Monthly Market Roundup
covering June 2022

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Overview

- High inflation and a rising interest rate environment continue to take centre stage in a tricky month for global markets.
- Europe, the US, Asia and the UK all retreated – and emerging markets once again outperformed developed ones.
- China was one of the only markets to post gains, with positive sentiment over reopening and other internal and external drivers.

Global markets endured a difficult month in June with falls across the board. Inflation continues to be persistently high, with no sign of letting up for now. US and European markets retreated, though the latter saw some growth in gross domestic product (GDP). The picture in the UK is the most bleak with only Russia among the leading G20 economies set to perform worse. Emerging markets outperformed developed markets and there was more positve news from China, which posted gains.

Europe

European equity markets ended June as inflation, anticipated interest rate hikes and slow growth continue to take their toll. Inflation across the zone hit record highs (8.6) and in Spain, unexpectedly passed the 10% mark.

The European Central Bank (ECB) announced much anticipated plan to raise interest rates to help stem inflation. But a sharp fall in the flash purchasing managers' composite index for the eurozone to 51.9 in June (a number above 50 indicates growth) will likely mean the ECB reconsider how quickly they put rates up.

In politics, French President Emmanuel Macron lost an absolute majority in the recent French legislative elections. Turkey stepped back it's opposition to Finland and Sweden joining NATO, after their application to do so in response the Russian invasion of Ukraine.

The UK

It was another tough month for UK equities. Concerns of a possible global ecomonic downturn are growing as unwavering inflation pushes central banks to increase interest rates.

The Bank of England (BoE) increased its rate but by 0.25%, which was less than other banks. Inflation went up 0.1% in May from April, fuelling fears that it'll reach 11% by the autumn.

Office of National Statistics (ONS) data showed the UK economy shrank between March and April and the cost-of-living crisis continues impact consumers. ONS data from May showed retail sales contracted.

The US

US equities slipped in June as investors braced for further interest rate hikes amid ongoing inflationary pressure.

Inflation hit 8.6%, year-on-year – yet another sign the it's persistent, rather than transitory as initally believed by Fed Chair Jerome Powell. In response, the Fed hiked interest rates by 0.75%, the most aggressive rise since 1994.

There was a mixed macroeconomic picture. The labour market showed positive signs with the number of new jobs created exceeding expectations. On the other hand, industrial production showed smaller growth than the previous month at 0.2%.

Asia

Asian equities retreated amid the rising rate environment, which is in place to combat inflation. China was the exception and finished higher, buoyed by both external and internal drivers.

This included fiscal support, relaxing of country-wide mobility restrictions and positive signs related to US tariffs on China goods.

Elsewhere, Technology sectors in Taiwan and Korea were particularly weak. Equities in India faced a choppy month, while both Japan and Australia declined.

Emerging Markets

Emerging markets (EM) fell in June, but they outperformed developed markets. Latin America finished with the worst performance in EM, with Colombia, Chile and Brazil the key detractors.

EM Asia was the most resilient region, notably supported by China, the only EM market to produce gains.

EM EMEA also fell, finishing lower than the broader region and behind the world. Like elsewhere, the major story for the month was dampened growth expectations and growing recession fears. Hungary, Qatar and Czech Republic were the most resilient, while Greece, Poland and South Africa were the key laggards.

Fixed income

The "inflation versus growth" conundrum was the backdrop for a challenging month for bond markets. Central banks in the US, UK and beyond all took action to tackle growing inflationary pressures.

Negative returns for US treasuries (bond yields move inversely to prices) rounded up a dismal first half of 2022 for the asset class with its H1 performance being the worst since 1788.

The outcome in European sovereign bond markets was not much brighter with UK gilts and German bunds returning -1.95% and -1.78% respectively in June.

Environmental, Social and Governance

As COP27 draws closer, many countries are at risk of not meeting the goals set at the previous edition. This is as they try to balance ongoing energy security (because of the Russia-Ukraine conflict) concerns with climate ambitions.

Germany fears Russian gas supply could be disrupted going into winter and so has extended it's coal plants past 2022. The UK, though ambitious in it's plans looks set to fall short off the back of a review by the Climate Change Council (CCC).

