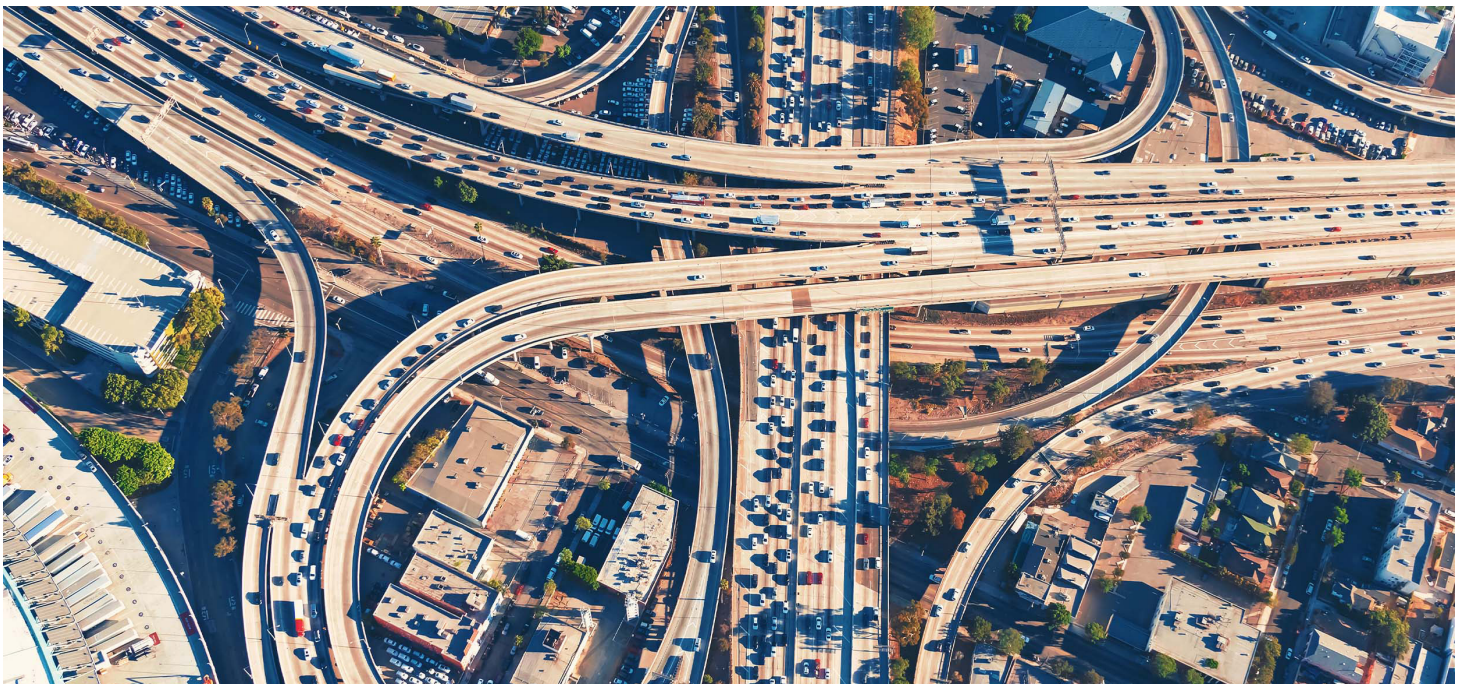
Monthly Market Roundup
covering August 2023



Overview

- Global equity markets faced a tough time in August, posting widespread losses. Emerging markets underperformed developed markets.
- China's economic concerns persist as its real estate sector stalls, which is having an impact on other markets in Asia.
- UK inflation continues to fall, and GDP growth shows the economy to be resilient. Eurozone and US inflation remains sticky.

Equity markets endured a tough month in August, with both developed and emerging markets posting losses as weak economic data dragged on performance. Emerging markets underperformed developed markets. In Asia, this was largely due to concerns over the Chinese real estate sector and in Latin America, poor sector performance weighed on markets. Inflation in many regions continues to show signs of slowing down, though interest rate increases aren't yet believed to be over.

Europe

European markets ended August down. This was largely because inflation was stickier than expected, and consumer confidence fell, negatively impacting markets.

