



Overview

- Interest rate rises in UK, US and Europe as inflation continues to fall.
- Global equities rose, but emerging markets were the top performers.
- European government bonds fall, corporate bond markets were up.

July saw widespread gains for equity markets around the world. Inflation looks to be moderating in the UK, US, and Europe. Not for the first time, emerging markets outperformed developed markets. Asian markets were spurred as China returned strong gains, thanks to government policy easing and the possibility of further market stimuli. Inflation in the UK fell to its lowest level in well over a year, and the eurozone returned to growth in quarter two, after two consecutive quarters of decline.

Europe

European equities put on a strong performance in July, ending the month in positive territory. The consumer discretionary and energy sectors performed best, while utilities and information technology stocks lagged.

Eurozone inflation continued to fall, hitting 5.3% in July from 5.5% in June. A slowdown in food, energy, tobacco, and alcohol prices all contributed to the decrease. The European Central Bank (ECB) increased interest rates again though, in its continued commitment to bringing inflation back to target levels.

The eurozone also returned to growth in the second quarter of the year, after a contraction in the previous two quarters. Overall, the region grew by 0.3%. On a regional level, French and Spanish markets grew, while Germany remained flat. Italy experienced a contraction.

The UK

UK markets also ended July on positive ground, boosted by better-than-expected inflation readings and upbeat corporate earnings data.

Inflation in the UK finally showed signs of easing up by falling to 7.9% in June (down from 8.7% in May). This is the lowest it's been since March 2022. The Bank of England increased interest rates by 25 basis points in August, instead of the expected 50 basis points.

Office of National Statistics (ONS) data showed that the UK economy contracted by 0.1% in May, which was less than expected. It's believed that the extra bank holiday contributed to the fall, while rising borrowing costs put extra pressure on household budgets.

The US

US markets ended the month up, with the S&P 500, NASDAQ and Dow Jones ending higher. Lower than expected inflation boosted hopes that interest rate hikes in the US would soon end.

After pausing interest rate hikes in June, the Federal Reserve (Fed) raised them in line with expectations in July, at 25 basis points. This is the highest level in 22 years.

Headline inflation data came in at 3%, which was below expectations and a big drop from the previous figure of 4%. Core inflation remained a little stickier, but markets were boosted, as hope grows for the outlook of the US economy.

Asia

Asian equity markets delivered healthy returns, with gains led by China. The gains were largely supported by government policy easing (like cutting lending rates) and market optimism around the potential for further stimuli. Positive inflation news from developed markets helped the MSCI Asia ex Japan index to post strong returns.

Indian equity markets rose over the month as the economy continued to show signs of resilience. The Mumbai Sensex 30 index was positive, with equity markets responding well to global cues. Indonesia equity markets also rose, despite mixed results on a sector level.

Despite gaining in June and being amongst some of the top performer's year to date, Japanese equities lagged. The key news out of Japan was the Bank of Japan's (BoJ) decision to allow yields to rise more freely, in other words loosening the BoJ yield curve control framework.

Emerging markets

Equity markets equities outperformed markets in the developed world in July. All regions posted positive gains with performance in emerging Europe led by Turkey, Asia driven by China and Africa and the Middle East led by South Africa.

Latin America markets were up with markets in Brazil, Chile, Mexico and Argentina all finishing the month positive. Brazilian equity markets remained resilient supported by gains in materials and energy.

After a weaker month in June, Turkish equities were up. Investor optimism improved after Turkey's central bank adopted a more mainstream approach to economic management. In Mid-July the central bank increased interest rates to 17.5%, a 2.5 percentage point rise on the previous month. Equity markets in Poland, Greece and Czech Republic were also positive in July.

Fixed income

European government bonds came under pressure, with German bunds returning -0.35% as the European Central Bank raised its deposit rate to an historic high of 3.75% and kept its options open on whether more increases will be needed to bring down inflation.

It was a positive month for corporate bond markets. Sterling credit led the gains with the ICE BofA Sterling Corporate Index returning 2.38%. By comparison, the Euro Corporate Index gained 1% and the US Corporate Index added 0.43%.

High yield bonds also delivered monthly gains with the ICE BofA European Currency (€/£) returning 1.22% and the US High Yield Index gaining 1.42%.

Europe

- Inflation continues to fall
- Eurozone grows in second quarter of year
- ECB increases interest rates

European equity markets ended higher in July as inflation continues to fall and positive economic growth figures drove equity prices higher. From a sector perspective, consumer discretionary and energy were the best performers, while utilities and information technology detracted the most from returns.