Elsewhere, now that proxy voting[ii] season has ended, we've seen a surge in support of environment and social issues. Scrutiny over ESG matters is still high though and it remains to be seen whether the ambitious resolutions are too prescriptive and promote long-term shareholder value creation.

Europe

- Inflation hits new record high
- European Central Bank (ECB) announces plans to withdraw stimulus and raise interest rates
- Eurozone GDP for the first quarter of 2022 revised up

European equities ended lower in June as rising inflation, expected interest rate hikes, and slowing growth all weighed on investor sentiment. From a sector perspective, all were in negative territory with real estate, materials and industrials performing worst.

Eurozone inflation hit a record 8.6% in June, higher than consensus estimates. This was mainly driven by rising fuel and food prices. Spanish inflation surprisingly rose to 10.2% in June, up from 8.7% last month. Meanwhile German inflation eased unexpectedly to 8.2% in June from 8.7% in May. This was largely the impact of government transport and fuel subsidies introduced to cushion the impact of higher prices.

The ECB announced plans to withdraw stimulus and start raising interest rates to tackle record inflation in the eurozone. Bond yields of countries like Italy rose to their highest level in eight years as a result. The increase in borrowing costs had revived fears of the eurozone debt crises in 2012 and 2014.

The flash purchasing managers' composite index for the eurozone fell to 51.9 in June from 54.8 in May (a number above 50 indicates growth). This was a sharp slowdown and lower than consensus estimates and a 16-month low. It raised concerns that the fallout from Russia's invasion of Ukraine is impacting growth in the region as manufacturing output and new orders both fell. This will likely mean the ECB carefully consider how quickly they raise interest rates.

Eurozone GDP grew faster than initially estimated in the first quarter, revised up to 0.6% from 0.3%. Eurostat data also showed that Eurozone unemployment remained unchanged in May, at a record low of 6.8%, despite signs of the economy cooling.

In political news, French president Emmanuel Macron has backed his prime minister and vowed to continue with planned reforms despite losing an absolute majority in parliament.

The European Commission announced that Croatia had met the criteria to join the eurozone, paving the way for the country to use the single currency at the start of 2023.

Meanwhile Turkey dropped its opposition to Finland and Sweden becoming members of NATO. They can now join the alliance in response to Russia's invasion of Ukraine.

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UK

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

The UK equity market closed lower in June. There are growing concerns that continuing inflationary pressure would force central banks to continue tightening monetary policy by putting up interest rates. This could lead to a global economic downturn.

The BoE raised interest rates by 0.25 percentage points to 1.25%. The increase was more cautious compared to other central banks, despite some members voting for a larger 0.5 percentage point increase. It was the fifth consecutive rate rise. The BoE has said it's ready to "act forcefully" if required, indicating further rate rises to come.

UK inflation was 9.1% in May, up from 9% in April, as it hit a 40 year high. This was mainly driven by food and fuel prices. The rise in inflation has added to the cost-of-living pressure - BoE forecasts expect inflation to exceed 11% in the autumn. Inflation is expected to push up British grocery bills by £380 this year, according to new consumer data.

The Office for National Statistics (ONS) data showed the UK economy contracted in April, with gross domestic product (GDP) falling 0.3% between March and April. Consensus estimates had expected growth of 0.1%, as rising prices hit household spending and business activity. The service sector fell 0.3%, the main contributor to April's fall in GDP.

UK GDP growth is on course to undershoot the Bank of England's expectations of 0.1% in the second quarter. The Organisation for Economic Co-operation and Development (OECD) forecasts economic growth in the UK will grind to a halt in 2023. Among the G20 leading economies, only Russia is expected to perform worse.

The employment rate rose to 75.6% in the three months to April, up 0.2 percentage points on the quarter, higher than consensus estimates. However, unemployment rose in April to 3.8%, above the 50-year low recorded a month earlier. This is a sign that slowing economic growth could be starting to impact the UK labour market.

British retail sales contracted in May according to data published by the ONS. Consumers spent less amid the cost-of-living crisis, increasing concerns about a downturn in the UK economy. This was further reinforced by research from Growth from Knowledge (GfK). It showed that UK consumer confidence has fallen to its lowest level since records began in 1974.

