Monthly Market Roundup
covering March 2022

Overview

- The Russia-Ukraine conflict continues to send waves through global markets, as fears over long-term effects persist.
- In a historic move, the US announced it will release one million barrels a day into the market to help ease price pressures.
- The Bank of England and the US Federal Reserve (among others) both hiked interest rates, and pressure is growing on the European Central Bank to do the same.

Moving into March, global markets continued to feel the effects of the Russia-Ukraine conflict. UK, US and European markets all rallied, while the Asia region as a whole, lagged. Emerging markets also underperformed the rest of the world while in fixed income, bond markets suffered a turbulent month, spurred by persistent high inflation.

Europe

Despite concerns over energy supply and Russia-Ukraine peace talks, European markets ended higher in March than the previous month. 40% of the EU's gas comes from Russia and sanctions have pushed up prices.

In Germany, inflation hit a 40-year high at 7.6% as the country prepares for a halt in Russian gas deliveries over a payment dispute. Both Germany and Austria have move toward rationing gas.

The European Central Banks has scaled back it's bond-buying stimulus plan because of rising inflation. President Christine Lagarde noting that the bank was forecasting higher inflation and lower growth in the medium term due to the war.

The UK

UK markets also ended the month up, among an environment of inflationary pressure and volatile commodity prices. Office of National Statistics figures showed the economy grew

faster than first thought in the fourther quarter of 2021, with GDP rising 1.3%, rather than 1%.

Inflation rose to 6.2%, a 30-year high and the Bank of England (BoE) further hiked interest rates to 0.75% to combat it. With a cost of living crisis in the UK underway, the BoE governor Andrew Bailey warned that the Russian invasion will mean people face a shock to real incomes.

Unemployment fell, and employment rates rose and while businesses are keen to hire (the number of unfilled jobs rose to 1.3 million), wages fell in real terms under inflationary pressure.

The US

A slow start was followed by a strong two-week performance in the second half of the month for the US markets. But it wasn't enough to offset the losses across the quarter. The three major indices, the Dow Jones, Nasdaq and S&P 500 suffered their worst period since the first quarter of 2020.

Russia's invasion of Ukraine and subsquent supply concerns meant that oil prices fluctuated during the month. US crude oil prices hit a 13-year record high of $130 a barrell and ended the month in retreat amid news of peace talks and a potential 180 million barrell release by the US.

Inflation continued to rise and after much speculation, the Federal Reserve introduced it's first interest rate hike (a quarter of a percentage point) since 2018. This means the rate now sits at between 0.25 and 0.5%.

Asia

Asian markets ended the month in decline thanks to continually rising commodity prices in the wake of the Russia-Ukraine conflict. Some markets saw investors risk appetite dim and equities retreat as a result of the Federal Reserve's first interest rate hike.

In China, Covid-19 resurgence dragged on performance, with the country's GDP growth forecasts for 2022 downgraded as a result. Both Manufacturing Purchasing Managers' index (PMI) and non-manufacturing PMI were below 50 (49.5 and 48.4 respectively), which indicates a contraction in both markets.

Hong Kong experienced a mid-month bounce back. Taiwanese, Korean and Japanese markets saw marginal gains. Indian equities outperformed the rest of the region thanks to strong showings from the energy, utilities, communication services and information technology sectors. Australia continued to benefit from rising commodity prices. The country's benchmark index is now less than 2% shy of its all time high, set in August.

Emerging Markets

Emerging markets (EM) lagged developed markets and the rest of the world, despite Latin America posting strong gains. Rising inflation, interest rates and input costs were the main culprits. Now that Russia has been excluded from the MSCI index, EM Europe performed well.

Brazilian, Mexican and South African central banks hiked interest rates in the face of rising inflation. The concern is that this will impact growth, which has already started to slow.

The Russia-Ukraine conflict has put pressure on the supply of key commodities, like oil, copper, soybeans, corn and iron ore, pushing prices up. This has generated strong cashflows for the top exporters of these commodities in Latin America, rejuventing their economies.

