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Overview

- Global equity markets enjoyed a strong start to the year with all regions landing in positive territory.
- China's faster-than-expected Covid reopening progress, plus hopes that the current interest rate hike cycle could soon come to an end improved investor sentiment.
- Following a recent trend, emerging markets outperformed developed markets in January.

2023 started on a more positive note than 2022 ended with all major equity market regions advancing over the month of January. China's Covid reopening progressed quicker than expected provided a boost as did hopes that the current cycle of interest rates hike might be coming to an end. Following a recent trend, emerging markets outperformed developed markets to kick off the year.

Europe

European equities ended the month higher as the economy looked to benefit from easing inflation and the China reopening.

A better outlook for headline inflation was underscored by the first single digit reading in two months. Core inflation (which excludes food and energy prices) rose to a new high of 5.2% though.

Despite the inflation slowdown, the European Central Bank (ECB) is sticking to its regime of monetary policy tightening (raising interest rates). It raised interest rates by 0.5% to reach their highest level since 2008.

The UK

In the UK, the picture was also more positive for equities as markets ended the month up. The International Monetary Fund (IMF) still expects it to be the only leading economy not to avoid recession.

Inflation has slowed in the UK for the second month in row. Though still in double figures, it's now down to 10.5% from its October peak. Lower petrol and clothing prices contributed to the drop.

Contrary to consensus estimates, the UK economy grew 0.1% in November, largely driven by telecoms and computer programming, as well as pubs and bars as people went out to watch the World Cup.

The US

US markets enjoyed a strong start to the year, finishing January higher. This was thanks in part to improved investor sentiment supported by positive news flow.

The S&P 500 index had its best start to a year since 2019 driven by China reopening, inflation peaking and a brighter macroeconomic outlook. Technology stocks also rallied after a challenging 2022.

Some recessionary fears persisted though. The Institute for Supply Management (ISM) readings showed that in December services and manufacturing were both in contraction for the first time since May 2020.

Asia

Asian equities rallied in January boosted by the faster-than-expected progress of China's Covid reopening. Chinese equities themselves continued their strong run in January.

Taiwan and Korea were the top overall performers in the region. They were boosted by a rebounding tech sector which was in turn boosted by a softer-than-expected interest rate hike cycle from the US Federal Reserve.

In the Pacific region, Australian and Japanese markets advanced with the former seeing double-digit growth over the month. On the flip side, Indian equities retreated. Only the information technology and consumer discretionary sectors advanced.

Emerging markets

Emerging market equities finished January up, following a trend of outperforming developed markets. They were positively impacted by China's Covid reopening and a weakening US dollar.

In Asia, Taiwan and Korea led the way boosted by a rebounding technology sector, while India lost ground. In Europe, the Czech Republic was the strongest performer, followed by Greece and Hungary. Turkey, the UAE and Egypt all lagged.

Latin America was the strongest global performer with Mexico heading gains, followed by Chile and Peru. Brazil gained but underperformed the region as political noise weighed on investor sentiment.

Fixed income

After a difficult 2022, bond markets made a strong start to 2023, registering broad gains in January. Hopes that the current cycle of interest rate hikes may be nearing and provided a boost to US treasuries, UK gilt and German bunds.

There was also better news on the inflation front. US headline inflation slowed to its lowest for more than a year in December and eurozone annual inflation dropped by 0.7%.

In credit markets, sterling investment grade bonds led gains. Investment grade bonds denominated in other currencies also performed well. It was a better month for high yield bonds too.

Europe

- Interest rates increased by 0.5%
- Inflation falls back down to single digits
- Flash Purchasing Managers' Index (PMI) back above 50

European shares ended higher in January as the outlook for the European economy looks to benefit from China reopening and fading inflationary pressures. From a sector perspective, consumer discretionary and information technology were the best performers. Only energy ended the month in negative territory.

The European Central Bank (ECB) raised interest rates by 0.5% to 2.5%, their highest level since 2008. The ECB signalled it would press ahead with its tightening¹ with another 0.5% rate increase in March.

Eurostat figures show the eurozone economy grew by 0.1% in the fourth quarter, raising hopes that the area will avoid a recession. Consensus estimates were of a 0.1% contraction, as milder weather and government support for energy bills helped the area expand. This means the eurozone area grew by 3.5% for 2022. Germany and Italy reported a fourth-quarter contraction of 0.2% and 0.1% respectively, while France grew by 0.1% and Spain by 0.2%.