Eurozone inflation was 5.3% in July as it continued to fall, down from 5.5% in June. Energy prices fell, and a slowdown in food, alcohol and tobacco inflation also contributed. Core inflation (which excludes energy and food) remained unchanged at 5.5% though. German inflation was 6.5% whilst French inflation came in at 5.0%.

The European Central Bank (ECB) increased interest rates by 25 basis points, its ninth consecutive increase as the benchmark deposit rate went to 3.75%. ECB president Christine Lagarde indicated that the central bank had an open mind as to what would happen at its next meeting in September, as it would depend on economic data.

The eurozone returned to growth in the second quarter of this year, figures from Eurostat show. Following a mild contraction at the end of 2022 and the first quarter of 2023, the eurozone grew by 0.3% during the second quarter of this year. France grew by 0.5%, Germany was flat following two consecutive quarters of contractions and Spain grew by 0.4%. But Italy contracted by 0.3%.

The flash purchasing managers' composite index (PMI) for the eurozone fell to 48.9 in July, down from 49.9. The index, which measures activity at both services and manufacturing companies across the eurozone, is below 50, indicating businesses are contracting. The figure was below consensus estimates as sharper than expected fall in manufacturing (42.7), and a slowing services sector (which remains above 50) drives the figure down.

In the Spanish elections, the conservative People's Party (PP) won the most seats but fell short of a majority, even with the support of the far-right Vox party. Alberto Feijóo will be invited by King Felipe VI to try to form a government as he seeks support from various regional parties.



European equity markets ended higher in July as inflation continues to fall and positive economic growth figures drove equity prices higher.

- Inflation fell more than expected
- Modest fall in GDP growth in May
- Average pay continues to rise sharply

The UK equity market closed higher in July following upbeat corporate earnings and better than expected inflation numbers.

UK inflation fell more than expected in June to 7.9%, down from 8.7% in May. The figure, which was the lowest since March 2022 was helped by falling fuel prices. Core inflation, which excludes energy and food prices, fell slightly to 6.9%. The Bank of England raised interest rates by 25 basis points in August, rather than previously expected 50 basis points.

Data from the Office for National Statistics (ONS) showed UK GDP contracted by 0.1% in May, less than consensus estimates. The extra bank holiday to mark the King's coronation contributed to the fall. High inflation and rising borrowing costs continued to weigh on household finances and business activity.

Pay grew faster than expected and hit a record high in the three months to May. Employees' regular average pay, which excludes bonuses, grew at an annual rate of 7.3% in the three months to May. This adds further pressure on the Bank of England as it tries to bring inflation under control.

UK consumer confidence fell in July, shown by a survey done by research group Growth for Knowledge (GfK). The consumer confidence index (a measure of how people view their personal finances and wider economic prospects) fell for the first time since January this year. This was mainly due to rising costs of borrowing and high prices hitting consumer confidence, with the survey being done before the inflation numbers were announced.

Figures from the British Retail Consortium (BRC) and KPMG showed warm weather boosted UK consumer spending at pubs, on clothing, and at outdoor retailers in June. But the annual rate of growth in retail sales continued to lag the rate of inflation indicating that sales fell in volume terms.



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US

- US equities rose in July supported by optimism around the outlook for the US
- The Federal Reserve (Fed) raised the key policy rate by 25 basis points (bps)
- Headline inflation for June came in at 3%

All three major US indices (S&P 500, NASDAQ, and Dow Jones) closed higher in July. Lower than expected inflation boosted hopes that the US was getting to close to peak in the interest rate tightening (rising) cycle.

The S&P 500 index rose by 3.2% over the month which took the year-to-date over 20%. US equities have broadly been supported by optimism around the US economy and market hopes of a soft landing.

After leaving rates unchanged in June, the Federal Reserve (Fed) raised interest rates by 25 basis points. This saw the federal funds rate move to a new target range of 5.25% to 5.50%.

This increase came in line with market expectations and sees rates at their highest level in 22 years. The Federal Open Market Committee (FOMC) stated that inflation remained “elevated” with the labour markets “robust” and general activity in the economy expanding “at a moderate pace”. The committee did insist that it remained “attentive to inflation risk” and would “continue to assess additional information and its implications for monetary policy”.

June CPI (YoY) came in below the 3.1% expectation at 3.0%, a significant drop from the previous 4.0%. This was well received by the markets as it added to positive sentiments about the outlook for the US economy. Despite the significant drop in the headline inflation figure, core inflation remained stickier at 4.8% year on year.

US quarter two GDP quarter on quarter was announced in late July at 2.4% which was above the 1.8% expectation and above the 2.0% figure announced in Q1. This was well received by markets as it showed the US achieving stronger than expected economic growth despite the Federal Reserve’s continued interest rate hiking campaign.



