Monthly Market Roundup
covering May 2022

Overview

- European shares ended lower in May as record eurozone inflation, the prospect of interest rate hikes, and slowing growth all dampened investor sentiment.
- There was better news in UK and Asian equity markets which edged up. US markets, bar the tech-heavy NASDAQ index, also rose as investors were boosted by a small fall to inflation figures compared to last month.
- The US Federal Reserve (Fed) raised US interest rates by its largest increase in more than 20 years. The Chair Jerome Powell strongly signalled that there would be two further 50 basis points rate hikes in June and July.

Global equity markets had a mixed month. European markets fell but there were modest gains in Asia, the US (excluding NASDAQ) and UK. Emerging markets in Latin America were the strongest performers. Inflation continues to haunt markets. It hit a record 8.1% in the Eurozone and a forty-year high in the UK. There was better news in the US which recorded a drop in inflation for the first time in eight months. Recession fears persist across developed markets with interest rate rises forecast.

Europe

Rising inflation, the threat of interest rate rises and slowing growth all dampened investor sentiment, meaning European markets ended May down.

Having held off for some time, European central bank policymakers have agreed now that interest rate hikes are needed. These are likely to happen in July and September, to help control record inflation.

In politics, Portugal's finance minister pledged to cut debt in the face of higher borrowing costs. The German finance minister has urged the EU to rein in public spending and Finland and Sweden have formally applied to join NATO.

The UK

The UK equity market finished modestly up in May, though slowing growth and high inflation continue to be areas of concern.

UK unemployment fell to its lowest level in nearly 50 years in the three months to March. There were also less people out of work than job openings for the first time on record.

As the cost-of-living crisis rages on, chancellor Rishi Sunak announced a £15bn support package to help people with their energy bills.

The US

US markets rose slightly to ended fractionally up, thanks to a V-shaped recovery through to the end of the month.

Commodities, like wheat and oil performed well but concerns over Covid restrictions in China, global rising inflation and macroeconomic risks of the Ukraine war remain.

Inflation did fall relative to last month but was still above expectations. This did spark hope among investors that the systematic risk might have reached it's peak and a disinflationary trend may now follow.

Asia

Following a similar path to the US, Asian markets finished May with marginal gains, ending a three-month losing streak.

An improving Covid situation helped ease some of the pressure. US President Joe Biden also announced that he's considering removing some of the tariffs on Chinese imports which contributed to the recovery. This positive impact was felt in Hong Kong too.

Taiwanese, Korean, Indian and Australian equities all ended slightly down. In Australia, this was largely because the Reserve Bank of Australia increased interest rates for the first time since 2020, and further increases are expected.

Emerging Markets

There were small gains in Emerging markets, but these regions outperformed developed markets in May, led by Latin America.

Though EM EMEA underperformed, this was offset by impressive gains in EM Latin America where all countries finished up, except Peru. EM Asia remained flat with India significantly underperforming the rest of the region.

Chile, Colombia and Brazil posted the biggest gains, while Hungary, the United Arab Emirates (UAE) and Egypt lagged the most.

Fixed income

Difficult times persist for bond markets as pressure continues to build on central banks to hike interest rates to control inflation.

As expected, the US Federal Reserve (Fed) raised rates by 0.5%, the largest increase in some 20 years, with more anticipated. In the UK, the Bank of England (BoE) raised rates from 0.75% to 1.0% as inflation is expected to hit 10% later in the year.

Corporate bond markets had a mixed month. Investment grade and high yield bonds in the UK and Europe registered negative returns, but those in the US delivered gains.

Environmental, Social and Governance

May saw strong support for environmental and social (E&S) shareholder proposals continue as the proxy voting season wound down. Investors showed their conviction that these issues need to be managed properly.

Elsewhere, the regulatory focus on climate risk continues as the Bank of England released its Biennial Climate Exploratory Scenario. This saw 20 of the UK's largest banks and insurers take on their most thorough climate stress test to date.