Fixed income

Bond markets suffered a turbulent month, due to rising inflation, the threat of more aggressive tightening in the US (rising interest rates). A change in investor sentiment because of the Russia-Ukraine conflict is also partially responsible.

Sovereign bonds sold off, with US treasuries experiencing their worst month since January 2009. Corporate bonds also had a difficult time. Both investment grade and high yield bonds both posting losses, though it was less prounouced for the latter which is less affected by rising interest rates.

With both the Federal Reserve and Bank of England hiking interest rates, there is growing pressure on the European Central bank (ECB) to do the same. This is especially pronounced following the release of new inflation data, showing consumers prices are well above target. Some ECB policy makers expect rates to go up, but fears of recession in the zone are growing among others, because of a cost of living crisis sparked by the war.

Europe

- European stock markets rise despite energy prices and political tensions
- German inflation hits highest rate for 40 years
- The ECB scales back its bond-buying stimulus plan

European shares ended higher in March. But concerns about energy supply shortages and uncertain progress in the Russia-Ukraine peace talks weighed on markets. Russia's invasion of Ukraine threatened to slow growth in the region. It supplies 40% of the EU's gas and sanctions have inflated prices. The US though, did announce an historic release of approximately one million barrels a day into the market over the next six months to ease crude oil prices.

German inflation hit 7.6%, its highest rate for 40 years. Energy price rises were the main driver behind the higher-than-expected increase in harmonised consumer prices index. Germany is preparing for a potential halt in Russian gas deliveries because of a dispute over payments with Russia. They're demanding payment in rubles, which G7 nations have rejected. Germany and Austria took the first formal step towards rationing gas supplies. They announced they'd cut off parts of industry from its gas network and give preferential treatment to households.

The flash purchasing managers' composite index for the eurozone fell to 54.5 (a number above 50 indicates growth) in March. This was higher than the consensus expectations and a contrast to falling consumer confidence indicators though. Falls in both the manufacturing and services sectors driven by the consequence from the conflict, increased customer uncertainty, further price pressures and issues along supply chains.

The European Central Bank (ECB) has scaled back its bond-buying stimulus plan in response to the surge in inflation. It is still considering the timing of a potential interest rate rise this year. The yield on Germany's 10-year Bund, which serves as a barometer for eurozone borrowing costs, rose to 0.37%. This is the highest level in more than three years. ECB President Christine Lagarde said Russia's invasion of Ukraine created a shock for the eurozone economy, and that the Central Bank was forecasting higher inflation and lower growth over the next three years.

France will vote for a president over two rounds in April. The two contenders with the most votes in the first round, will then face a run-off. Based on the latest polls, Macron will be one of those in the run-off, with Marine Le Pen the other likely candidate. Elsewhere, Spain approved plans to limit the economic fallout from the war. Fuel price cuts and further approval from the EU to reduce electricity costs were agreed to prevent further transport strikes and restart idle heavy industries such as steelmakers.

Germany similarly agreed a relief package to ease rising energy costs, which included a one-off tax cut for individuals and fuel tax cuts. But Chancellor Olaf Scholz stopped short on an immediate ban of Russian fossil fuels warning it would trigger a recession, as economists lowered growth forecasts for Europe's largest economy.

UK

- UK economy grew faster than previously thought in the fourth quarter of 2021
- Inflation at highest level for 30 years
- Bank of England raises interest rates again

The UK equity market closed up in March despite continued inflationary pressures and volatility in commodity prices due to the invasion in Ukraine. To help ease prices on crude oil, the US is to release approximately one million barrels a day into the market over the next six months.

Latest figures from the Office for National Statistics (ONS) showed that the UK economy grew faster than previously thought in the fourth quarter of 2021. UK gross domestic product (GDP) expanded 1.3% in the last three months compared to the previous quarter. This was above market expectations of 1%.

Chancellor Rishi Sunak announced a change to the National Insurance threshold and a one-year 5p cut in fuel duty as he unveiled his Spring Statement. But with inflation and interest rates going up, he said the rising cost of servicing Britain's debt made it essential that he stuck to his fiscal rules. The Office for Budget Responsibility (OBR) cut its growth forecast for 2022 from 6% to 3.8% and warned that household disposable incomes would fall.