Though forecasts expected a fall in inflation over the month, it remained the same, at 5.3%. Core inflation (excluding food and fuel) did come down slightly – though overall inflation in Spain and France rose because of higher energy prices. So, the European Central Bank is expected to raise interest rates in its September meeting.

Despite weak economic growth, eurozone unemployment hit a record low, though falling vacancies in some regions indicate that there may be some weakness in the labour market.

The UK

UK equities also lost ground in August – due to mixed economic data, and the Bank of England's (BoE) continued hardline stance on interest rate rises.

Though UK inflation fell significantly again last month, the Bank is expected to announce a further 25 basis point (bps) increase in September. Inflation is now at its lowest level since February 2022.

Office of National Statistics (ONS) data showed that UK gross domestic product (GDP) grew by 0.2% in quarter two of this year, compared to the quarter before. This showed that the UK economy was more resilient than expected, beating the BoE's growth forecast.

The US

US markets declined over August, with the Dow Jones, Nasdaq and S&P500 all posting losses. This was again due to mixed economic data, and a weaker growth outlook for the economy.

US headline inflation rose slightly, while core inflation (excluding food and fuel) fell marginally. Jerome Powell, chair of the Federal Reserve (Fed) said after the Jackson Hole meeting that although down from its peak, inflation remained too high. The Fed is ready to raise interest rates again if appropriate.

After the June vote to increase the US debt ceiling, ratings agency Fitch downgraded the US credit rating from AAA to AA+. It cited "a steady deterioration in standards of governance over the last 20 years". This was largely expected, having been flagged in May, so had less of an impact on markets.

Asia

In line with other global equity markets, Asia Pacific markets also ended August down. New Zealand, China and the Philippines were among the worst performers, with all sectors also delivering negative returns.

China's economic slowdown was further compounded in August as its real estate sector stalled. Aside from that, utilities, industrials, and finance were also among the worst performers and the country entered deflation.

South Korean markets fell in line with global peers, with energy and materials lagging most. Japanese and Indian markets also fell, but to a lesser extent, faring better than others in the region. India was boosted by gains for the information technology and consumer discretionary sectors.

Emerging markets

Emerging market equities also ended the month down, underperforming developed markets. At a sector lever, consumer discretionary, communication services and utilities were most weak across emerging markets.

At a regional level, emerging markets in Latin America lagged most, with Chile, Brazil and Colombia all detracting. Mexican markets perform best – still recording losses but less so than the rest. Asian markets were negatively impacted by the stalling of the Chinese real estate sector.

Losses in emerging market Europe, Middle East & Africa (EMEA) were led by South Africa, Qatar, and Poland. Egypt, Hungary, and Turkey were the only markets to make gains, with the later boosted off the back of positive sector performances across the board.

Fixed income

Bond markets continued to have a difficult time in August. The realisation that interest rates are likely to be higher for longer led to a sell-off early in the month. Some of these losses were recovered later in the month as hopes of a more moderate economic slowdown grew.

European economic data in Europe was tempered as business activity declined more than expected in August. Though growing concerns over the near-term economic outlook provided a boost to government bonds, with German bunds returning positively. UK gilts in contrast, returned losses, due to expectations of a further interest rate hike in September.

It was a mixed month for corporate bonds. Investment grade bonds, which are more sensitive to interest rate movements, underperformed high yield bonds. US investment grade bonds were the worst performing, with sterling-denominated high-grade bonds also losing ground.

Europe

- Inflation remains unchanged.
- Unemployment at record low.
- Eurozone purchasing managers' composite index (PMI) falls.

European equity markets ended lower in August as sticky inflation and weaker consumer confidence weighed on markets. From a sector perspective, energy and health care were the best performers. Energy was buoyed by rising oil prices, whilst health care performed strongly as investors tilted towards defensive investments. Consumer discretionary was the worst performer followed by industrials on the back of falling demand in China.

Eurozone inflation remained unchanged at 5.3% in August, with consensus forecasts expecting a moderate fall. However, core inflation (which excludes energy and food) fell to 5.3%, from 5.5%. German inflation came in higher than expected at 6.4%. French inflation rose to 5.7% while Spanish inflation rose to 2.4%, both driven by higher energy prices. Consequently, the European Central Bank (ECB) is expected to raise interest rates at its next meeting in September.