The flash purchasing managers' composite index (PMI) for the eurozone rose to 50.2 in January, up from 49.3. The index, which measures activity at both services and manufacturing companies across the eurozone, is above 50, indicating businesses are expanding. This was higher than consensus estimates, returning to growth (above 50) for the first time since June 2022.

Eurozone inflation was 9.2% in December, down from 10.1%, returning to single digits for the first time in two months following a sharper than expected fall. However, core inflation, which excludes food and energy prices, still rose to a new high of 5.2%, exceeding economists' expectations.

Eurozone unemployment hit a record low of 6.5%, Eurostat figures show. The unemployment rate dropped marginally in Italy, France, and Spain, whilst remaining the same in Germany. The labour market remains tight, with concerns it could boost wage growth and keep underlying inflation higher for longer.

Eurozone mortgage demands for housing loans fell at the fastest pace on record. Rising interest rates and declining consumer confidence took a toll on the property market.

Eurozone house prices and transactions increased during the pandemic, with record low rates and strong demand as people looked for more space. But with interest rate rises, house prices and transactions are expected to fall.



European shares ended higher in January as the outlook for the European economy looks to benefit from China reopening and fading inflationary pressures.

- UK inflation slowed for the second month in a row
- UK economy grows by 0.1%
- The consumer confidence index falls again

The UK equity market closed higher in January with the macroeconomic sentiment looking more positive. The International Monetary Fund (IMF) forecasted that the UK would be the only leading economy likely to slide into recession this year due to high energy prices, rising mortgage costs and increased taxes. The IMF upgraded its forecasts for most leading economies as the global outlook improves. However, it identified the UK as an exception due to the challenging environment.

UK inflation slowed for the second month in a row to 10.5% in December, down from 10.7% in November. This was primarily driven by easing petrol prices and the cost of clothing falling. UK food inflation rose to 16.9% last month though, the fastest pace since records began in 1977.

The Bank of England (BoE) is expected to increase interest rates by a further 0.5% when it meets in February. The BoE also sold the bonds it purchased to stabilise the UK economy after the failed mini-Budget last October.

Data from the Office of National Statistics (ONS) showed the UK economy grew by 0.1% in November. This was higher than consensus estimates when a contraction was expected. It was mainly driven by telecommunications and computer programming, as well as pubs and bars as people went out to watch the World Cup. This growth may mean the UK avoids a technical recession, which is defined as two consecutive quarterly contractions.

The consumer confidence index, a measure of how people view their personal finances and wider economic prospects, was minus 45 in January. This was down from minus 42 in December according to research group Growth for Knowledge (GfK). With prices rising faster than inflation, consumer confidence remains low as consumers were also pessimistic about the UK economic outlook.

British retail sales dropped in December by 1% compared to the month before, below consensus estimates of a 0.5% rise. It's the second monthly decline in retail sales volumes, following a 0.5% decline in November.



UK inflation slowed for the second month in a row to 10.5% in December, down from 10.7% in November.



- S&P 500 index enjoys its best start to a year since 2019
- Inflation continued to fall, raising market expectations of lower central bank interest rate hikes
- Despite quarter four gross domestic product (GDP) coming higher than expected, US recession fears persisted

US equity markets started 2023 on a strong note, finishing the month higher with investor risk appetite supported by some positive news flow. The more 'growth' biased index, the NASDAQ composite, outperformed the S&P 500 and the Dow Jones Industrial Average. Longer duration assets rallied on expectations of a US Federal Reserve (Fed) 'pivot' to lower interest rates.

A brighter macroeconomic outlook characterised by a decline in energy prices, China reopening and peaking inflation drove the S&P 500's best start to a year since 2019. After a weak performance in 2022, technology stocks rallied, particularly the FAANG group (Facebook, Apple, Amazon, Netflix and Google) which enjoyed its strongest month since August 2020.

Equities also took support from December's headline annualised CPI reading of 6.5%, reaffirming inflation's continued downward trend. This prompted markets to forecast a 25-basis point interest rate hike in February's Federal Open Market Committee meeting, half the size of the Fed's previous 50-basis point rate hike in December.