Focus on fund disclosures and labelling notched up as the Securities and Exchange Commission (SEC) entered the fray with their own take on ESG product disclosures and labelling. This has followed a similar pattern to the EU's Sustainable Finance Disclosures Regime, where each development caused more confusion than clarity for the market.

Europe

- Inflation hits a new record
- Interest rate hike increasingly likely in July
- EU agrees ban on majority of Russian oil imports

European shares ended lower in May as rising inflation, the prospect of interest rate hikes, and slowing growth all dampened investor sentiment. From a sector perspective, energy continued its rally, driven by surging oil and gas prices, whilst consumer staples, health care and technology all detracted significantly.

Eurozone inflation hit a record 8.1% in the year to May, setting a new high and putting further pressure on the European Central Bank (ECB) to tighten monetary policy by raising interest rates. The increase was driven by rises in energy prices, food, alcohol and tobacco.

Locally, inflation hit a record high in Germany at 8.7%, as well as rising in France, Spain and Italy, which has prompted local governments to announce measures to offset the impact on households and businesses.

ECB policymakers agreed that a rise in interest rates is needed with rate hikes likely in July and September. How much they increase by remains to be seen. ECB chief economist Philip Lane has said a quarter-percentage point interest rate rise is the benchmark pace, despite other members of the ECB's governing council calling for a half a percentage point rise, similar to the US Federal Reserve.

The news sent Germany's 10-year Bund yield higher as the euro hit its highest level in a month against the dollar.

EU leaders agreed a ban on most Russian oil imports. However, the ban contains a temporary exemption for oil delivered from Russia by pipeline. This is so that Hungary, Slovakia and the Czech Republic have time to find alternative sources.

The flash purchasing managers' composite index for the eurozone fell to 54.9 in May from 55.8 in April. This showed business activity slowed but was still relatively strong (a number above 50 indicates growth). The fall was driven largely by the sharp rise in the cost of living, which has dampened consumer spending, as well as a shortage of raw materials, holding back expansion in manufacturing.

In political news, Portugal's finance minister pledged to cut its debt to prevent higher borrowing costs hitting the wider economy. The country's public debt is the third highest in the eurozone after Greece and Italy.

German finance minister Christian Lindner urged the EU to rein in public spending as the EU announced that the Stability and Growth Pact (a core fiscal rule) was to be suspended for an extra year. Finland and Sweden formally submitted applications to join NATO, although this could be delayed by a veto from Turkey who has accused both countries of harbouring terrorists.

"Locally, inflation hit a record high in Germany at 8.7%, as well as rising in France, Spain and Italy, which has prompted local governments to announce measures to offset the impact on households and businesses.

UK

- UK inflation reaches its highest level in over 40 years
- Bank of England raises interest rates again
- UK unemployment falls to its lowest level in nearly 50 years

The UK equity market closed the month modestly higher amid concerns around slowing growth and high inflation as the cost-of-living crisis continued to impact UK households.

The Bank of England raised interest rates to 1%, its highest level since February 2009, and warned that the UK could suffer a recession later this year. The governor, Andrew Bailey, said that there would be a sharp slowdown as higher energy prices affected households. Following this outlook, financial markets are now expecting fewer interest rate rises for the rest of the year.

UK inflation was 9% in April, its highest level in over 40 years, up from 7% in March. The increase in the energy price cap was the main driver but prices climbed in almost all sectors. The Bank of England expects inflation to peak at 10% in the autumn as rising energy prices, the invasion of Ukraine and China's zero-Covid policy all add to the inflationary pressures.

Data from the Office for National Statistics showed UK gross domestic product declined 0.1% between February and March, which was below consensus estimates. However, over the first quarter of the year, the UK economy still expanded by 0.8%, driven by strong growth in January. With high inflation and economic growth prospects deteriorating, the UK appears to be entering a period of stagflation.