Unemployment in the eurozone hit a record low despite weak economic growth. Figures from Eurostat showed the unemployment rate was 6.4% at the end of July. However, job vacancies in Germany and France fell in July, highlighting signs of weakness in the labour market becoming evident as higher interest rates start to weigh on economic activity.

The flash purchasing managers' composite index (PMI) for the eurozone fell to 47 in July, down from 48.6. The index, which measures activity at both services and manufacturing companies across the eurozone, is below 50, indicating businesses are contracting. It was also below consensus estimates. A sharper than expected fall in services activity and a continued decline in manufacturing dragged the number lower.

The German ifo Business Climate Index saw its fourth monthly decline in August as German companies become increasingly gloomy on the economic outlook. The business confidence index fell to a 10-month low as companies showed they are pessimistic about current economic conditions and the future.

Italian banks shares suffered after the government passed a one-off 40% tax on the profits banks earn from higher interest rates. The tax will apply to the income that comes from the gap between the banks' lending and deposit rates. However, after the steep falls, the finance ministry said the tax would be capped at 0.1% of assets which saw the banks recover some of the losses.

European equity markets ended lower in August as sticky inflation and weaker consumer confidence weighed on markets.

UK

- Inflation at its lowest level since February 2022.
- UK GDP grows in quarter two.
- Bank of England enacted the 14th consecutive interest rate rise.

The UK equity market closed lower in August. This followed mixed economic data and hawkish comments (advocating further interest raise increases) from the Bank of England (BoE).

In that vein, the BoE raised interest rates by 25 basis points (bps) the 14th consecutive rise as interest rates went to 5.25%. This was in line with expectations as inflation shows signs of slowing. BoE governor Andrew Bailey emphasised that interest rates would need to stay high, to bring inflation down. The BoE has forecast inflation to fall below 5% by the end of the year, with chief economist Huw Pill saying they will see the job through on bringing inflation down, even if high interest rates hurt the economy.

UK inflation continued to slow in July, falling to 6.8%, down from 7.9% in June. The figure, which was the lowest since February 2022 was helped by lower gas and electricity prices. Core inflation, which excludes energy and food prices, remained at 6.9%. The Bank of England is expected to raise interest rates by another 25 bps in September, as it continues to try and bring the rate of inflation down.

Data from the Office for National Statistics (ONS) showed UK GDP grew by 0.2% in the second quarter of the year compared to the previous quarter. This showed the UK economy was resilient despite high interest rates. The growth was higher than the 0.1% forecast by the BoE. On a monthly basis, GDP grew by 0.5% between May and June boosted by warmer temperatures, rebounding from the fall of 0.1% between April and May.

Pay grew faster than expected and hit a record high in the three months to June. According to data from the ONS, employees' regular average pay, which excludes bonuses, grew at an annual rate of 7.8% in the three months to June. This adds further pressure on pressure on the Bank of England as it tries to bring inflation under control.

Figures from the British Retail Consortium (BRC) and KPMG showed the wet weather had dampened demand in July as UK retail sales slowed. The value of retail sales rose at an annual rate of 1.5% in July, which is below the annual rate of inflation indicating that sales fell in volume terms.

UK consumer confidence rose in August, according to a survey by research group GfK. The consumer confidence index, a measure of how people view their personal finances and wider economic prospects, increased in August, recovering some of the ground it lost in July. The rise was mainly due to falling energy prices and accelerating wage growth, as the cost-of-living shows signs of easing.

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US

- US equities declined in August with all three major indices posting negative returns.
- Federal Reserve signals that inflation is still “too high”, and it remains “ready” to act to bring it within range.
- Fitch downgraded US credit rating from AAA to AA+.

US equities declined with all three major US indices (Nasdaq, Dow Jones and S&P 500) negative for the month due to mixed data and a weaker outlook on the economy. All sectors were negative with energy and health care being the only outliers.

Inflation and interest rates remained a key topic in markets and the Jackson Hole meeting at the end of August signalled that this issue would remain at the centre of discussions.