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US

- US Federal Reserve raise benchmark interest rate by 0.75%
- Inflation rose by 8.6% year-on-year to 40-year high
- Commodity prices eased amid higher recession risks

June saw US equities slip further into 'bear' market territory (continued price declines). Inflation continued to rise, and investors braced for further interest rate hikes from the US Federal Reserve (Fed). All three major indices, the S&P 500, the Dow Jones Industrial Average index and the NASDAQ composite fell. They did show some positive signs after the rate hike announced at the Federal Open Market Committee (FOMC) meeting mid-month though.

In a fresh sign that price pressures are becoming embedded within the US economy, inflation accelerated to 8.6% year-on-year, surprising to the upside. It shows that it isn't quite as "transitory" as previously thought by the Fed Chair, Jerome Powell. This figure dampened any hopes that inflation had peaked, and increased expectations of the Fed clamping down harder on the rising cost pressures.

The Fed responded by raising their base rate three-quarters of a percentage point at the monthly FOMC meeting. This was its most aggressive hike since 1994, with the federal funds rate range now sitting at 1.5%-1.75%, the highest since the pandemic began.

Powell acknowledged the "unusually large" increase but reassured that he does "not expect moves of this size to be common". The committee nonetheless painted a positive picture of the US economy. It indicated a pickup in overall economic activity, a robust number of new jobs gained and a steady, low level of unemployment.

Macroeconomic data was mixed though. The labour market ended the month looking solid once, as the number of new jobs created beat expectations. The unemployment rate stayed fixed at a tight 3.6%. Building permits, a leading indicator designed to gauge the strength of the national housing market and the general state of the economy, painted a negative picture, coming in at -7% month-on-month. Industrial production also disappointed to the downside, with a 0.2% increase month-on-month, compared to the 1.1% growth seen last month.

The latter half of the month saw a modest rise in markets. A sharp drop in commodity prices eased inflation fears and tempered expectations for the Fed's aggressive rate-hike plans. Bank stocks also rallied after the Fed's annual "stress test" exercise showed that the lenders have sufficient capital to weather a sharp economic downturn.

Over the month, health care was the strongest performing sector, while energy and materials, the two commodity sectors, were the key detractors considering price drops.

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Inflation continued to rise, and investors braced for further interest rate hikes from the US Federal Reserve (Fed).

Asia

- Asian equities retreated in the rising rate environment, which is in place to combat inflation
- China finished higher, buoyed by its reopening, government support and US tariff optimism
- Technology sectors in Taiwan and Korea were particularly weak

Asian equity markets retreated in June, pulled down by the rising rate environment as inflation persists. But Chinese equities advanced on re-opening expectations and positive macroeconomic activity.

Positive news flow buoyed China's equity market. This included fiscal support, Shanghai's reopening, relaxing of country-wide mobility restrictions and positive signs related to US tariffs on China goods. Areas of strength were automobiles and semiconductors, along with reopening plays such as travel and lodging, insurance, and food and beverage. Macro data such as industrial production, retail sales and fixed investment all surprised to the upside, and President Xi Jinping pledged that China would adopt more effect measures to meet social and economic development targets for 2022. Hong Kong equities followed a similar path, supported by the same domestic and external drivers.

Taiwan equities faced their worst monthly performance since March 2020 amid rising fears of a recession and the aggressive stance of the US Federal Reserve towards tackling inflation. The technology sector bore the brunt of the broader sell-off in 'growth' players (companies with high-growth characteristics), but also faced a stunted outlook of consumer electronics demand amid rising inflation.

Korean equities also fell on worries over technology demand and growing recession risks. Electric vehicle companies also recorded disappointing returns as sentiment in the sector was hit by one of Korea's major battery makers reconsidering its $1.3bn battery plant investment.

Equities in India faced a choppy month, with all sectors ending in the red. Macro prints were positive: inflation data came in close to expectations and industrial production improved. India's central bank, the Reserve Bank of India, hiked their base interest rates by 0.5%, and increased their full-year 2022-2023 inflation forecast from 5.7% to 6.7%.