UK inflation rate rose to 6.2%, the highest level for 30 years according to data from the ONS. The monthly rise of 0.8 % in the CPI between January and February was the fastest since 2009, higher than most consensus estimates. Higher transport and furniture prices were the biggest contributors. Clothing and food also added to the figure.

The Bank of England (BoE) raised interest rates from 0.5% to 0.75% in a continued effort to curb inflation. The further tightening of policy sees interest rates return to their pre-Covid levels. The monetary policy committee now says it expects inflation to rise to around 8% in the second quarter of 2022. BoE governor Andrew Bailey warned Russia's invasion of Ukraine would add to the UK cost of living crisis, as people faced a shock to real incomes.

UK retail sales unexpectedly fell in February as consumer confidence declined against the current backdrop. Consensus estimates pointed to an increase rather than the 0.3% fall in UK retail sales volumes. The UK consumer confidence index, a measure of how people view the state of their personal finances and wider economic prospects, fell five points to minus 31 in March. This is the fourth straight fall and the lowest reading in 17 months, according to research company GfK.

The UK's unemployment rate fell to 3.9% in the three months to January, down from 4.1% in the previous three months, according to ONS data. The employment rate increased to 75.6% as data showed the number of unfilled jobs rose to more than 1.3 million. Businesses remained keen to hire but wages fell in real terms as rising inflation put pressure on households and businesses.

US

- US equities advance on greater central bank clarity and hopes tied to Russia/Ukraine peace talks
- First interest rate rise from the US Federal Reserve since 2018
- Oil prices hit record highs, but Biden set to release reserve to combat high fuel prices

After a disappointing start, US equity markets enjoyed a solid two-week rally in the back half of the month. Investors began to look past the invasion of Ukraine and central bank actions became clearer, finishing the month posting gains. However, this wasn't enough to offset the losses over the quarter, which was the worst period since the first quarter of 2020 for the three major indices, the S&P 500, the Dow Jones and the Nasdaq.

The US Federal Reserve (Fed) raised its target federal funds rate (the interest rate at which the Fed suggests commercial banks borrow and lend to each other) by a quarter percentage point to a range between 0.25% and 0.5%. This is the first rate increase since 2018. Officials also pencilled in six more increases by the end of 2022 in an escalating effort to curb inflation, which is at a four-decade high.

The current commodity inflation, coupled with what Jerome Powell, the Fed chair, called "a very, very tight labour market – tight to an unhealthy level", (record job openings and wages rapidly increasing) had led to numerous calls for interest rate rises. But officials reassured that they don't anticipate a need to raise interest rates above 3% in the current rate hike cycle. Their median projections showing rates rising to around 2.75% by the end of 2023.

Over the course of the month, there were large fluctuations in oil prices. US crude oil reached a decade high of more than $130 per barrel, its highest since July 2008. This came as markets continued to react to supply disruptions stemming from Russia's ongoing invasion of Ukraine and the possibility of a ban on Russian oil and natural gas.

Prices then fell back to below $100 dollars amid progress in cease-fire talks between Russia and Ukraine, as well as reassurance from OPEC (the Organisation of the Petroleum Exporting Countries) that there was no shortage in oil supply. After jumping back up to around the $120-mark, oil prices ended the month retreating. This came as news broke that the US is considering the release of up to 180 million barrels of oil in coming months as the Biden administration tries to lower high fuel costs.

Macroeconomic data came in mixed: the annualised fourth quarter 2021 GDP (Gross Domestic Product) came in at 6.9%, a touch lower than forecasted. Industrial production lagged, and Consumer Price Index (CPI) inflation rose to 7.9%. The labour market continued to look healthy though, with the unemployment rate falling below expectations to 3.8%. 678,000 new jobs were created, outperforming forecasts considerably.