Jerome Powell, Chair of the Federal Reserve (Fed) indicated that despite signs that inflation had moved down from its peak, ‘it remained too high’. As such, the Fed remained ready to “raise rates further if appropriate”. Powell also highlighted that the Fed intends to hold rates at restrictive levels until confidence that inflation is moving in the right direction is restored.

On the data front, CPI inflation for July increased slightly from 3.0% year-on-year (y-o-y) to 3.2% with main causes being higher energy and food prices. The core CPI figure for July fell ever so slightly to 4.7% from a previous 4.8% in June.

Labour market data showed a mixed picture with payroll job gains recorded at 187,000 for July, coming in below the 200,000 consensus expectations. The unemployment rate for July dropped 10bps to 3.5% from a previous 3.6% which was just below expectations while average hourly earnings rose by 4.4% y-o-y, which was stronger than the 4.2% expectation.

July retail sales figures showed an increase of 0.7% month-on-month (m-o-m) which was stronger than the 0.4% m-o-m expectation. Gross domestic product increased at a 2.1% annualised rate last quarter, the government said in its second quarter estimate of GDP for the April-June period. That was revised down from the 2.4% pace reported last month.

Credit ratings agency Fitch downgraded US credit rating from AAA to AA+ citing:

“a steady deterioration in standards of governance over the last 20 years, including on fiscal and debt matters, notwithstanding the June bipartisan agreement to suspend the debt limit until January 2025”.

To some, this downgrade came as no surprise as it had been flagged since May, but it prompted debates on the outlook for the US and had less of an impact on the markets. Fitch is not the only agency to have the US credit rating at AA+. S&P has had the US at an AA+ rating since 2011.

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Asia

- Asia Pacific and Japan decline in line with global equity markets.
- China's recent economic slowdown amplified by real estate sector.
- Central banks in the region revised down economic growth forecasts for 2023.

Asia Pacific equity markets declined in August, in line with other global equity markets. At a country level, New Zealand, China, and Philippines were amongst the worst performers in the region. Asia Pacific saw all sectors delivering negative returns with communication services, consumer discretionary and materials the worst affected.

China's recent economic slowdown was amplified in August as the country's real estate sector stalled. The country also slipped into deflation, and it announced it would stop publishing youth employment data weeks after the gauge reached record levels.

Data released in August also showed year-on-year (y-o-y) declines in exports and industrial production. Investors focused on developments in the real estate sector, which had a series of events that seemed to epitomise the recent slowdown in the Chinese economy.

Country Garden, the biggest private developer in China missed payments on its international bonds and Zhongzhi, one of the largest wealth managers in China missed payments on its products. These events weighed on investor anxiety as this brought forward some questions of a potential spillover effect into the Chinese financial system.

Aside from real estate, utilities, industrials, and finance were amongst the biggest detractors at a sector level.

Similarly, equity markets in South Korea declined as they mirrored others in developed markets. Energy and materials were amongst the biggest detractors at a sector level alongside utilities and industrials. The Bank of Korea chose to hold rates at 3.5% for the fifth month and left its 1.4% GDP growth forecast for 2023 the same alongside an unchanged inflation forecast. Consumer confidence figures dipped slightly for the first time in six months in August amid concerns about sluggish growth. Korean exports to China, the US and the EU were down y-o-y.

Japanese equity markets fell but to lesser extent than regional peers. The Nikkei 225 declined significantly. Information technology, materials and communication services lagged at a sector level whilst utilities and energy gained. The Bank of Japan (BoJ) opted to maintain its base rate at -0.1% and left its target for 10-year yields around 0%.

The BoJ also reduced its 2023 growth forecast from 1.4% to 1.3% and raised its inflation forecast to 2.5% from 1.8%. Quarter two GDP y-o-y rose 6.0% which was higher than the 3.1% expectation and the quarter one figure was revised higher. Exports rose by 3.2% led by inbound tourism and car exports which have benefitted from a weaker yen.

Indian equity markets fell but fared better than regional and emerging market peer groups. Sector wise level energy, real estate, and communication services lagged whilst information technology and consumer discretionary posted gains. CPI inflation y-o-y for July rose to 7.4% from a previous figure of 4.9% which was above the 6.4% expectation. The y-o-y industrial output figure was 3.7% which was below the 5.0% expectation and below the previous 5.2%. Interest rates stayed the same at 6.5% which was in line with expectations.