The US' labour market continues to be tight. Wage growth (employment cost index) - considered by the Fed Chair, Jerome Powell, as the biggest obstacle to bring inflation down to the 2% target - came in lower than expected. It rose by 1% over quarter four 2022.

But US recession fears were stoked by Institute for Supply Management (ISM) readings. They showed that December was the first month since May 2020 that both the services and manufacturing components were in contractionary territory. Retail sales and industrial production also came in lower than expected.



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Asia

- China's faster-than-expected reopening buoys rally in Asian equities
- Expectations of slowdown in US Federal Reserve's interest rate hike cycle sparks strength in technology stocks
- India the only country to lose ground over the month

Asia Pacific equities advanced over the month, as China's reopening progressed faster than expected in January. Taiwan and Korea were the top absolute performers, spurred on by a rebound in the technology sector amid expectations of a softer interest rate hike cycle in the US. As a result, the information technology sector led gains, closely followed by the communication services and the materials sectors. Meanwhile, energy underperformed. Utilities was the only sector to retreat.

Chinese equities continued their strong run in January. Key market drivers included the improving regulatory conditions in the internet and real estate sectors and in video game approvals. There was also faster than expected mobility recovery and a resumption of foreign investor inflows after record low levels in 2022.

Moreover, fears of a resurgence in Covid infections due to Lunar New Year activity were alleviated amid robust data. Materials was the top performing sector, spurred on by the cyclical upswing led by China reopening. The prices of aluminium, copper and steel all rallied.

Taiwan also had a strong start to the year, leading absolute performance in the region. This was led by the technology sector, driven by the de-risking of corporate earnings expectations as well as hopes of an eventual demand recovery from China's reopening.

It was a similar story in Korea. A robust stock market rally was supported by foreign money inflow. The market grew more optimistic of slower interest rate hikes by the US Federal Reserve (Fed) and the corresponding foreign exchange stabilisation. Technology was the key winner over the month, as investors banked on the semiconductor price downcycle hitting its lowest point.

Conversely, Indian equities fell, with all sectors barring information technology and consumer discretionary ending the month in the red. December headline CPI fell – this downside surprise was due to the seasonal disinflation in vegetable prices. However, macroeconomic data came in positive, with headline CPI softening further to 5.7% YoY and industrial production expanding more than expected.

Turning to the Pacific countries, Australia enjoyed a double-digit rally over the month, and Japan advanced at a steady pace. Given Australia's notable commodity exposure to China, the faster than expected reopening was a notable tailwind, as well as softer US CPI lifting hopes of less aggressive Fed monetary tightening¹.

Meanwhile, Japan took strength from China's reopening and expectations of slower Fed tightening¹.



Taiwan and Korea were the top absolute performers, spurred on by a rebound in the technology sector amid expectations of a softer interest rate hike cycle in the US.

Emerging Markets

- Emerging markets (EM) rose in January, outperforming developed markets
- Latin America was the best performing region, followed by Asia and EMEA
- China reopening was a major contributor to improving investor sentiment in the region

Emerging market equities advanced over the month, outperforming developed markets. This was driven by a broad-based reopening in China and a weakening US dollar supporting risk-on sentiment. Other key drivers included favourable policy shifts in China (e.g. ending a two-year ban on Australian coal imports), a potential bottoming of semiconductor price downcycle hitting its lowest point and higher commodity prices.

Mexico and the Czech Republic were the top performers, both enjoying strong double-digit growth. Meanwhile Turkey and the UAE were the biggest laggards, ending January in the red.

In Asia, Taiwan and Korea led gains. This was supported by notable strength in the technology sector driven by de-risking of corporate earnings expectations and the eventual demand recovery because of China's reopening. Their market rallies were also buoyed by hopes of slower interest rate hikes by the US Federal Reserve.

China was a strong contributor too, driven by favourable policy shifts in the internet and real estate sectors (e.g. dialling back its stringent 'three red lines' policy). Video game approvals, and a faster than expected recovery in mobility also contributed. Indian equities declined over the month, despite macroeconomic data pointing to a more positive outlook.

In EM Europe, Middle East & Africa (EMEA), the Czech Republic headed gains, followed by Greece and Hungary, while Turkey, the UAE and Egypt all finished in the red. The CE3 (three central European countries) was the top performing market as the region rallied from a poor 2022 performance. January tailwinds included downward surprises in CPI, falling energy prices and strong rallies in local currencies versus both the euro and the US dollar. Turkey fell as investors took profits after 2022's impressive rally.