Asia

- Asian equity markets continue to lag amid rising cost pressures and action by central banks to raise interest rates
- Chinese equities stunted by Covid resurgence
- Australia continues to benefit from rising commodity prices

Asian equity markets declined as commodities prices continued to be pushed higher amid supply concerns because of Russia's invasion of Ukraine. The US Federal Reserve (Fed) announced its first policy interest rate hike amidst growing global central bank normalisation, which saw investors' risk appetite dim and equities retreat in some markets.

Covid-19 resurgence in China dragged on performance, although positive reopening sentiment in Hong Kong offset some losses. Most markets did experience a turn in sentiment mid-month as peace talks between Ukraine and Russia offered some cause for optimism.

Chinese equity markets lost ground as local daily new cases of Covid-19 surged to over 1,000 on average. China's 2022 Gross Domestic Product (GDP) growth forecasts were downgraded as a result. Weak manufacturing data also concerned investors. Manufacturing Purchasing Managers' Index (PMI) was seen at 49.5 and non-manufacturing PMI seen at 48.4 (a figure below 50 indicates a contraction in the manufacturing and services industries, respectively).

The real estate sector did particularly well though, taking support from the continuing easing of measures by local governments, as did coal names and healthcare. Information technology was the biggest laggard, as Apple supply chain companies declined amid concerns over weaker demand for iPhone and Airpods. News that Apple could potentially cuts units because of the Russia-Ukraine conflict also broke recently. Headline Consumer Price Index (CPI) inflation stood at 0.9% year-on-year. Meanwhile, annual Producer Price Index (PPI) inflation eased to 8.8% as domestic efforts have helped to stabilise the prices of commodities, like coal.

Equities in Hong Kong also detracted, although indices staged a partial V-shaped recovery off trough levels mid-month. The escalating geopolitical tensions in Europe and dislocations cut risk appetite and spurred input cost concerns. But reopening sentiment improved through March as daily Covid-19 cases fell.

Markets took support from the expected resumption of public services and international flights with nine countries from April 1, which should bolster the local economy. In terms of macroeconomic data, exports growth was marginal, while imports improved. Annual CPI inflation rose, and unemployment rebounded to 4.5% from the previous reading of 3.9%.

Taiwanese stocks similarly managed to recover from a mid-March dip to end the month marginally up. Markets took some relief from a positive CPI print of 2.4%, lower than January's figure of 2.8%, and both exports and imports saw solid expansion. While industrial production didn't quite meet expectations, it remained stable relative to last month, as did the unemployment rate.

Korean equity markets modestly advanced, with investors reacting favourably to the election of the new President, Yoon Suk-Yeol. There are hopes for more relaxed regulations mainly in the real estate, internet and banking sectors. But this was partially offset by the opposing forces of continuous inflationary pressures, rising material prices and the US Federal Reserve's more aggressive stance on the normalisation of policy interest rates, combined with signs of weaker end demand in autos and technology.

Indian equities rose, outperforming the broader region, with energy, utilities, communication services and information technology stocks the major leaders. The consumer staples and consumer discretionary sectors were in the red though. Consumer spending began to suffer the knock-on effects of rising interest rates and higher production costs being passed through into higher consumer prices. Having said this, macroeconomic data were on the positive side, with industrial production showing a sharp improvement despite the Omicron hit.

Japanese equities also made gains, as the Bank of Japan (BoJ) held steady on monetary policy. In a largely expected decision, the central bank kept its interest rate targets unchanged but warned of heightening growth risks emanating from the Russian-Ukraine war. Additionally, the BoJ downgraded its economic assessment just two months after it was upgraded, due to surging Omicron Covid-19 variant cases. A rise in the inflation figures also clearly demonstrated signs of growing inflationary pressure from higher energy costs.

Australian stocks continued to benefit from rising commodity prices, experiencing its longest rally since December 2020. This put the nation's benchmark index less than 2% shy of its all-time high set in August. The labour market continued to improve too, with the unemployment rate falling to just 4.0%

Emerging Markets

- Emerging markets underperforms developed markets
- Russia/Ukraine conflict continues to strain commodity supplies
- Latin American markets enjoy strong gains thanks to higher commodity prices

Emerging market equities fell over the course of the month, underperforming developed markets and the world, despite the strong gains made by the Latin America region. Performance was broadly stunted by the increasing inflationary environment, rising interest rates, and rising input costs, as well as renewed Covid clusters in Asia, notably in China. Latin America posted strong returns, while Asia lagged. The EMEA ex. Russia region performed well after Russia's exclusion from the MSCI index.