Equity markets in Australia posted negative returns with the ASX 200 declining due to weak sector performances from utilities, consumer staples and industrials. The Reserve Bank of Australia (RBA) opted to pause rates at 4.1% for the second month citing the fact that past increases had shown signs of cooling demand.

The RBA now forecasts inflation to return to target in late 2025. Regarding data released in August, unemployment rose by 20bps from 3.5% to 3.7%. Quarter two y-o-y wage growth slowed to 3.6% compared to the 3.7% estimate raising hopes that inflationary pressures in the economy are easing.

Asia Pacific equity markets declined in August, in line with other global equity markets. At a country level, New Zealand, China, and Philippines were amongst the worst performers in the region.

Emerging Markets

- Emerging markets declined and underperformed developed markets.
- Latin American equity markets lagged their peers with Colombia, Brazil, and Chile detracting.
- Asian equity markets down on concerns about Chinese real estate.

Emerging markets equities were negative for the month and were amongst the worst performing equities. At a sector level, emerging markets saw weakness across the board with communication services, consumer discretionary and utilities amongst the worst performing sectors.

China's recent economic slowdown was amplified in August as the country's real estate sector stalled, the country slipped into deflation, and it announced it would stop publishing youth employment data weeks after the gauge reached record levels. Data released in August also showed y-o-y declines exports and industrial production. Investors focused on developments in the real estate sector which had a series of events that seemed to epitomise the recent slowdown in the Chinese economy. Country Garden, the biggest private developer in China, missed payments on its international bonds and Zhongzhi, one of the largest wealth managers in China, missed payments on its products. These events weighed on investor anxiety as this brought forward some questions of a potential spillover effect into the Chinese financial system. Aside from real estate, utilities, industrials, and finance were also amongst the biggest detractors at a sector level.

South Korean markets declined, with energy and materials the worst performing sectors. The Bank of Korea held rates at 3.5% for the fifth month and left its 1.4% GDP growth forecast for 2023 unchanged. Indian equity markets fell but were more resilient than others in the regions. Energy, real estate, and communication services lagged whilst information technology and consumer discretionary posted gains.

Latin American equities underperformed other emerging markets with Colombia, Brazil and Chile lagging the most. Weakness in Brazilian equity markets over the month was spearheaded by negative sector returns from health care, consumer staples, and industrials. The central bank also cut rates by 50bps to 13.25% and alluded to further cuts to come, citing an improving inflation outlook. Mexican equity markets declined but fared relatively better than peers in the region.

Europe, Middle East, and Africa (EMEA) lagged as whole, with equity markets in South Africa, Qatar, and Poland amongst the biggest detractors. Egyptian, Turkish and Hungarian equity markets were the only ones to finish the month positively. Turkish markets gained off the back of all-round positive sector performances, with materials and consumer discretionary being the only detractors.

Latin American equities underperformed other emerging markets with Colombia, Brazil and Chile lagging the most.

Fixed Income

- US treasuries weaken on concerns that US interest rates are set to remain higher for longer.
- Economic data from Europe downbeat with sentiment indicators pointing to a fall in business activity.
- UK wages rise at fastest annual pace since records began.

A growing realisation that US interest rates are set to remain higher for longer led to an early selloff in government bond markets. Some of these losses were erased later in the month though, as hopes of a soft landing (moderate economic slowdown) in the US gathered pace again.

While the headline number for July increased from 3.0% to 3.2%, underlying US inflation continued to decline with annual core CPI coming in at 4.7%, its fourth consecutive month of easing. In his Jackson Hole speech, Fed Chair Powell delivered a balanced speech. While mentioning that inflation "remains too high" and the Fed was "prepared to raise rate further if appropriate", he also acknowledged that inflation had moved lower.

In economic news, US quarter two GDP was revised lower to an annualised rate of +2.1% from the initial estimate of +2.4% and US consumer confidence levels dropped to a 9-month low. Rating agency Fitch downgraded the US from AAA to AA+. US treasuries returned -0.58% in August with the yield on the 10-year note rising from 3.96% to 4.11%.

