

Global Capital Markets Overview

April-17

Major Fixed Income Indices

(%)

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
JPM EMBI Global Diversified	1.49	0.38	1.49				5.41	1.49
JPM GBI-EM Broad Diversified	0.84	2.35	0.84				6.88	0.84
Bloomberg Barclays Global Aggregate	1.13	0.15	1.13				2.91	1.13
Bloomberg Barclays US Aggregate	0.77	-0.05	0.77				1.59	0.77

Major Equity Indices

(%)

(USD, Net)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
MSCI AC World	1.56	1.22	1.56				8.57	1.56
MSCI World	1.48	1.07	1.48				7.95	1.48
MSCI North America	0.87	0.11	0.87				6.80	0.87
MSCI Pacific	0.85	0.65	0.85				7.83	0.85
MSCI Europe	3.53	4.02	3.53				11.24	3.53
MSCI Kokusai	1.52	1.20	1.52				8.18	1.52
MSCI Emerging	2.19	2.52	2.19				13.88	2.19
MSCI EM Latin America	-0.00	0.55	-0.00				12.06	-0.00
MSCI EM Asia	2.15	3.34	2.15				15.81	2.15
MSCI EM EMEA	4.32	0.52	4.32				7.17	4.32
MSCI EM Europe	4.43	1.67	4.43				5.88	4.43

REIT&Commodities

(%)

(USD)	This M	Last M	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	YTD	FYTD*
TSE REIT INDEX	-2.21	-2.04	-2.21				-5.48	-2.21
FTSE EPRA/NAREIT US	-0.14	-2.69	-0.14				0.07	-0.14
CRB	-2.18	-2.43	-2.18				-5.40	-2.18
S&P GSCI	-2.11	-3.91	-2.11				-7.05	-2.11
WTI Crude Oil	-2.43	-6.41	-2.43				-8.26	-2.43
NY Golds	1.65	-0.75	1.65				9.54	1.65

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	-0.13	1.24	-0.13				4.80	-0.13
EUR	2.30	0.71	2.30				3.62	2.30
CHF	0.79	0.27	0.79				2.33	0.79
GBP	3.19	1.37	3.19				4.96	3.19
AUD	-1.84	-0.39	-1.84				3.78	-1.84
BRL	-1.68	-0.45	-1.68				2.46	-1.68

*Fiscal year to date

Source:Datastream, Bloomberg

<Global Capital Markets for April 2017>

■ Interest Rates

During April, BOJ and ECB both maintained their current monetary policy measures unchanged, while FOMC and BOE did not hold policy meetings for the month. Other central banks including the ones of Canada, Poland, Hungary, Turkey, Peru and Korea maintained their policy rates unchanged. Central Bank of Brazil raised their key rate from 10.25% to 11.25% as anticipated, while Central Bank of Chile lowered their policy rate from 3.00% to 2.75%. Cash and futures money rates in major currencies were mixed during the month; JPY and EUR mostly unchanged, USD higher across the curve and GBP marginally lower.

■ Currencies

Towards the Easter holidays, under the heightened political and geo-political risks in Europe, Middle East and North Asia brought JPY higher as a "safe heaven" currency. JPY hit the high against USD at 108.13 and against EUR at 114.85 on Easter Monday. Following the UK Prime Minister's decision to run an earlier General Election in June as well as the result of first ballot of French Presidential Election made European sentiment suddenly and exceptionally optimistic. This resulted in the reversal of cross positions in EURJPY and other short positions in European currencies against JPY and consequently moved JPY sharply lower against major currencies towards the month end.

■ Bond Markets

US yield curve was down due to the French election and North Korean military movement together with the concern over the US budget. In Europe, also French election as well as missile attacks by US on Syria lead the market mixed and almost flat this month. US Treasury 10Yr was down by 12bps to 2.28% and German Bond 10Yr was almost flat by 1bp down to 0.32%. European peripherals e.g., Italy was down to 2.28%, Spain was almost flat as 1.65% and Greece was down to 6.34%. On the US spread sectors, Corporates were good while Securitized were less than corporates but firmly outperformed Treasuries.

■ Equity Markets

In the first half of April global stock markets were soft due to geopolitical concern such as Middle East, North Korea and French presidential election. After French presidential election on the 23rd, the concern that France would exit EU went away and global stock markets turned to go up. In term of monthly return in USD base, developed markets gained 1.5% and emerging markets gained 2.2%. Japanese stock market also gained 1.3%. As for sector return in developed markets, the best performer was industrial sector which rose by 2.9% and the worst was energy sector which dropped by 2.3%.

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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- FTSE All World, FTSE World, S&P500
- Credit Suisse Leveraged Loan Index, S&P European Leveraged Loan Index
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