The escalation of the conflict between Russia and Ukraine has led to emerging market nations facing higher input costs as commodity prices soar. This is because the two countries are the leading exporters of a variety of commodities including crude oil, gas, wheat and nickel. High inflation has prompted some central banks, such as Brazil, Mexico and South Africa, to raise interest rates. This will increasingly weigh on growth though, which is already showing signs of slowing.

Nonetheless, commodity exporters have outperformed considerably, notably those native to Latin America. Russia's invasion of Ukraine continued to squeeze global supplies of key commodities, with the prices of the region's top exports, whether oil, copper, soybeans, corn or iron ore, being pushed up. This is generating strong cashflows and rejuvenating the region's economies. Moreover, the jump in commodity exports provided support to local currencies, all while stock valuations remain attractive.

In fact, the three best EMs were in Latin America: Brazil and Colombia with equal gains, followed by Peru. Brazil's currency continued to appreciate, leading to large inflows of foreign capital. The increasing commodity prices and the highest interest rate among EMs has boosted both currency and economic activity, particularly trade balance. But, with the Selic rate (the base policy interest rate) now sitting at 11.75%, there's talk of the hiking cycle coming to an end.

Chinese markets were impacted by the resurgence of Covid-19 cases. Sentiment was further weakened by the sustained regulatory pressure on internet companies. Some losses were pared though, as China's state council signalled efforts to keep its stock market stable and policy support to improve growth. Nonetheless, China finished the month as the second worst performing emerging market, ahead of Egypt. Elsewhere in Asia, India and Indonesia ended the month positive, while Taiwan, Thailand and South Korea all lagged.

Brent oil touched $138 per barrel as the Russian invasion of Ukraine intensified, and EU support grew for a full ban on Russian oil imports. The oil prices retracted from the highs as hopes increased for de-escalation in the war, Chinese demand got affected due to the ongoing COVID-19 lockdowns and the US officially confirmed the release of roughly a million barrels of oil a day for six months (180 million in total) from its strategic reserves to combat the rising energy prices. Commodity prices continued to shoot up, with nickel up more than 30% and iron ore rallying by 18%. Gold prices also rose, as high inflation and geopolitical tensions supported the demand for perceived "safe-haven" assets.

Fixed Income

- Sovereign bonds weaken as US and UK raise interest rates with the Federal Reserve opening the door for more aggressive action to tackle excessive inflation.
- Pressure on the ECB to act grows as eurozone inflation rises to record 7.5% in March.
- Negative month for corporate bonds with weakness led by investment grade.

It was a turbulent month for bond markets with heightened volatility spurred by strong inflation numbers, the prospect of a more aggressive tightening (raising interest rates) in the US and changes in investor sentiment related to the war in Ukraine.

Sovereign bonds sold off across the board with US treasuries recording their worst monthly performance (down 3.0%) since January 2009. The yield on the 10-year note jumped from 1.83% to 2.34%. By comparison, the yield on the 10-year UK gilt increased from 1.41% to 1.61%. In Europe, yields on 10-year German, French and Italian government bonds rose to multi-year highs.

It was also a negative month for corporate bonds with investment grade (IG), led by US dollar-denominated bonds, registering the biggest losses. While weakness in high yield (HY) was less pronounced - these bonds are less sensitive to movements in interest rates – some grades, for example ICE BofA Single B ratings, generated positive returns.

Concerns mounted that the spike in energy prices and higher interest rates could dampen economic activity. Credit spreads (the additional yield of corporate bonds over government bonds) still managed to narrow in March after a weak February.

In terms of issuance, it was a healthy month of supply for euro/sterling high grade corporate bonds. According to data from Barclays, issuance bounced back to €73.8 billion in March, with more than half of the total coming from non-financials.