Economic data from Europe was downbeat with business activity declining more than expected in August. The sharp fall in sentiment indicators - the eurozone composite PMI (purchasing managers' index) fell to 47.0 - raised hopes that the European Central Bank could keep interest rates on hold at its September's meeting, although this was tempered by CPI in the euro area rising to 5.3% in August. Growing concerns about the near-term economic outlook in the region provided support to government bonds. German bunds returned 0.36%.

By contrast, UK gilts lost ground (down 0.52%) on market expectations that the Bank of England is likely to vote for another interest rate hike in September following the 0.25% increase on 3 August. While the UK's annual inflation rate fell sharply to 6.8% in July from 7.9% in June, core CPI flatlined at 6.9% and wages grew 7.8% in the three months to June, the fastest annual rate since records began.

It was a mixed month for corporate bond markets with investment grade bonds, which are more sensitive to interest rate movements, underperforming high yield bonds. At a cohort level, US investment grade was the weakest performer, with the ICE BofA US Corporate Index returning -0.68%. Sterling-denominated high-grade bonds also lost ground - the Sterling Corporate Index returned -0.18%. By comparison, like their sovereign counterparts, euro investment grade delivered positive returns with the Euro Corporate Index gaining 0.16%. USD, GBP and EUR credit spreads widened.

High yield bonds delivered monthly gains with the ICE BofA European Currency (€/£) Index returning 0.26% and the US High Yield Index gaining 0.29%.

Aided by a late rush of supply in the final week, corporate issuance of high-grade euro/sterling bonds in August was in line with its trailing five-year average. Just under €20 billion of the total issuance of €31.4 billion came from non-financials. Sterling issuance recovered to £4.4 billion. (Data from Barclays Bank).

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Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	4.86	4.88	4.40	4.82	3.49
US Treasuries 10 year	4.11	3.96	3.64	3.92	3.19
US Treasuries 30 year	4.21	4.01	3.86	3.92	3.29
UK Gilts 2 year	5.15	5.00	4.34	3.69	3.02
UK Gilts 10 year	4.36	4.31	4.18	3.83	2.80
UK Gilts 30 year	4.61	4.46	4.52	4.14	3.08
German Bund 2 year	2.98	3.04	2.72	3.14	1.20
German Bund 10 year	2.47	2.49	2.28	2.65	1.54
German Bund 30 year	2.59	2.57	2.46	2.61	1.63

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 August 2023. 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	5.39	72	5.34	71	5.30	90	4.72	79	4.01	105
£ AA	5.61	95	5.54	91	5.45	108	4.89	97	4.19	123
£ A	6.01	131	5.94	127	5.84	143	5.33	137	4.66	168
£ BBB	6.69	197	6.60	192	6.60	215	6.06	206	5.42	243
£ High Yield	10.58	574	10.32	545	10.37	589	9.57	559	9.11	610
£ BB	8.83	391	8.68	376	8.71	415	8.15	409	7.92	491
€ AAA Investment Grade Corporate	3.38	84	3.37	77	3.32	99	3.54	77	2.47	109
€ AA	3.71	106	3.71	100	3.56	114	3.79	95	2.52	124
€ A	4.09	136	4.07	130	3.96	148	4.13	127	3.01	172
€ BBB	4.56	181	4.53	172	4.51	198	4.63	172	3.66	232
€ High Yield	7.45	450	7.41	438	7.54	483	7.33	421	6.95	553
€ BB	6.37	337	6.36	327	6.45	370	6.28	312	5.87	442
European High Yield (inc € + £)	7.78	463	7.72	450	7.85	494	7.56	435	7.17	559

Source: Bloomberg LP, ICE BofA. Data as at 31 August 2023. 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 August 2023