Looking at Pacific equities, both Japan and Australia declined, dragged down by global recession risks. Despite this, the Bank of Japan left its key short-term interest rate unchanged at -0.1% as inflation levels remained unchanged from last month's, coming in at just 2.5%. The Reserve Bank of Australia raised rates by 0.5%, the first back-to-back hikes in 12 years, and warned that further tightening is in the pipeline. Meanwhile, Australia's year-on-year Q1 GDP figure came in higher than expected at 3.3% and unemployment remained stable at 3.9%.

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Emerging Markets

- Emerging market equities drop amid intensifying recession fears
- Latin America was the worst-performing region
- Commodity prices declined due to recession fears

Emerging markets (EM) fell in June, but they outperformed developed markets. Investor scepticism on risk assets were accentuated during the month as US inflation came in worse than forecasted, sitting at a 40-year high. A rise in US recession fears caused equities in commodity-driven markets to price in lower commodity prices and subsequently drop; as a result, Latin America finished with the worst performance in EM. Global weakness in consumer demand also led to a rout in some of the emerging Asian countries with technology-heavy markets.

Commodity-driven Latin America lagged considerably, with Colombia, Chile and Brazil the key detractors. Colombia, the worst performing EM country by quite some margin, faced additional underperformance after the radical left-wing candidate, Gustavo Petro won the second round of elections to become the first left-wing leader in modern Colombian history.

EM Asia was the most resilient region, notably supported by China, the only EM market to produce gains. Chinese equities rallied due to fiscal support on consumption, positive news flow regarding reopening, and greater hopes of a possible reduction in US tariffs on Chinese goods. Taiwan and South Korea were notable underperformers.

EM EMEA also fell, finishing lower than the broader region and behind the world. Like elsewhere, the major story for the month was dampened growth expectations and growing recession fears. Hungary, Qatar and Czech Republic were the most resilient, while Greece, Poland and South Africa were the key laggards.

EM currencies fell by 1.1%, compared to the US dollar which appreciated; the Chinese renminbi did best, while three Latin American currencies depreciated the most – the Chilean peso, Brazilian real and Colombian peso. Although stronger inflation is typically a positive for commodities, mounting recession fears (a weaker economy typically results in commodities – namely metals – fall out of favour as construction slows) caused prices of both base and precious metals to fall. Brent oil meanwhile remained volatile, closing at $115 per barrel, down 4% month-on-month.

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Fixed Income

- Bond markets faced a challenging month as central banks took action to tackle growing inflationary pressures
- The US Federal Reserve (Fed) raised interest rates by 0.75% in its most aggressive hike since 1994, while the Bank of England hiked by 0.25%
- The "inflation versus growth" conundrum intensified as economies showed signs of losing steam

It was another challenging month for bond markets as the Fed launched its biggest broadside yet against inflation, raising interest rates by 0.75% in its most aggressive hike since 1994. Furthermore, Federal Open Market Committee (FOMC) members indicated a much stronger path of rate increases ahead to arrest inflation. The US consumer price index rose to 8.6% in June, its fastest pace since 1981.

The prospect of further rate hikes, however, raised fears that the cumulative effect of these could push the US economy into a recession. While the US labour market remains strong, slowing home sales, higher mortgage rates and record-low consumer sentiment have added to these growth concerns, prompting fresh debate that the Fed may have to ease away from aggressive interest-rate rate hikes sooner than previously expected.

This "inflation versus growth" conundrum for the Fed resulted in wide swings in US treasury prices with the yield on the benchmark 10-year note[i] rising to 3.47% at one stage before closing the month 17 basis points higher at 3.01%. Negative returns for US treasuries (bond yields move inversely to prices) rounded up a dismal first half of 2022 for the asset class with its H1 performance being the worst since 1788.

The outcome in European sovereign bond markets was not much brighter with UK gilts and German bunds returning -1.95% and -1.78% respectively in June. Year-to-date, gilts are down 14.75% and bunds have lost 11.23%, according to data from ICE BofA.