In economic news the US Federal Reserve (Fed) delivered its first interest rate increase since 2018. The policy rate was increased by 0.25% from near zero with the future path of further rate hikes being reappraised following comments from the Fed Chair Jay Powell. His remarks that the "economy is very strong" and that the probability of recession is "not particularly elevated" drove market expectations that the May meeting could herald a 0.5% hike - a move last seen in 2000.

The view that the Fed won't shy away from a more aggressive approach to raising US interest rates was further endorsed by comments from an array of other Fed members. US inflation is at 7.9%, its highest rate in 40 years. The hawkish rhetoric triggered debate that US interest rates could ultimately move from a projected neutral setting in 2023 (a level that does not aid or hamper economic growth) towards a more restrictive and higher level.

This raised concerns that higher interest rates on borrowing could tilt the US economy into recession. This was accentuated in recent days by the 2-year to 10-year treasury yield curves inverting for the first time since 2019. This inversion is often cited as a possible signal that an economic downturn could be on its way, albeit with a 18-24 months' time lag.

Underlying its resolve to curb inflation, the Bank of England (BoE) raised interest rates from 0.5% to 0.75%. It became the first major central bank to bring its key policy rate to the pre-pandemic level. The BoE expects inflation to rise to about 8% in the second quarter of 2022 - and potentially higher later in the year when regulated energy prices are set to rise again.

Nonetheless, the Monetary Policy Committee's 8-1 decision to raise interest rates by only 0.25% was a small surprise, given that four members of the Committee had voted for a larger 50bps hike the previous month. But forward guidance was more measured with the Bank emphasising two-way risks around the outlook. Downside impacts to growth feature as prominently as upside risks to inflation although the bias still leans toward further interest rate increases.

Pressure on the European Central Bank (ECB) to raise interest rates grew following the release of inflation data. It showed consumer prices, driven by higher food and energy prices, rose to a record 7.5% rate in March from a year ago, well above the ECB's 2% target. While several ECB policy makers have said they expect rates to rise this year, others are worried that the war in Ukraine could push Europe into recession with the sharp rise in the cost-of-living undermining consumer confidence.

Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	2.33	1.43	0.73	0.28	0.16
US Treasuries 10 year	2.34	1.83	1.51	1.49	1.74
US Treasuries 30 year	2.45	2.16	1.90	2.04	2.41
UK Gilts 2 year	1.35	1.04	0.69	0.41	0.10
UK Gilts 10 year	1.61	1.41	0.97	1.02	0.85
UK Gilts 30 year	1.76	1.59	1.12	1.37	1.40
German Bund 2 year	-0.07	-0.53	-0.62	-0.69	-0.69
German Bund 10 year	0.55	0.14	-0.18	-0.20	-0.29
German Bund 30 year	0.67	0.42	0.20	0.28	0.26

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 March 2022. The yield is not guaranteed and may go down as well as up.

Corporate Bonds

Yield to maturity[1] (%)/Spread[2] (bps)

	Current		1 month		3 months		6 months		12 months	
£ AAA Investment Grade Corporate	2.42	84	2.20	86	1.54	58	1.38	45	1.23	46
£ AA	2.53	95	2.27	95	1.60	69	1.45	56	1.27	58
£ A	2.81	121	2.56	121	1.89	95	1.81	86	1.74	91
£ BBB	3.39	172	3.27	186	2.42	138	2.26	126	2.22	138
£ High Yield	6.28	463	6.03	470	5.03	390	4.51	353	4.55	379
£ BB	5.17	345	4.94	354	3.97	280	3.53	250	3.48	269
€ AAA Investment Grade Corporate	1.14	74	0.87	92	0.29	64	0.13	50	0.11	52
€ AA	1.04	81	0.76	98	0.21	68	0.06	56	0.02	57
€ A	1.37	110	1.09	127	0.45	86	0.30	73	0.30	77
€ BBB	1.87	151	1.61	172	0.81	113	0.63	98	0.65	106
€ High Yield	4.52	400	4.43	445	3.23	331	2.97	304	2.98	314
€ BB	3.68	312	3.55	355	2.51	260	2.23	234	2.25	245
European High Yield (inc € + £)	4.71	406	4.60	448	3.43	337	3.13	309	3.15	321

Source: Bloomberg LP, ICE BofA. Data as at 31 March 2022. The yield is not guaranteed and may go down as well as up.