		Change Over:														
	Current value	1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.08	-1.4	1.4	2.5	1.3	-5.8	-6.9	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	-12.0	1.8
Euro/GB Sterling	0.86	-0.1	-0.4	-2.8	-3.4	5.2	-5.9	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	-6.5	-2.6
Euro/Swiss Franc	0.96	-0.1	-1.6	-3.9	-3.2	-4.6	-4.0	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	-2.0	-0.7
Euro/Swedish Krona	11.88	2.6	2.4	7.3	6.5	8.4	2.4	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	6.7	-3.8
Euro/Norwegian Krone	11.52	3.5	-2.8	4.9	9.8	4.7	-4.4	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	8.1	-5.2
Euro/Danish Krone	7.45	0.0	0.1	0.1	0.2	0.0	-0.1	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	-0.2	0.4
Euro/Polish Zloty	4.47	1.6	-1.1	-4.9	-4.5	2.1	0.6	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	3.2	-8.7
Euro/Hungarian Forint	381.24	-1.5	2.9	0.7	-4.6	8.2	1.8	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	6.5	-7.5
US Dollar/Yen	145.54	2.3	4.4	6.9	11.0	13.9	11.5	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	13.7	12.8
US Dollar/Canadian Dollar	1.35	2.4	-0.5	-1.0	-0.3	7.3	-0.7	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	9.4	-2.9
US Dollar/South African Rand	18.88	5.8	-4.3	2.8	10.8	6.9	8.5	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	10.3	4.7
US Dollar/Brazilian Real	4.96	4.8	-2.0	-5.4	-6.2	-5.3	7.3	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	12.7	9.5
US Dollar/South Korean Won	1322.65	3.8	-0.3	0.0	4.5	6.4	9.4	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	4.1	-7.1
US Dollar/Taiwan Dollar	31.86	1.4	3.6	4.6	3.7	11.0	-2.2	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	6.1	-3.9
US Dollar/Thai Baht	35.00	2.3	0.6	-1.0	1.1	3.6	11.5	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	0.1	-3.1
US Dollar/Singapore Dollar	1.35	1.6	0.0	0.2	0.9	-0.7	2.0	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	4.9	-5.8
US Dollar/GB Sterling	0.79	1.3	-1.8	-5.1	-4.7	12.0	1.0	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	6.3	-4.4
GB Sterling/South African Rand	23.92	4.3	-2.5	8.4	16.2	-4.6	7.4	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	3.7	9.3
Australian Dollar/US Dollar	0.65	-3.5	-0.3	-3.6	-4.8	-6.2	-5.6	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-8.3	1.8
New Zealand Dollar/US Dollar	0.60	-3.9	-0.9	-3.5	-6.0	-7.0	-5.0	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-5.1	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 August 2023 **(%)**