US equities have broadly been supported by optimism around the US economy and market hopes of a soft landing.

Asia

- Asian equity markets rose supported by positive stimulus news out of China
- Unexpected drop in US inflation increases hopes that the Federal Reserve (Fed) is near the end of interest rate-rising cycle
- Bank of Japan to allow yields to rise more freely

Asia equity markets delivered healthy returns, with gains led by China. The rally in China was supported by government measures like policy easing (like cutting lending rates) and market stimuli aimed at boosting domestic demand and consumption.

Chinese equity markets gained, with consumer discretionary stocks and materials leading the way on a sector-level. The gains in Chinese equities were largely supported by policy easing and market optimism around the potential for further stimuli. Chinese market strength coupled with positive inflation news out of the developed market and softer interest rate expectations helped the MSCI Asia ex Japan index to post strong returns.

Indian equity markets rose over the month as the economy continued to show signs of resilience. The Mumbai Sensex 30 index was positive, with equity markets responding well to global cues. Indonesia equity markets also rose despite mixed results on a sector level. The Jakarta stock exchange composite index gained over the month.

Despite gaining in June and being amongst some of the top performer's year to date, Japanese equities lagged. The key news out of Japan was the Bank of Japan's (BoJ) decision to allow yields to rise more freely, in other words loosening the BoJ yield curve control framework. The TOPIX index gained but lagged its peers in the region and the Nikkei 225 index was slightly negative for the month.

South Korean equity markets gained supported by positive investor sentiment. Energy, materials, and industrials were amongst some of the top performing sectors. Taiwanese equity markets also posted modest gains.

Australian equity markets rose, and this was largely due to strong sector performance from energy, while health care and consumer staples lagged. The Reserve Bank of Australia (RBA) announced that there will be a new governor who will be tasked with implementing a swath of reforms and bringing inflation under control.



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Emerging Markets

- Chinese equity markets gain, supported by policy easing (like cutting lending rates) and market optimism around the potential for further stimuli
- Emerging market equities outperformed markets in the developed world
- Oil prices rise after Russia and Saudi Arabia announce production cuts

Emerging market (EM) equities outperformed markets in the developed world in July. All regions posted positive gains with performance in emerging Europe led by Turkey, Asia driven by China and Africa and the Middle East led by South Africa.

Chinese equity markets gained with consumer discretionary and material stocks leading the way on a sector-level. The gains in Chinese equities were largely supported by policy easing (like cutting lending rates) and market optimism around the potential for further stimuli. Chinese market strength coupled with positive inflation news out of the developed market and softer interest rate expectations helped to deliver strong gains for EM equity markets.

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Latin America markets were up with Brazil, Chile, Mexico and Argentina all finishing the month positive. Brazilian equity markets remained resilient supported by gains in materials and energy.

After a weaker month in June, Turkish equities were up. Investor optimism improved after Turkey's central bank adopted a more mainstream approach to economic management. In Mid-July the central bank increased interest rates to 17.5%, a 2.5 percentage point rise on the previous month. Equity markets in Poland, Greece and Czech Republic were also positive in July.

In Africa and the Middle East, South African equity markets were amongst the top performers with strong sector performances from financials and materials.

Commodities prices were positive over the month. Russia and Saudi Arabia announced oil production cuts in early July which saw oil prices rise.



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Fixed Income

- US treasuries and German bunds lose ground as Federal Reserve and European Central Bank raise interest rates by 0.25 percentage points
- UK gilts deliver positive returns, drawing support from a larger than expected drop in UK inflation
- Bank of Japan takes a step towards policy normalisation

US Federal Reserve increased interest rates by 25 basis points, taking the federal funds rate to a new target range of 5.25% to 5.50%, its highest level in 22 years. The Federal Open Market Committee (FOMC) declined to provide any clear signal about its intentions for the September meeting.

But, in a sign that higher borrowing costs are bearing fruit, the US inflation rate dropped more than expected from an annual 4% to 3%. The figure tallied with a slowdown in the growth of new jobs with the payrolls number for June coming in at 209,000, the lowest since December 2020.

Hopes that the Federal Reserve may embark on interest rate cuts anytime soon, though, were diluted by strong quarter two (Q2) 2023 GDP data. It showed that the US economy grew by 2.4% (quarter-on-quarter annualised rate) versus 1.8% expectations. Against this backdrop, US treasuries returned -0.4%.