Latin America was the top global performer over the month as all countries advanced, led by Mexico, Chile, and Peru. Markets took support from China reopening amid hopes of improving demand as industrial activity and consumption recovers.

Brazil rose in value yet underperformed the region, as economic activity fell back to its pre-Covid trend. Retail sales slowed after two months of expansion.

Political noise also weighed on investor sentiment following extremist far-right riots in Brasilia, a backlash to the appointment of President Lula. Mexican equities took support from healthy internal demand indicators. These included the private consumption index and a positive start to the corporate earnings season. Although advancing, Colombia was the worst performing market as the complicated political scenario continued to drag on sentiment.



Emerging market equities advanced over the month, outperforming developed markets. This was driven by a broad-based reopening in China and a weakening US dollar supporting risk-on sentiment.

Fixed Income

- Easing inflation fears spur bond markets higher on hopes the current cycle of interest rate hikes may be nearing an end.
- Central banks remain resolute in tackling inflation though.
- UK consumers show resilience despite higher food and energy costs.

Fixed interest markets enjoyed a positive start to the year by registering broad gains in January. Sentiment was boosted by rising hopes that the current cycle of interest rate hikes may be nearing an end. This provided support to government bonds, as reflected by US treasuries gaining 2.59%, UK gilts returning 2.75% and German bunds up 1.69%.

Market optimism was underpinned by news that the annual US inflation rate slowed to its lowest level in more than a year in December. It fell to 6.5% from 7.1% in the previous month. The US labour market continued to show strength with employers adding 223,000 jobs in December, meaning that 4.5 million vacancies were filled in 2022.

There was also better news on the inflation front in the euro area. With energy costs easing, the eurozone annual inflation rate dropped from 9.2% to 8.5% in January. Consumer price growth is proving to be more stubborn in the UK though. Higher food prices ensured that December's CPI rate remained in double-digits but below the previous month's peak of 10.7%.

Despite the improving inflationary landscape in the eurozone, European Central Bank (ECB) President Lagarde maintained that inflation was still "way too high". She confirmed that the ECB would "stay the course until such time we have moved into restrictive territory for long enough so that we can return inflation to 2% in a timely manner." The hawkish rhetoric cemented market views that the ECB would hike interest rates by 50 basis points (bps) in February.

The Bank of England (BoE) is facing a delicate balancing act between driving high inflation out of the system and the risk that its actions exacerbate an economic downturn. It's also expected to raise interest rates in February.

Allaying recessionary fears, the UK economy surprisingly grew by 0.1% in November due to an uptick in consumer spending. A mixture of higher energy and borrowing costs is likely to weigh on economic activity during the first half of 2023 though.

The Bank of Japan caught global markets off guard in its previous meeting by widening the tolerance level on its 10-year government bond (JGB) from 25bps to 50bps. It made no changes to its monetary policies despite the yield on the 10-year JGB exceeding the upper ceiling several times in January.

In credit markets, sterling investment grade bonds led the gains with the ICE BofA Sterling Corporate index returning 4.10%. It was also a rewarding month for investment grade bonds denominated in other currencies with the Euro Corporate index gaining 2.01% and the US Corporate index up 3.89%. Credit spreads (the additional yield over government bonds) for sterling-denominated, euro bonds and dollar priced investment grade all narrowed.

High yield bonds registered gains too with the ICE BofA European Currency (€/£) High Yield index and the US High Yield index returning 3.24% and 3.91% respectively. Credit spreads for euro and sterling high yield bonds narrowed as did dollar-denominated bonds.



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Government Bonds

Yield to maturity¹ (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	4.20	4.43	4.48	2.88	1.18
US Treasuries 10 year	3.51	3.87	4.05	2.65	1.78
US Treasuries 30 year	3.63	3.96	4.16	3.01	2.11
UK Gilts 2 year	3.47	3.58	3.33	1.71	1.05
UK Gilts 10 year	3.33	3.67	3.52	1.86	1.30
UK Gilts 30 year	3.71	3.96	3.61	2.40	1.45
German Bund 2 year	2.65	2.76	1.94	0.28	-0.53
German Bund 10 year	2.29	2.57	2.14	0.82	0.01
German Bund 30 year	2.22	2.55	2.14	1.07	0.28