UK unemployment fell to 3.7%, its lowest level in nearly 50 years in the three months to March, as job vacancies rose to a new high of 1.3 million. There were fewer people out of work than there were job openings for the first time on record. The employment rate rose to 75.7%, an increase from 75.6% on the quarter.

Figures compiled by advisory services group KPMG with the British Retail Consortium showed UK retail sales fell in April, likely impacted by consumer confidence and people spending less on discretionary goods. The retail sector faces a tough time as stores face spiralling cost pressures from all directions.

The government announced its legislative programme for the coming year at the Queen's Speech, which was delivered by Prince Charles. It included plans to support UK economic growth and a levelling-up and regeneration bill. Meanwhile, chancellor Rishi Sunak announced a £15bn support package, part funded by the energy profit levy, to help ease the cost-of-living crisis by supporting people with their energy bills.

“

UK unemployment fell to 3.7%, its lowest level in nearly 50 years in the three months to March, as job vacancies rose to a new high of 1.3 million. There were fewer people out of work than there were job openings for the first time on record.

US

- US equities advance modestly despite continued macroeconomic risks
- Biggest increase in interest rates in more than two decades
- High-growth sectors continued to struggle

US equity markets marginally rose over the course of May thanks to a V-shaped recovery in the latter half of the month. Of the three major indices, the NASDAQ composite, the technology-heavy index, was the only one to retreat, as the market continues to experience a rotation towards more 'value' names, and away from high growth companies.

The key macroeconomic risks of war in Ukraine, rising global interest rates and Covid restrictions in China remained, but commodities continued to perform well, with oil and wheat prices key drivers.

Equities got off to a rocky start as risk-off sentiment continued among investors concerned by the increasingly aggressive monetary policy imposed by the US Federal Reserve (Fed) in order to temper surging inflation.

Recession fears persisted, as the Federal Open Market Committee (FOMC) raised its key interest rate – the federal funds rate – by 0.5%, the biggest increase in more than two decades. It also outlined its plans to start winding down its $9 trillion balance sheet by $47.5 billion a month, beginning in June, in a bid to reduce liquidity in the system and tame inflation.

With yields rising, bonds continue to become more attractive investments than higher risk stocks, and high-growth sectors such as technology continued to lose their appeal as their valuations are increasingly stunted by higher discount (interest) rates.

On the positive side, US equities did bounce back in the latter stages of the month, as traders scaled back interest rate-hike expectations, which saw stocks rise, fuelling a drop in Treasury yields. The S&P 500 index snapped its longest losing weekly streak in a decade.

Some optimism was also taken from improved sentiment towards China, partly spurred on by President Joe Biden's statement that he is considering removing some of the tariffs on Chinese imports.

Macroeconomic data was on the positive side; the labour market remained solid, with 406,000 new jobs created, and the unemployment rate remained flat at 3.6%.

Inflation did drop relative to last month, however it came in higher than expected at 8.3% year-on-year, with rising food and energy prices the root cause. With this being the first decline of month-on-month US inflation in eight months, investors are hoping that this systematic risk has reached its peak and that we will now be seeing a disinflationary trend.

Asia

- Asian equity markets marginally advance
- Improving China sentiment sparks recovery
- Indian equities unsettled by surprise central bank tightening

Equity markets in Asia inched forward over the month, following a similar path to the US markets.

China ended its three-month losing streak in May thanks to improving market sentiment, as positive news flow reassured investors.

The Chinese government's efforts to cushion the current economic growth slowdown sparked a moderate recovery. This was also driven an improving Covid situation (Shanghai reopening expectations and reduced mobility restrictions in light of easing Omicron cases). Biden's statement that he is considering removing some of the tariffs on Chinese imports contributed to a more positive outlook too.

This news flow also benefitted Hong Kong equities.

Taiwanese equities, particularly the technology sector, remained under pressure for most of the month. This was amid demand concerns from lockdowns in China and macroeconomic concerns of higher inflation and rising global interest rates. However, technology staged a rebound of around 10% towards the end of the month on reports of easing restrictions in Shanghai.

