, State Bank of India announced repo rate reduction from 6.50% to 6.25%. Higher probability of FOMC rate hike in December and less chance of further rate reduction at BOJ moved interest rates generally higher both in cash and futures markets for the month.

### ■ Currencies

From the early part of October, USD had steady undertone against JPY based on the reports on the major networks that Hillary Clinton dominated the lead. After the middle of October, the expectations for Fed's rate hike in December drove up USDJPY to 105.52. EUR eyed the possibility of the tapering, however ECB did not have enough time of arguments for it. For this reason, EUR continued downside trend against USD over October.

### ■ Bond Markets

In the first half, world bond yields were moving upward due to the oil price and good economic indices. In the latter half, yields were still in upward as improvement of economic sentiment in Europe and the prospect of rate hike is up due to the firm economic indices in US.

US Treasury 10Yr was up 24bps to 1.84% and German Bund 10Yr was also up 28bps to 0.16%. European peripherals e.g., Italy was up to 1.66%, Spain was also up to 1.20% but Greece was almost no change to 8.29%. On US spread sectors, Corporates were good and Securitized were almost neutral compared to Treasuries.

### ■ Equity Markets

In the first half of October global stock markets moved trendless. As the presidential election in US on November 8th approaches, global stock markets became soft due to the close opinion polls which mean uncertainty. In term of monthly returns, developed markets lost 1.9% and emerging markets gained slightly by 0.2%. Japanese stock market gained significantly due to depreciation of JPY to the level of 105 against USD and TOPIX went up by 5.3%.

As for sector return in developed markets, only financial sector gained 2.3% and underperformers were defensive sectors like healthcare sector which dropped by 6.9% and telecom sector which dropped by 4.4%.

## 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  
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- 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)  
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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 permissic usage by MSCI Inc.
- TOPIX Dividend Index  
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- NOMURA-BPI Overall, NOMURA-BPI Overall, Short-term (1-3 years) , Mid-term (3-7 years), Long (7 years~)  
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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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