European government bonds also came under pressure with German bunds returning -0.35% as the European Central Bank raised its deposit rate to an historic high of 3.75%. It also kept its options open on whether more increases will be needed to bring down inflation. Eurozone inflation fell in line with expectations to 5.3% in July, down from 5.5% in June, after the region returned to growth in Q2. Core inflation, which gives a clearer picture of underlying price pressures, was unchanged at 5.5%.

There was better news on the inflation front in the UK where the consumer price index fell further than expected in June from 8.7% to 7.9% (versus 8.2% forecasts) amid a sharp drop in petrol prices. Financial markets responded by implying that the Bank of England would not push interest rates above 6% early next year and could opt for a more modest 25 basis point rise in borrowing costs at its next policymaking meeting in August instead of a 50-basis point increase. UK government bonds rallied with gilts returning 0.81%.

In an unexpected move the Bank of Japan, the last central bank holding out on ultra-low yields, tweaked its policy and sent bond yields to a nine-year high. The Bank of Japan kept its target for 10-year Japanese government bonds at 0% but effectively widened the band to +1%. The change was viewed as a step towards policy normalisation. Headline inflation rose to 3.3% in June, the first time it's been above the US rate in eight years.



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Government Bonds

Yield to maturity¹ (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	4.88	4.90	4.01	4.20	2.88
US Treasuries 10 year	3.96	3.84	3.42	3.51	2.65
US Treasuries 30 year	4.01	3.86	3.67	3.63	3.01
UK Gilts 2 year	5.00	5.27	3.79	3.47	1.71
UK Gilts 10 year	4.31	4.39	3.72	3.33	1.86
UK Gilts 30 year	4.46	4.42	4.09	3.71	2.40
German Bund 2 year	3.04	3.20	2.69	2.65	0.28
German Bund 10 year	2.49	2.39	2.31	2.29	0.82
German Bund 30 year	2.57	2.39	2.42	2.22	1.07

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 July 2023. The yield is not guaranteed and may do down as well as up.

Corporate Bonds

Yield to maturity¹ (%) / Spread² (bps)

	Current	1 month	3 months	6 months	12 months					
£ AAA Investment Grade Corporate	5.34	71	5.67	86	4.81	89	4.26	78	2.98	100
£ AA	5.54	91	5.90	106	4.94	106	4.41	95	3.13	119
£ A	5.94	127	6.33	147	5.32	138	4.87	135	3.53	157
£ BBB	6.60	192	7.00	213	6.09	214	5.59	203	4.29	234
£ High Yield	10.32	545	10.74	558	10.21	625	9.64	618	8.54	676
£ BB	8.68	376	8.91	370	8.42	439	8.13	459	7.44	563
€ AAA Investment Grade Corporate	3.37	77	3.49	89	3.28	87	3.07	74	1.53	94
€ AA	3.71	100	3.83	109	3.52	106	3.35	96	1.57	109
€ A	4.07	130	4.21	142	3.89	137	3.71	129	2.04	154
€ BBB	4.53	172	4.71	187	4.46	191	4.27	178	2.75	223
€ High Yield	7.41	438	7.53	446	7.49	479	7.07	441	6.37	581
€ BB	6.36	327	6.52	341	6.36	361	5.94	323	5.22	463
European High Yield (inc € + £)	7.72	450	7.87	458	7.78	494	7.33	459	6.60	591

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

	Current value	Change Over:														
		1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.10	0.8	-0.2	1.2	2.7	-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	-0.3	-2.3	-2.8	-3.2	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	-1.9	-2.7	-3.6	-3.1	-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	11.58	-1.7	2.4	1.8	3.7	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	11.14	-4.9	-5.1	2.7	6.1	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	0.1	0.0	0.2	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	4.40	-0.6	-3.9	-6.5	-6.0	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	387.11	3.8	3.8	-1.0	-3.1	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	142.29	-1.4	4.4	9.4	8.5	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	1.32	-0.4	-2.7	-0.9	-2.7	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	17.85	-5.3	-2.4	2.5	4.8	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	4.73	-1.2	-5.3	-6.9	-10.5	-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	1274.55	-3.3	-4.8	3.5	0.7	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	31.43	0.9	2.2	4.6	2.3	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	34.22	-3.5	0.2	3.7	-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	1.33	-1.7	-0.4	1.2	-0.7	-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	0.78	-1.0	-2.1	-4.0	-5.9	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	22.93	-4.2	-0.2	7.0	11.4	-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	0.67	0.8	1.5	-4.8	-1.4	-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	0.62	1.4	0.4	-3.6	-2.2	-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 July 2023

(%)