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 January 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	4.26	78	4.64	88	4.66	111	2.98	100	1.91	64
£ AA	4.41	95	4.83	106	4.92	130	3.13	119	2.00	74
£ A	4.87	135	5.40	160	5.55	190	3.53	157	2.27	99
£ BBB	5.59	203	6.20	236	6.42	274	4.29	234	2.87	150
£ High Yield	9.64	618	10.43	669	10.91	730	8.54	676	5.40	402
£ BB	8.13	459	8.77	494	9.38	571	7.44	563	4.37	290
€ AAA Investment Grade Corporate	3.07	74	3.17	65	3.19	111	1.53	94	0.51	69
€ AA	3.35	96	3.51	99	3.38	133	1.57	109	0.38	71
€ A	3.71	129	3.92	138	3.89	184	2.04	154	0.67	93
€ BBB	4.27	178	4.63	202	4.68	258	2.75	223	1.05	124
€ High Yield	7.07	441	7.73	498	7.99	580	6.37	581	3.63	367
€ BB	5.94	323	6.51	372	6.70	448	5.22	463	2.84	286
European High Yield (inc € + £)	7.33	459	8.00	515	8.29	596	6.60	591	3.83	371

Source: Bloomberg LP, ICE BofA. Data as at 31 January 2023. The yield is not guaranteed and may do 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 January 2023

	Current value	Change Over:													
		1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.09	1.5	9.9	6.3	1.5	-5.8	-6.9	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	-12.0
Euro/GB Sterling	0.88	-0.4	2.3	5.0	-0.4	5.2	-5.9	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	-6.5
Euro/Swiss Franc	1.00	0.6	0.5	2.3	0.6	-4.6	-4.0	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	-2.0
Euro/Swedish Krona	11.37	1.9	4.2	9.5	1.9	8.4	2.4	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	6.7
Euro/Norwegian Krone	10.85	3.4	5.6	9.7	3.4	4.7	-4.4	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	8.1
Euro/Danish Krone	7.44	0.0	-0.1	-0.1	0.0	0.0	-0.1	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	-0.2
Euro/Polish Zloty	4.71	0.5	-0.2	-0.6	0.5	2.1	0.6	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	3.2
Euro/Hungarian Forint	391.12	-2.1	-4.4	-3.4	-2.1	8.2	1.8	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	6.5
US Dollar/Yen	130.09	-0.8	-12.5	-2.4	-0.8	13.9	11.5	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	13.7
US Dollar/Canadian Dollar	1.33	-1.8	-2.3	4.0	-1.8	7.3	-0.7	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	9.4
US Dollar/South African Rand	17.41	2.2	-5.2	4.7	2.2	6.9	8.5	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	10.3
US Dollar/Brazilian Real	5.08	-3.9	-2.0	-1.9	-3.9	-5.3	7.3	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	12.7
US Dollar/South Korean Won	1231.90	-2.7	-13.5	-5.2	-2.7	6.4	9.4	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	4.1
US Dollar/Taiwan Dollar	30.04	-2.2	-6.8	0.3	-2.2	11.0	-2.2	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	6.1
US Dollar/Thai Baht	33.01	-4.6	-13.3	-10.3	-4.6	3.6	11.5	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	0.1
US Dollar/Singapore Dollar	1.31	-1.9	-7.2	-4.8	-1.9	-0.7	2.0	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	4.9
US Dollar/GB Sterling	0.81	-1.9	-6.9	-1.2	-1.9	12.0	1.0	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	6.3
GB Sterling/South African Rand	21.44	4.1	1.9	6.0	4.1	-4.6	7.4	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	3.7
Australian Dollar/US Dollar	0.71	3.6	10.3	1.0	3.6	-6.2	-5.6	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-8.3
New Zealand Dollar/US Dollar	0.64	1.4	10.8	2.6	1.4	-7.0	-5.0	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-5.1

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 January 2023

(%)