As expected, the Bank of England (BoE) hiked rates by 25 basis points (bps) with three of the nine committee members continuing to vote for a larger 50bps increment. UK inflation headline rose to 9.1%, the highest rate since March 1982, but in line with expectations. While interest rates in the eurozone have not risen yet, the European Central Bank (ECB) has signalled that a hike in July is to be expected. Inflation in eurozone continues to rise (it hit a record high of 8.6% in June). Yet the ECB, as with other central banks, faces the quandary of increasing the cost of borrowing when business activity data suggest the euro area is already losing momentum.

It was a negative month for corporate bond markets with investment grade and high yield losing ground in the UK, US and the eurozone. According to data from ICE BofA, the Sterling Corporate Index returned -3.39% with the Euro and US Corporate Indexes declining by 3.43% and 2.35% respectively. Longer-dated bonds (15+ years) fared worse than those maturing nearer term. Concerns about the deteriorating economic growth outlook and perceived higher default risks had a negative impact on high yield bonds.

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Environmental, Social and Governance

- Many countries are at risk of not meeting climate goals ahead of COP27 this autumn
- Geopolitical tensions and difficult economic conditions continue to be a concern for progress toward climate change.
- The 2022 proxy voting[ii] season heralded a surge in support for environment and social issues in shareholder voting but scrutiny over ESG issues continues.

As COP27 nears, progress towards its predecessors' goals is looking shaky at best. Countries are trying balance climate commitments with concerns around energy security amid difficult conditions.

First up, Germany has extended some of its coal plants beyond the end of the year. This is to boost supplies as there's fear that gas supply from Russia could be restricted or even shutdown in the winter.

In the UK, the latest progress report by the independent Climate Change Committee (CCC) found major failures in delivering the UK's climate goals. While the UK has been applauded for its ambitious climate targets, a review of progress found scant evidence of delivery against these headline goals so far. Renewable energy and electric cars provide a bright spot, but most areas are likely to underdeliver. The CCC report made over 300 recommendations for the government to get back on track.

The US Supreme Court ruled that the Environment Protection Agency (EPA) does not have the authority to regulate carbon emissions from power plants. The ruling is seen as a major setback to the Biden administration's climate ambitions.

Several elements of the EU's so-called Fit for 55 package[1] are making progress. These include reforms to the bloc's emissions trading scheme and proposals to ban new sales of petrol and diesel cars by 2035. The European Council and the European Parliament are close to producing the final legal text on these elements. The European Parliament wants to go further than the European Council and set more ambitious targets, so there may be some surprises at the next round of negotiations.

In the world of proxy voting, there's heightened focus on the quality of the shareholder resolutions going to a vote. It remains to be seen whether these ambitious resolutions are too prescriptive and promote long-term shareholder value creation.

Scrutiny toward ESG matters continues to surge and there's newfound focus on ESG considerations impacting voting decisions. Newly introduced legislation has also called for passive investment funds to vote proxies based on the wishes of individual investors. There's also been rise in anti-ESG shareholder proposals filed by politically conservative groups focused on social policy.

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Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	2.95	2.56	2.33	0.73	0.25
US Treasuries 10 year	3.01	2.84	2.34	1.51	1.47
US Treasuries 30 year	3.18	3.05	2.45	1.90	2.09
UK Gilts 2 year	1.84	1.59	1.35	0.69	0.06
UK Gilts 10 year	2.23	2.10	1.61	0.97	0.72
UK Gilts 30 year	2.56	2.39	1.76	1.12	1.23
German Bund 2 year	0.65	0.50	-0.07	-0.62	-0.66
German Bund 10 year	1.34	1.12	0.55	-0.18	-0.21
German Bund 30 year	1.62	1.38	0.67	0.20	0.29

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 June 2022. The yield is not guaranteed and may do down as well as up.