	1month	3months	6months	YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global US & Canada														
MSCI World (US\$)	3.4	8.7	11.4	19.4	-17.7	22.4	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	5.6
MSCI World Value (US\$)	3.9	5.2	3.6	8.5	-5.8	22.8	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	4.5
MSCI World Growth (US\$)	2.9	11.9	19.4	31.0	-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\$)	4.9	8.5	3.7	13.3	-18.4	16.2	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	2.3
MSCI Emerging Markets (US\$)	6.3	8.6	3.5	11.7	-19.8	-2.3	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.0
FTSE World (US\$)	3.5	8.6	11.1	19.1	-17.5	21.0	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	4.8
Dow Jones Industrials	3.4	4.9	5.5	8.5	-6.9	20.9	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	10.0
S&P 500	3.2	10.5	13.5	20.6	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	13.7
NASDAQ	4.1	17.6	24.4	37.7	-32.5	22.2	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	14.8
Russell 2000	6.1	13.7	4.5	14.7	-20.5	14.8	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	4.9
S&P/TSX Composite	2.6	0.8	1.0	8.5	-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 €	2.2	2.8	7.5	15.4	-11.9	25.1	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	7.2
MSCI Europe	2.0	2.0	6.6	13.9	-9.0	25.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	7.5
CAC 40	1.4	1.9	8.6	19.0	-6.7	31.9	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	2.5
DAX	1.9	3.3	8.7	18.1	-12.3	15.8	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	2.7
Ibex 35	1.4	5.9	9.7	20.9	-2.0	10.5	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	8.5
FTSEMIB	5.4	11.6	15.3	30.0	-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)	0.3	-1.1	0.2	8.6	-16.7	20.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	9.5
Amsterdam Exchanges	2.4	5.0	7.9	16.7	-11.4	30.5	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	8.7
HSBC European Smaller Cos	4.5	0.7	1.7	11.1	-29.6	12.7	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	-9.6
MSCI EM Europe, Middle East and Africa (US\$)	5.0	5.6	8.2	9.7	-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)	4.0	1.3	1.1	10.1	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	-1.3	0.7	5.2	0.2	18.3	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	1.2
FTSE 100	2.3	-1.4	1.1	5.5	4.6	18.4	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	0.7
FTSE 250	4.1	-0.6	-1.8	3.5	-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	4.1	2.7	-0.4	4.8	-17.3	31.3	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	-2.7
FTSE TechMARK 100	-1.5	-4.1	2.9	5.2	-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	7.2	3.2	-5.6	4.2	-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)	4.1	1.3	3.5	9.1	-12.8	7.0	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	58.0
Singapore Times	5.2	4.3	2.8	6.5	8.4	13.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	9.6
Taiwan Weighted (capital returns)	2.4	12.7	15.4	24.6	-18.8	26.9	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	11.2
Korean Composite (capital returns)	2.7	5.5	9.0	18.2	-23.2	5.6	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	-3.5
Jakarta Composite (capital returns)	4.0	0.2	1.3	4.9	4.1	10.1	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	22.3
Philippines Composite (capital returns)	1.9	-0.5	-3.0	2.2	-7.8	-0.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	22.8
Thai Stock Exchange	3.6	2.2	-5.2	-5.0	3.5	17.7	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	19.1
Mumbai Sensex 30	2.9	9.6	12.7	10.3	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	9.2	5.9	-4.4	5.9	-15.6	-21.2	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	15.5
ASX 200	2.9	2.0	1.2	8.3	0.5	18.7	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	7.1
Topix	1.5	13.0	19.2	24.5	-2.5	12.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	10.3
Nikkei 225 (capital returns)	-0.1	15.0	21.4	28.6	-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\$)	5.8	6.6	0.6	9.3	-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\$)	5.2	17.0	13.8	25.1	9.6	-7.7	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-12.1
MSCI Mexico (US\$)	4.6	7.9	13.9	33.2	-1.6	22.9	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	-9.3
MSCI Brazil (US\$)	4.9	22.6	14.8	22.8	14.6	-17.1	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-13.8
MSCI Argentina (US\$)	2.3	33.9	26.2	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\$)	5.9	12.4	5.7	16.8	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)	12.4	4.6	-0.3	0.1	9.7	51.4	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-49.7
Oil - West Texas Intermediate (US\$/BBL)	15.8	6.5	3.7	1.9	4.2	58.7	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	-45.9
Reuters CRB index	8.2	6.7	4.1	4.6	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)	3.1	-0.6	2.4	8.7	0.4	-4.3	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-0.2
Baltic Dry index	3.3	-28.5	65.5	-25.6	-31.7	62.3	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	-65.7

Source: Bloomberg, 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

¹Yield 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 July 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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