	1month	3months	6months	YTD	2021	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global US & Canada														
MSCI World (US\$)	7.1	9.8	2.4	7.1	-17.7	22.4	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	5.6
MSCI World Value (US\$)	4.7	9.7	6.9	4.7	-5.8	22.8	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	4.5
MSCI World Growth (US\$)	9.7	9.9	-2.1	9.7	-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\$)	9.3	12.1	5.3	9.3	-18.4	16.2	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	2.3
MSCI Emerging Markets (US\$)	7.9	22.2	5.0	7.9	-19.9	-2.3	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.0
FTSE World (US\$)	7.2	10.5	2.8	7.2	-17.5	21.0	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	4.8
Dow Jones Industrials	2.9	4.7	4.9	2.9	-6.9	20.9	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	10.0
S&P 500	6.3	5.7	-0.5	6.3	-18.1	28.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	13.7
NASDAQ	10.7	5.7	-6.1	10.7	-32.5	22.2	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	14.8
Russell 2000	9.7	5.0	3.2	9.7	-20.5	14.8	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	4.9
S&P/TSX Composite	7.4	7.8	7.3	7.4	-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 €	7.3	11.4	5.6	7.3	-11.9	25.1	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	7.2
MSCI Europe	6.8	10.2	4.4	6.8	-9.0	25.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	7.5
CAC 40	9.6	13.4	10.3	9.6	-6.7	31.9	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	2.5
DAX	8.7	14.1	12.2	8.7	-12.3	15.8	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	2.7
Ibex 35	10.3	14.5	12.3	10.3	-2.0	10.5	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	8.5
FTSEMIB	12.7	18.8	20.3	12.7	-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)	5.2	4.2	1.3	5.2	-16.7	20.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	9.5
Amsterdam Exchanges	8.2	11.5	3.1	8.2	-11.4	30.5	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	8.7
HSBC European Smaller Cos	9.2	21.7	4.3	9.2	-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\$)	1.4	-2.1	-4.6	1.4	-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)	8.9	19.6	18.2	8.9	4.0	29.3	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	10.9
UK														
FTSE All-Share	4.5	10.4	5.2	4.5	0.2	18.3	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	1.2
FTSE 100	4.3	10.1	6.3	4.3	4.6	18.4	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	0.7
FTSE 250	5.4	11.6	-0.2	5.4	-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	5.2	13.6	0.5	5.2	-17.3	31.3	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	-2.7
FTSE TechMARK 100	2.3	7.8	7.5	2.3	-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	10.4	48.9	9.5	10.4	-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)	5.4	12.7	0.5	5.4	-12.8	7.0	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	58.0
Singapore Times	3.5	9.4	6.9	3.5	8.4	13.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	9.6
Taiwan Weighted (capital returns)	8.0	18.1	2.7	8.0	-18.8	26.9	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	11.2
Korean Composite (capital returns)	8.4	6.2	-0.4	8.4	-24.0	5.6	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	-3.5
Jakarta Composite (capital returns)	-0.2	-3.7	-1.6	0.1	4.1	10.1	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	22.3
Philippines Composite (capital returns)	3.5	10.4	7.6	3.5	-7.8	-0.2	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	22.8
Thai Stock Exchange	0.2	4.1	7.3	0.2	3.5	17.7	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	19.1
Mumbai Sensex 30	-2.1	-1.9	3.8	-2.1	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	10.7	50.4	8.7	10.7	-15.6	-21.2	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	15.5
ASX 200	6.2	9.6	10.3	6.2	0.5	18.7	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	7.1
Topix	4.4	2.6	3.1	4.4	-2.5	12.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	10.3
Nikkei 225 (capital returns)	4.7	-0.9	-1.7	4.7	-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\$)	8.6	27.2	6.5	8.6	-17.1	-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\$)	9.9	6.2	15.8	9.9	9.6	-7.7	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-12.1
MSCI Mexico (US\$)	17.0	15.8	24.8	17.0	-1.6	22.9	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	-9.3
MSCI Brazil (US\$)	7.0	1.0	13.0	7.0	14.6	-17.1	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-13.8
MSCI Argentina (US\$)	15.4	38.6	68.4	15.4	35.8	20.9	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	19.2
MSCI Chile (US\$)	10.4	14.9	8.7	10.4	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)	0.5	-8.5	-20.9	0.5	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)	-1.7	-8.9	-20.0	-1.7	4.2	58.7	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	-45.9
Reuters CRB index	0.5	2.6	-2.9	0.5	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)	6.1	17.4	9.7	6.1	0.4	-4.3	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-0.2
Baltic Dry index	-55.0	-53.5	-64.1	-55.0	-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

¹Tightening – raising interest rates

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 January 2023 unless stated otherwise.

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