Equities in Korea ended the month slightly weaker amid continued macroeconomic headwinds. The market staged a recovery near month-end, buoyed by the alleviation of the Covid situation in China, early signs of easing supply chain issues, reopening and new investment plans from the country's auto, battery, solar and tech companies.

India faced another weak month, as the Reserve Bank of India (RBI) surprised the market by raising the repo rate – the rate at which it lends money to commercial banks – by 0.4% to 4.4%, for the first time in two years as it attempts to rein in high consumer prices. The RBI also announced a 0.5% increase in percentage of cash that banks need to keep in reserve against their total deposits (cash reserve ratio) to suck out excess liquidity in the system, as inflation sits at an 18-month high.

Turning towards the Pacific markets, Japan advanced modestly, whereas Australia's equity markets declined after the Reserve Bank of Australia hiked interest rates for the first time since 2020, with further increases expected. The result of the Australian Federal election, which saw Labor Party leader Anthony Albanese come out as victor, did spark a modest recovery however.

Emerging Markets

- Emerging Markets (EM) posts small gains and modestly outperforms developed markets
- Latin America the main driver of gains
- Relief taken from improving China sentiment

Emerging equity markets posted small gains, outperforming developing markets. Impressive returns in the Latin America region offset the underperformance of EM EMEA (Europe, Middle East and Africa), while EM Asia remained flat. The best markets were Chile, Colombia and Brazil, while at the other end, Hungary, the United Arab Emirates and Egypt were the biggest laggards.

Equities tumbled at the start of the month as the expectations of aggressive policy tightening (raising interest rates) by the US Federal Reserve (Fed) and concerns over China's economic growth weighed on risk sentiment.

However, this was halted after the Fed chair Jerome Powell pushed back against the speculation of more aggressive interest rate increases. A small rally in the latter stages of the month was ignited by market sentiment turning positive on Chinese equities. This was due to the government's efforts to cushion their current economic growth slowdown, an easing of the Covid crisis in China and Joe Biden's statement that he is considering removing some of the tariffs on Chinese imports.

Latin America was the top global performer, with all countries posting positive returns, except for Peru, and all currencies appreciating. The best market in EM, Chile, advanced strongly as constitutional changes left the most unorthodox policies out and reduced the political overhang that has haunted the country for the last two years. Colombia's outperformance meanwhile predominantly came after the first round of elections held near month-end.

EM Asia was flat, despite India underperforming the broader market considerably. The Reserve Bank of India (RBI), in a surprise move, hiked policy rates by 0.4% after having kept rates unchanged in the April meeting where it had raised inflation forecasts and lowered growth outlook. The combined positive gains of Taiwan, Thailand, South Korea, Philippines and China were able to offset India's weakness.

“

Latin America was the top global performer, with all countries posting positive returns, except for Peru, and all currencies appreciating.

Fixed Income

- UK and Europe grapple with rising inflationary pressures
- Interest rates raised in the UK and US with more in the pipeline despite recessionary fears
- Eurozone inflation hits 8.1%, putting more pressure on the ECB to also raise rates.

Bond markets continued to face headwinds as central banks came under renewed pressure to raise interest rates to counter rising inflation. This was despite concerns such moves could hamper economic growth and even push major economies into recession.

This 'inflation versus growth' battle triggered sharp movements in government bond prices with the yield on the US treasury 10-year note hitting 3.20% at one stage before closing the month 9 basis points lower at 2.84%.

This meant that treasuries delivered their first monthly gain, albeit a modest 0.06% return, since November 2021. While the prospect of a possibly less aggressive hiking cycle from the US Federal Reserve (Fed) was supportive for treasuries, sovereign bonds in Europe lost ground with UK gilts and German bunds returning -3.12% and -1.73% respectively.

As widely expected, the Fed raised US interest rates by 50 basis points (0.5%) - its largest increase in more than 20 years - bringing the Fed's key rate up to a range of 0.75% to 1.0%.