[1] Yield to maturity – is the total return anticipated on a bond if the bond is held until it matures.

[2] Credit spread – difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality.

Global currency movements – figures to 31 March 2022

		Change Over:													
	Current value	1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.11	-1.4	-2.7	-4.4	-2.7	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	4.2	1.8	1.8
Euro/GB Sterling	0.84	0.8	0.1	-2.0	0.1	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	2.3	-2.6	-2.6
Euro/Swiss Franc	1.02	-0.7	-1.6	-5.3	-1.6	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.40	-2.1	1.0	2.5	1.0	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	9.73	-1.6	-2.9	-3.9	-2.9	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	13.6	-5.2	-5.2
Euro/Danish Krone	7.44	0.0	0.0	0.0	0.0	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4	0.4
Euro/Polish Zloty	4.65	-1.1	1.3	0.9	1.3	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	367.51	-1.0	-0.5	2.3	-0.5	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	121.70	5.8	5.8	9.4	5.8	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.25	-1.3	-1.0	-1.4	-1.0	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	7.1	-2.9	-2.9
US Dollar/South African Rand	14.61	-5.0	-8.3	-3.0	-8.3	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	4.74	-8.0	-15.0	-12.9	-15.0	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	15.5	9.5	9.5
US Dollar/South Korean Won	1211.90	0.8	1.9	2.4	1.9	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	28.63	2.2	3.4	2.8	3.4	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	33.26	1.8	-0.4	-1.7	-0.4	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.35	0.0	0.4	-0.2	0.4	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.76	2.1	2.9	2.5	2.9	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	-1.9	-4.4	-4.4
GB Sterling/South African Rand	19.20	-6.9	-11.0	-5.4	-11.0	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.75	3.0	3.0	3.5	3.0	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-14.2	1.8	1.8
New Zealand Dollar/US Dollar	0.69	2.6	1.8	0.7	1.8	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-0.9	6.6	6.6

Source: Bloomberg, all figures subject to rounding.

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance does not predict future returns.