Corporate Bonds

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

	Current		1 month		3 months		6 months		12 months	
£ AAA Investment Grade Corporate	3.37	115	2.96	97	2.42	84	1.54	58	1.14	46
£ AA	3.52	132	3.10	110	2.53	95	1.60	69	1.24	57
£ A	3.94	170	3.45	143	2.81	121	1.89	95	1.62	88
£ BBB	4.69	247	4.04	202	3.39	172	2.42	138	2.07	128
£ High Yield	9.13	709	7.46	560	6.28	463	5.03	390	4.50	372
£ BB	7.93	581	6.37	444	5.17	345	3.97	280	3.41	261
€ AAA Investment Grade Corporate	2.27	112	1.80	87	1.14	74	0.29	64	0.13	51
€ AA	2.31	133	1.76	100	1.04	81	0.21	68	0.04	54
€ A	2.79	183	2.14	137	1.37	110	0.45	86	0.28	72
€ BBB	3.52	251	2.71	189	1.87	151	0.81	113	0.61	98
€ High Yield	7.47	641	5.64	474	4.52	400	3.23	331	2.88	296
€ BB	6.25	518	4.65	374	3.68	312	2.51	260	2.19	231
European High Yield (inc € + £)	7.65	648	5.83	484	4.71	406	3.43	337	3.04	304

Source: Bloomberg LP, ICE BofA. Data as at 30 June 2022. The yield is not guaranteed and may go down as well as up.

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

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

Global currency movements – figures to 30 June 2022

		Change Over:													
	Current value	1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	1.05	-2.3	-5.3	-7.8	-7.8	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	4.2	1.8	1.8
Euro/GB Sterling	0.86	1.1	2.2	2.3	2.3	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	2.3	-2.6	-2.6
Euro/Swiss Franc	1.00	-2.8	-2.0	-3.5	-3.5	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.72	2.3	3.1	4.1	4.1	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	10.32	2.5	6.1	3.0	3.0	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	13.6	-5.2	-5.2
Euro/Danish Krone	7.44	0.0	0.0	0.0	0.0	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4	0.4
Euro/Polish Zloty	4.70	2.5	1.1	2.4	2.4	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	396.41	-0.2	7.9	7.4	7.4	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	135.72	5.5	11.5	17.9	17.9	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.29	1.8	2.9	1.9	1.9	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	7.1	-2.9	-2.9
US Dollar/South African Rand	16.28	4.1	11.4	2.1	2.1	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	5.26	11.1	10.9	-5.7	-5.7	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	15.5	9.5	9.5
US Dollar/South Korean Won	1298.80	5.0	7.2	9.2	9.2	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	29.72	2.3	3.8	7.4	7.4	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	35.35	3.3	6.3	5.8	5.8	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.39	1.5	2.7	3.1	3.1	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.82	3.5	7.9	11.1	11.1	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	-1.9	-4.4	-4.4
GB Sterling/South African Rand	19.83	0.5	3.3	-8.1	-8.1	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.69	-3.8	-7.7	-5.0	-5.0	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-14.2	1.8	1.8
New Zealand Dollar/US Dollar	0.62	-4.1	-10.1	-8.5	-8.5	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-0.9	6.6	6.6

Source: Bloomberg, all figures subject to rounding.

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

Global equity and commodity index performance – figures to 30 June 2022 (%)