Fed chair Jerome Powell strongly signalled that there would be two further 50 basis points rate hikes in June and July, pushing back on expectations that the central bank could vote for more aggressive rate increases of 75 basis points.

The Bank of England (BoE) raised interest rates from 0.75% to 1.0% to tackle spiralling inflation and in a revised forecast expects inflation to rise above 10% later this year, the highest level since 1982. The Monetary Policy Committee voted 6-3 for the 25-basis points hike. A minority called for a bigger increase to 1.25% to stamp out the risk of higher inflation getting embedded in the economy.

With the war in Ukraine stoking energy and food prices, eurozone inflation accelerated to a record high of 8.1% in May, piling pressure on the European Central Bank (ECB) to start raising interest rates.

Divisions remain over the pace of monetary tightening with some policymakers worried about the risk of tipping the region into a recession given the sharp rise in the cost of living for many consumers. However, markets are pricing in a series of ECB rate increases this year, starting in July.

It was a mixed month for corporate bond markets with investment grade and high yield bonds in the UK and Europe registering negative returns, whereas those in the US delivered gains. High yield bonds in the UK and Europe displayed similar weakness although this varied across maturities. In the US, better quality high yield bonds outperformed those further down the ratings scale.

Environmental, Social and Governance

- There's strong support for environmental and social (E&S) shareholder proposals in the wake of the proxy voting season
- Regulatory focus on climate risk continues
- Focus on fund disclosures and labelling notched up as the Securities and Exchange Commission (SEC) gave their take on this area.

With the bulk of AGM proxy voting season behind us in May, strong support for E&S shareholder proposals continues. This is underpinned by investors conviction that these pressing risks and opportunities need to be managed appropriately.

In the US, there was an increase in the number of E&S shareholder proposals on the ballot this year compared to last year. This was in part because of changes in the SEC's position on social policy issues.

Regulatory focus on climate risks continues with the publication of the Bank of England's Biennial Climate Exploratory Scenario in May. This saw 20 of the UK's largest banks and insurers undertake the most detailed and thorough climate stress test to date. The Bank of England underscored the importance for firms to further develop their climate risk management capabilities.

The work by the Bank of England will also feed into broader reflections on how climate risk should be factored into the prudential regime, which is a topic also being explored by the European Banking Authority and the Network for Greening the Financial System.

As a result, large institutional investors continued to dial up expectations in their voting policies and engagements with investee companies to focus on climate risk management and reporting. This will help to ensure corporate accountability and real-world outcomes.

Funds disclosures and labelling also ticked up a notch with the SEC entering the fray with their own take on ESG product disclosures and labelling. This follows on from the EU's Sustainable Finance Disclosures Regime, where each new pronouncement from the European authorities seems to generate more rather than less confusion for the market.

The UK is also developing its own labelling and disclosure regime and more details should be published in the summer.

Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	2.56	2.71	1.43	0.57	0.14
US Treasuries 10 year	2.84	2.93	1.83	1.44	1.59
US Treasuries 30 year	3.05	3.00	2.16	1.79	2.28
UK Gilts 2 year	1.59	1.59	1.04	0.48	0.06
UK Gilts 10 year	2.10	1.91	1.41	0.81	0.80
UK Gilts 30 year	2.39	2.04	1.59	0.85	1.30
German Bund 2 year	0.50	0.26	-0.53	-0.74	-0.66
German Bund 10 year	1.12	0.94	0.14	-0.35	-0.19
German Bund 30 year	1.38	1.09	0.42	-0.06	0.37