	1 month	3 months	6 months	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global US & Canada														
MSCI World (US$)	-2.3	7.1	11.5	16.6	-17.7	22.4	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	5.6
MSCI World Value (US$)	-2.7	7.2	3.8	5.6	-5.8	22.8	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	4.5
MSCI World Growth (US$)	-2.0	7.0	19.2	28.4	-29.0	21.4	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	6.6
MSCI World Small Cap (US$)	-3.8	7.4	1.8	9.0	-18.4	16.2	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	2.3
MSCI Emerging Markets (US$)	-6.1	3.6	3.9	4.8	-19.8	-2.3	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.0
FTSE World (US$)	-2.5	6.8	11.1	16.1	-17.5	21.0	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	4.8
Dow Jones Industrials	-2.0	6.1	7.6	6.4	-6.9	20.9	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	10.0
S&P 500	-1.6	8.3	14.5	18.7	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	13.7
NASDAQ	-2.1	8.7	23.1	34.9	-32.5	22.2	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	14.8
Russell 2000	-5.0	9.0	1.0	8.9	-20.5	14.8	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	4.9
S&P/ TSX Composite	-1.4	4.6	2.1	7.0	-5.8	25.2	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5	10.5
Europe & Africa														
FTSE World Europe ex-UK €	-2.4	2.4	3.3	12.7	-11.9	25.1	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	7.2
MSCI Europe	-2.5	1.9	2.2	11.1	-9.0	25.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	7.5
CAC 40	-2.4	3.4	3.3	16.1	-6.7	31.9	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	2.5
DAX	-3.0	1.8	3.8	14.5	-12.3	15.8	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	2.7
Ibex 35	-1.4	6.4	4.0	19.3	-2.0	10.5	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	8.5
FTSEMIB	-2.7	11.4	8.5	26.4	-9.4	26.8	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	3.0
Swiss Market Index (capital returns)	-1.6	-0.8	0.2	6.8	-16.7	20.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	9.5
Amsterdam Exchanges	-5.4	0.2	0.7	10.3	-11.4	30.5	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	8.7
MSCI EM Europe, Middle East and Africa (US$)	-2.9	5.7	8.1	6.5	-35.3	24.1	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-28.2
FTSE/JSE Africa All-Share (SA)	-4.8	0.4	-1.5	4.9	4.0	29.3	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	10.9
UK														
FTSE All-Share	-2.6	1.0	-3.4	2.5	0.2	18.3	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	1.2
FTSE 100	-2.6	1.1	-3.2	2.8	4.6	18.4	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	0.7
FTSE 250	-2.4	0.3	-4.6	1.0	-17.4	16.9	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	3.7
FTSE Small Cap ex Investment Trusts	-2.4	2.0	-3.3	2.3	-17.3	31.3	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	-2.7
FTSE TechMARK 100	-2.9	-5.3	-3.3	2.2	-7.5	13.6	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	12.3
Asia Pacific & Japan														
Hong Kong Hang Seng	-8.2	2.8	-4.4	-4.4	-12.6	-11.8	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	5.3
China SE Shanghai Composite (capital returns)	-5.1	-0.4	-2.5	3.5	-12.8	7.0	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	58.0
Singapore Times	-2.5	4.2	3.1	3.8	8.4	13.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	9.6
Taiwan Weighted (capital returns)	-2.6	3.2	10.7	21.4	-18.8	26.9	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	11.2
Korean Composite (capital returns)	-2.9	-0.5	6.4	14.8	-23.2	5.6	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	-3.5
Jakarta Composite (capital returns)	0.3	4.8	1.6	5.3	4.1	10.1	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	22.3
Philippines Composite (capital returns)	-6.3	-4.7	-5.8	-4.0	-7.8	-0.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	22.8
Thai Stock Exchange	1.1	2.6	-1.6	-4.0	3.5	17.7	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	19.1
Mumbai Sensex 30	-2.3	4.1	11.0	7.8	5.8	23.2	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	32.0
Hang Seng China Enterprises index	-8.2	5.5	-1.0	-2.8	-15.6	-21.2	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	15.5
ASX 200	-0.7	3.9	3.0	7.8	0.5	18.7	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	7.1
Topix	0.4	9.6	18.6	25.1	-2.5	12.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	10.3
Nikkei 225 (capital returns)	-1.7	5.6	18.9	26.5	-9.4	4.9	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	7.1
MSCI Asia Pac ex Japan (US$)	-6.0	2.6	1.4	2.7	-17.0	-2.5	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	3.5
Latin America														
MSCI EM Latin America (US$)	-7.2	9.4	12.6	16.0	9.6	-7.7	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-12.1
MSCI Mexico (US$)	-4.5	5.7	8.9	27.3	-1.6	22.9	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	-9.3
MSCI Brazil (US$)	-8.2	11.7	16.0	12.7	14.6	-17.1	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-13.8
MSCI Argentina (US$)	0.0	28.9	29.1	45.6	35.8	20.9	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	19.2
MSCI Chile (US$)	-9.4	3.8	-0.2	5.8	23.3	-14.7	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-12.2
Commodities														
Oil - Brent Crude Spot (US$/BBL)	2.1	20.0	5.1	7.5	5.5	49.2	-25.0	35.5	-23.7	20.9	44.8	-31.4	-47.8	-49.7
Oil - West Texas Intermediate (US$/ BBL)	2.2	22.8	8.5	4.2	4.2	58.7	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	-45.9
Reuters CRB index	0.4	12.6	7.2	5.0	22.0	38.5	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-17.9
Gold Bullion LBM (US$/Troy Ounce)	-1.4	-1.1	6.5	7.1	0.4	-4.3	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-0.2
Baltic Dry index	-3.6	11.2	9.7	-28.3	-31.7	62.3	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	-65.7

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] Yield curve control is a monetary policy tool typically aimed at keeping long-term interest rates at a certain level. It's used by central banks to manage interest rates across different maturities of government bonds. It involves targeting specific yields or interest rates on government bonds with different maturities.

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

Data as of 31 August 2023 unless stated otherwise.

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au

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