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Global US & Canada														
MSCI World (US$)	-8.6	-16.1	-20.3	-20.3	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6	16.6
MSCI World Value (US$)	-8.8	-11.4	-11.8	-11.8	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5	16.5
MSCI World Growth (US$)	-8.5	-21.1	-28.7	-28.7	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6	16.6
MSCI World Small Cap (US$)	-9.9	-17.1	-22.4	-22.4	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1	18.1
MSCI Emerging Markets (US$)	-6.6	-11.4	-17.6	-17.6	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6	18.6
FTSE World (US$)	-8.9	-16.1	-20.1	-20.1	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2	17.2
Dow Jones Industrials	-6.6	-10.8	-14.4	-14.4	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2	10.2
S&P 500	-8.3	-16.1	-20.0	-20.0	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0	16.0
NASDAQ	-8.7	-22.3	-29.2	-29.2	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7	17.7
Russell 2000	-8.2	-17.2	-23.4	-23.4	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4	16.4
S&P/ TSX Composite	-8.7	-13.2	-9.8	-9.8	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5	13.0	7.2	7.2
Europe & Africa														
FTSE World Europe ex-UK €	-8.3	-10.3	-17.2	-17.2	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0	21.0
MSCI Europe	-7.7	-8.7	-13.4	-13.4	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9	17.9
CAC 40	-8.2	-8.9	-15.0	-15.0	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4	20.4
DAX	-11.2	-11.3	-19.5	-19.5	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1	29.1
Ibex 35	-8.2	-2.7	-5.3	-5.3	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2	2.2
FTSEMIB	-12.9	-12.5	-19.6	-19.6	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	20.4	12.2	12.2
Swiss Market Index (capital returns)	-7.5	-11.7	-16.6	-14.3	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9	14.9
Amsterdam Exchanges	-7.5	-7.8	-16.1	-16.1	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0	14.0
HSBC European Smaller Cos	-13.6	-20.6	-30.7	-30.7	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	34.9	22.2	22.2
MSCI EM Europe, Middle East and Africa (US$)	-9.7	-14.4	-34.4	-34.4	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1	25.1
FTSE/JSE Africa All-Share (SA)	-8.0	-11.7	-8.1	-8.1	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7	26.7
UK														
FTSE All-Share	-6.0	-5.1	-4.6	-4.6	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3	12.3
FTSE 100	-5.5	-3.8	-1.0	-1.0	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0	10.0
FTSE 250	-8.3	-11.0	-19.4	-19.4	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1	26.1
FTSE Small Cap ex Investment Trusts	-8.0	-10.5	-16.4	-16.4	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3	36.3
FTSE TechMARK 100	-6.0	-5.1	-16.8	-16.8	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0	23.0
Asia Pacific & Japan														
Hong Kong Hang Seng	3.0	0.9	-4.8	-4.8	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4	27.4
China SE Shanghai Composite (capital returns)	7.5	5.6	-5.7	-5.7	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8	5.8
Singapore Times	-4.0	-7.5	1.4	1.4	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3	23.3
Taiwan Weighted (capital returns)	-10.5	-14.9	-17.2	-17.2	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9	12.9
Korean Composite (capital returns)	-13.1	-15.4	-21.5	-21.5	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7	10.7
Jakarta Composite (capital returns)	-3.3	-2.3	5.0	7.2	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9	12.9
Philippines Composite (capital returns)	-9.1	-14.5	-13.6	-12.5	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0	33.0
Thai Stock Exchange	-5.7	-6.8	-3.8	-3.8	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4	40.4
Mumbai Sensex 30	-4.5	-8.9	-8.3	-8.3	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0	28.0
Hang Seng China Enterprises index	4.7	3.7	-5.2	-5.2	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7	19.7
ASX 200	-8.8	-11.9	-9.9	-9.3	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2	22.2
Topix	-2.1	-3.7	-4.8	-4.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9	20.9
Nikkei 225 (capital returns)	-3.3	-5.1	-8.3	-7.3	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9	22.9
MSCI Asia Pac ex Japan (US$)	-5.7	-10.5	-15.5	-15.5	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	4.1	23.2	23.2
Latin America														
MSCI EM Latin America (US$)	-16.9	-21.7	-0.3	-0.3	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8	8.8
MSCI Mexico (US$)	-9.8	-15.1	-7.7	-7.7	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1	29.1
MSCI Brazil (US$)	-19.1	-24.3	2.9	2.9	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2	0.2
MSCI Argentina (US$)	-19.8	-28.1	-14.6	-14.6	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1	-37.1
MSCI Chile (US$)	-18.6	-14.2	11.5	11.5	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3	8.3
Commodities														
Oil - Brent Crude Spot (US$/BBL)	-4.0	7.9	48.5	48.5	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1	4.1
Oil - West Texas Intermediate (US$/BBL)	-7.8	5.5	37.4	37.4	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1	-7.1
Reuters CRB index	-7.9	-1.1	25.7	25.7	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-1.2	-6.4	0.6	0.6	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7	5.7
Baltic Dry index	-12.7	-5.0	1.0	1.0	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8	-59.8

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

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

Footnotes

[1] The Fit for 55 package is a set of proposals to revise and update EU legislation. It aims to put new initiatives in place to make sure EU policies are in line with the climate goals agreed by the Council and the European Parliament.

[i] The 10-year Treasury note is a debt obligation issued by the United States government. When first issued, it has a maturity of 10 years. It pays interest at a fixed rate once every six months and pays the face value to the holder when it matures.

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

Risk warnings

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

Important information

Data as of 30 June 2022 unless stated otherwise.

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EMEA 2231851 / 2022