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 May 2022. The yield is not guaranteed and may do 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	2.96	97	2.80	96	2.20	86	1.29	57	1.19	48
£ AA	3.10	110	2.93	108	2.27	95	1.40	68	1.21	57
£ A	3.45	143	3.25	139	2.56	121	1.73	97	1.65	90
£ BBB	4.04	202	3.86	194	3.27	186	2.26	141	2.14	133
£ High Yield	7.46	560	6.74	488	6.03	470	5.06	418	4.48	369
£ BB	6.37	444	5.80	389	4.94	354	3.98	304	3.41	262
€ AAA Investment Grade Corporate	1.80	87	1.60	85	0.87	92	0.22	73	0.16	49
€ AA	1.76	100	1.52	94	0.76	98	0.15	76	0.06	55
€ A	2.14	137	1.88	129	1.09	127	0.42	98	0.32	74
€ BBB	2.71	189	2.41	175	1.61	172	0.78	126	0.67	101
€ High Yield	5.64	474	5.31	454	4.43	445	3.41	371	2.94	303
€ BB	4.65	374	4.41	361	3.55	355	2.61	290	2.25	238
European High Yield (inc € + £)	5.83	484	5.46	457	4.60	448	3.59	376	3.10	310

Source: Bloomberg LP, ICE BofA. Data as at 31 May 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 May 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	1.07	1.8	-4.3	-5.3	-5.6	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	4.2	1.8	1.8
Euro/GB Sterling	0.85	1.6	1.9	-0.1	1.2	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	2.3	-2.6	-2.6
Euro/Swiss Franc	1.03	0.3	0.1	-1.1	-0.8	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.48	1.2	-1.4	2.4	1.8	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	10.07	1.8	1.9	-1.7	0.5	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	4.58	-2.2	-2.5	-1.6	-0.1	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	397.27	5.1	7.0	8.9	7.6	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	128.67	-0.8	11.9	13.7	11.8	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.26	-1.6	-0.2	-1.0	0.1	-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	15.64	-0.9	1.7	-1.5	-1.9	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	4.73	-4.8	-8.1	-15.8	-15.1	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	1237.50	-1.5	2.9	4.2	4.1	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	29.05	-1.5	3.7	4.5	4.9	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	34.22	-0.1	4.7	1.5	2.4	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.37	-1.0	1.1	0.3	1.5	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.79	-0.2	6.5	5.5	7.3	-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	19.72	-0.8	-4.4	-6.7	-8.6	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.72	1.6	-1.2	0.7	-1.2	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	0.65	0.9	-3.8	-4.5	-4.6	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 May 2022 (%)