Global equity and commodity index performance – figures to 31 March 2022 **(%)**

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada														
MSCI World (US$)	2.8	-5.0	2.4	-5.0	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6	16.6
MSCI World Value (US$)	2.4	-0.5	6.9	-0.5	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5	16.5
MSCI World Growth (US$)	3.3	-9.6	-2.2	-9.6	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6	16.6
MSCI World Small Cap (US$)	1.0	-6.4	-4.2	-6.4	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1	18.1
MSCI Emerging Markets (US$)	-2.3	-7.0	-8.1	-7.0	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6	18.6
FTSE World (US$)	2.7	-4.8	2.3	-4.8	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2	17.2
Dow Jones Industrials	2.5	-4.1	3.4	-4.1	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2	10.2
S&P 500	3.7	-4.6	5.9	-4.6	18.4	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	16.0
NASDAQ	3.5	-8.9	-1.2	-8.9	45.1	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7	17.7
Russell 2000	1.2	-7.5	-5.6	-7.5	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4	16.4
S&P/ TSX Composite	4.0	3.8	10.6	3.8	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5	13.0	7.2	7.2
Europe & Africa														
FTSE World Europe ex-UK €	1.2	-7.6	-0.7	-7.6	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0	21.0
MSCI Europe	1.0	-5.2	2.2	-5.2	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9	17.9
CAC 40	0.1	-6.7	2.5	-6.7	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4	20.4
DAX	-0.3	-9.3	-5.5	-9.3	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1	29.1
Ibex 35	-0.3	-2.6	-2.9	-2.6	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2	2.2
FTSEMIB	-1.5	-8.1	-1.4	-8.1	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	20.4	12.2	12.2
Swiss Market Index (capital returns)	1.5	-5.5	4.5	-4.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9	14.9
Amsterdam Exchanges	-0.7	-9.0	-5.4	-9.0	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0	14.0
HSBC European Smaller Cos	-1.0	-12.6	-11.0	-12.6	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	34.9	22.2	22.2
MSCI Russia (US$)	-100.0	-100.0	-100.0	-100.0	-11.6	52.7	0.5	6.1	55.9	5.0	-46.0	1.3	14.3	14.3
MSCI EM Europe, Middle East and Africa (US$)	-11.3	-23.4	-25.6	-23.4	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1	25.1
FTSE/JSE Africa All-Share (SA)	0.0	4.1	19.8	4.1	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7	26.7
UK														
FTSE All-Share	1.3	0.5	4.7	0.5	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3	12.3
FTSE 100	1.4	2.9	7.8	2.9	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0	10.0
FTSE 250	0.6	-9.5	-7.3	-9.5	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1	26.1
FTSE Small Cap ex Investment Trusts	0.6	-6.5	-7.0	-6.5	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3	36.3
FTSE TechMARK 100	-5.6	-12.3	-14.8	-12.3	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0	23.0
Asia Pacific & Japan														
Hong Kong Hang Seng	-2.8	-5.7	-10.1	-5.7	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4	27.4
China SE Shanghai Composite (capital returns)	-6.1	-10.6	-8.8	-10.6	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8	5.8
Singapore Times	5.4	9.6	11.5	9.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3	23.3
Taiwan Weighted (capital returns)	0.4	-2.7	4.8	-2.7	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9	12.9
Korean Composite (capital returns)	2.2	-7.4	-8.9	-7.4	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7	10.7
Jakarta Composite (capital returns)	2.7	7.4	12.5	8.4	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9	12.9
Philippines Composite (capital returns)	-1.5	1.1	3.6	2.0	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0	33.0
Thai Stock Exchange	1.1	3.2	6.7	3.2	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4	40.4
Mumbai Sensex 30	4.1	0.7	-0.6	0.7	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0	28.0
Hang Seng China Enterprises index	-6.2	-8.6	-13.7	-8.6	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7	19.7
ASX 200	6.9	2.2	4.4	2.8	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2	22.2
Topix	4.2	-1.3	-3.0	-1.3	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9	20.9
Nikkei 225 (capital returns)	4.9	-3.4	-5.5	-2.6	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9	22.9
MSCI Asia Pac ex Japan (US$)	-0.6	-5.6	-6.2	-5.6	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	4.1	23.2	23.2
Latin America														
MSCI EM Latin America (US$)	13.1	27.3	24.2	27.3	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8	8.8
MSCI Mexico (US$)	9.3	8.7	15.6	8.7	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1	29.1
MSCI Brazil (US$)	14.9	36.0	27.5	36.0	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2	0.2
MSCI Argentina (US$)	15.5	18.8	18.3	18.8	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1	-37.1
MSCI Chile (US$)	11.4	29.9	18.4	29.9	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3	8.3
Commodities														
Oil - Brent Crude Spot (US$/BBL)	5.7	37.6	35.3	37.6	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1	4.1
Oil - West Texas Intermediate (US$/ BBL)	4.8	30.3	33.7	30.3	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1	-7.1
Reuters CRB index	9.7	27.1	29.1	27.1	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3	-3.3
Gold Bullion LBM (US$/Troy Ounce)	1.7	7.5	11.4	7.5	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7	5.7
Baltic Dry index	15.6	6.4	-54.4	6.4	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8	-59.8

Source: Blomberg, total returns in local currency unless otherwise stated.

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Footnotes

[1] An inverted yield curve could be a signal that a recession is on the way. A yield curve is the relationship between short and long-term interest rates of fixed income securities issued by the US Treasury, like treasury bonds and certificates of deposit. Typically, it slopes upwards because long-term securities tend to have higher interest rates than short term ones. But when the opposite happens, the curve inverts.

Risk warnings

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.