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada														
MSCI World (US$)	0.1	-5.6	-9.0	-12.8	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6	16.6
MSCI World Value (US$)	2.2	-0.5	3.1	-3.3	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5	16.5
MSCI World Growth (US$)	-2.2	-11.0	-20.5	-22.1	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6	16.6
MSCI World Small Cap (US$)	-0.2	-7.0	-10.6	-13.8	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1	18.1
MSCI Emerging Markets (US$)	0.5	-7.2	-10.0	-11.7	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6	18.6
FTSE World (US$)	0.3	-5.4	-8.4	-12.3	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2	17.2
Dow Jones Industrials	0.3	-2.1	-3.4	-8.4	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2	10.2
S&P 500	0.2	-5.2	-8.9	-12.8	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0	16.0
NASDAQ	-1.9	-11.9	-21.9	-22.5	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7	17.7
Russell 2000	0.1	-8.7	-14.7	-16.6	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4	16.4
S&P/ TSX Composite	0.1	-1.1	1.8	-1.3	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 €	-1.0	-1.1	-5.0	-9.7	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0	21.0
MSCI Europe	-0.6	-0.1	-1.0	-6.2	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9	17.9
CAC 40	0.5	-0.7	-1.4	-7.4	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4	20.4
DAX	2.1	-0.5	-4.7	-9.4	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1	29.1
Ibex 35	3.2	5.6	8.5	3.2	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2	2.2
FTSEMIB	2.5	-1.2	-2.3	-7.8	-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)	-4.3	-3.1	-4.5	-7.4	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9	14.9
Amsterdam Exchanges	1.0	-1.1	-6.9	-9.3	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0	14.0
HSBC European Smaller Cos	-0.6	-9.1	-15.4	-19.8	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	34.9	22.2	22.2
MSCI Russia (US$)	0.0	-100.0	-100.0	-100.0	-11.6	52.7	0.5	6.1	55.9	5.0	-46.0	1.3	14.3	14.3
MSCI EM Europe, Middle East and Africa (US$)	-6.2	-15.9	-26.1	-27.4	-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)	-0.4	-4.0	4.7	-0.1	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7	26.7
UK														
FTSE All-Share	0.7	2.3	6.2	1.5	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3	12.3
FTSE 100	1.1	3.3	9.8	4.8	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0	10.0
FTSE 250	-1.1	-2.3	-8.2	-12.1	-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	-1.9	-2.2	-3.9	-9.1	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3	36.3
FTSE TechMARK 100	1.2	-4.7	-6.2	-11.5	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	2.2	-4.8	-7.9	-7.6	-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)	4.8	-7.8	-10.4	-12.3	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8	5.8
Singapore Times	-2.8	1.6	8.7	5.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3	23.3
Taiwan Weighted (capital returns)	1.3	-4.5	-3.2	-7.5	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9	12.9
Korean Composite (capital returns)	-0.3	-0.3	-3.9	-9.6	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7	10.7
Jakarta Composite (capital returns)	-1.1	3.8	9.4	10.2	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9	12.9
Philippines Composite (capital returns)	0.6	-7.3	-5.9	-3.7	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0	33.0
Thai Stock Exchange	0.1	-0.1	7.8	2.0	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4	40.4
Mumbai Sensex 30	-2.2	-0.7	-1.9	-4.0	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	2.1	-7.1	-10.9	-9.5	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7	19.7
ASX 200	-2.6	3.2	1.4	-0.6	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2	22.2
Topix	0.7	2.6	0.6	-2.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9	20.9
Nikkei 225 (capital returns)	1.6	2.8	-1.9	-4.3	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$)	0.2	-5.6	-8.6	-10.4	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	4.1	23.2	23.2
Latin America														
MSCI EM Latin America (US$)	8.3	6.6	27.4	20.1	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8	8.8
MSCI Mexico (US$)	5.8	2.9	15.7	2.3	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1	29.1
MSCI Brazil (US$)	8.4	7.5	33.0	27.2	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2	0.2
MSCI Argentina (US$)	3.3	3.5	14.6	6.5	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1	-37.1
MSCI Chile (US$)	18.6	17.4	25.1	36.9	-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$/BBL)	12.5	18.9	71.8	54.7	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1	4.1
Oil - West Texas Intermediate (US$/BBL)	9.5	19.8	73.3	48.9	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1	-7.1
Reuters CRB index	2.8	17.9	44.7	36.5	-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)	-3.8	-3.7	1.9	1.8	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7	5.7
Baltic Dry index	6.7	25.8	-15.0	15.7	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.

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.

Footnotes

[1] Proxy voting is where shareholders can vote on company operations and decisions to influence the way businesses are run.

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.

Important information

This document has been prepared only for those persons to whom Invesco has provided it. It should not be relied upon by anyone else. Information contained in this document may not have been prepared or tailored for an Australian audience and does not constitute an offer of a financial product in Australia. You may only reproduce, circulate and use this document (or any part of it) with the consent of Invesco.

The information in this document has been prepared without taking into account any investor's investment objectives, financial situation or particular needs. Before acting on the information the investor should consider its appropriateness having regard to their investment objectives, financial situation and needs.

You should note that this information:

- may contain references to dollar amounts which are not Australian dollars;
- may contain financial information which is not prepared in accordance with Australian law or practices;
- may not address risks associated with investment in foreign currency denominated investments; and
- does not address Australian tax issues.

Issued in Australia by Invesco Australia Limited (ABN 48 001 693 232), Level 26, 333 Collins Street, Melbourne, Victoria, 3000, Australia which holds an Australian Financial Services Licence number 239916.