



Gradually shifting
preferences

Global Market Outlook (In-brief)

October 2018

Investment strategy

Gradually shifting preferences

- Our Global Investment Committee believes equities are likely to outperform bonds and cash over the next 6-12 months. Macro fundamentals remain supportive, especially in the US.
- Rising yields are gradually making cash and bonds more attractive.
- Alternative strategies could offer significant diversification benefits.
- Within equities, the US is the market that is most likely to outperform.
- Within bonds, our preferred area remains Emerging Market (EM) USD government bonds, given the high yields on offer and signs of stabilising EM sentiment.
- Within alternative strategies, we expect Equity long-short strategies to outperform, but favour a diversified allocation.

Investment approach is key

The key challenge faced by investors when taking investment decisions is the more people you ask, the more views you get. This can be confusing even to people interested in financial markets, let alone those who prefer to focus on other aspects of life.

Our Global Investment Committee believes the best way to approach this wide array of conflicting information and views is to embrace it. Three key features of this process include:

- 1) Taking a probabilistic view of the outlook. This forces our Global Investment Committee members to acknowledge there is a probability that their core scenario is wrong. This encourages openness to new information and views that may help fine-tune these probabilities, thus reducing (although not totally eliminating) the risk of confirmation bias (a tendency to give more attention to information that agrees with our views).
- 2) Identifying the Outside View, which looks at historical relationships and patterns to give a benchmark probability to different outcomes.
- 3) Aggressively pursuing different perspectives (or Inside Views) on any topic we explore, to help us refine the output of the Outside View.

The resultant probabilistic view is then formulated into our asset class preferences, which are outlined below.



IMPLICATIONS FOR INVESTORS

Equities likely to outperform other traditional asset classes

Bond and deposit yields starting to look more attractive

Macro environment supportive of increased allocation to alternative strategies

Becoming slightly more conservative

After going through the aforementioned investment process, we believe global equities are likely to continue to outperform other traditional asset classes over the next 6-12 months. However, the probability of outperformance, while still high, is declining gradually. This comes at a time when the global economy is arguably in the late-stage of its economic cycle, monetary policy is tightening and trade tensions are elevated.

Deposit/bond yields becoming more attractive

A feature of the post global financial crisis world was the very low yields available on traditional safe-haven, income-generating assets, such as bank deposits and government bonds. This encouraged income investors to look to riskier assets – such as sub-investment grade bonds and high dividend-yielding equities – to achieve their target yield of 4-5% in a sustainable way.

This is gradually changing (Figure 1). Short-term interest rates are starting to rise in many parts of the world, putting upward pressure on bond yields. For instance, 12-month USD interest rates have risen from less than 1% to almost 3% over the past three years. Meanwhile, our view of expected average annual US equity market returns over the next seven years fell to 6.3% at the end of last year, from 8.4% two years earlier. Hence, it is not surprising that our preference for equities over cash and bonds has narrowed somewhat in recent months.

Figure 1

Rising yields helpful to income investors

Yields on different US asset classes (for the S&P500 index, we use the dividend yield)



Source: Bloomberg, Standard Chartered

Diversification getting increasingly important

Against this backdrop, we believe the balance of risk and reward is shifting further towards greater diversification. We continue to believe we are in the late-stage of the economic cycle. Equities normally do well in this phase as the economy remains robust and corporate pricing power improves. However, the reversal usually comes sharply with little warning. Also, it is difficult to ignore the rising geopolitical risks and trade tensions.

Meanwhile, higher deposit and bond yields mean investors are at least better compensated for reducing the risk profile of their portfolio, or deploying that risk in different areas, such as EM USD government bonds, where valuations have fallen markedly.

This is also why we see benefits of increasing the allocation to alternative strategies. First, we see rising equity and bond market volatility over the coming 12 months and allocating to long-short alternative strategies can help to reduce overall portfolio volatility.

Second, macroeconomic trends – for example, policy divergence and trade tensions – may continue to drive significant dispersion in the performance between, and within, asset classes. This can create significant opportunities for long-short managers to generate healthy returns with reduced risk.

Finally, we believe we are at the late stage of the economic cycle. One of the few asset classes that generally performs well in the event of a sharp and sustained equity market reversal is global macro strategies. Hence, a diversified allocation to alternative strategies makes increasing sense.

In conclusion, while we continue to have a preference for equities over other traditional asset classes, we believe the probability of continued outperformance is gradually declining. This suggests investors should take extra care to ensure that the risk profile of their current allocations is consistent with their risk tolerance and consider gradually diversifying their exposures to other asset classes such as bonds, alternative strategies and cash.

Macro overview

Robust, but watching trade spat

- **Core economic scenario:** The outlook for global economic growth and inflation remains moderate-to-robust, with the US outperforming other Developed Markets (DMs). Trade tensions and USD strength are weighing on business sentiment in the Emerging Markets (EMs), Europe and Japan.
- **Policy outlook:** We expect the Fed to hike its key rate once more in 2018 and three times in 2019 and the ECB to end bond purchases this year and hike once by Q4 2019. The BoJ is likely to remain accommodative, while China steps up measures to support growth.
- **Key risks:** Further escalation in US-China trade tensions, tighter market liquidity conditions and US inflation surprise.

Core scenario

The Global Investment Committee continues to assign a 65% probability to a scenario of moderate-to-strong global growth with limited inflation unfolding in the next 12 months. The US remains the growth leader on the back of last year's tax cuts. However, US-China trade tensions have escalated, undermining sentiment in Emerging Markets (EM), Europe and Japan and sustaining the divergence in the growth and policy outlook between the US and other Developed Markets (DM). The US mid-term elections are the next sign-post, with expectations of the US and China reviving trade talks after the polls. Subdued global inflation and EM volatility are also likely to keep the Fed from tightening its policy too aggressively.

Figure 2

The US economy stands out as the growth leader among the Developed Markets

Region	Growth	Inflation	Benchmark rates	Fiscal policy	Comments
US	●	●	●	●	Growth remains robust, diverging from other Developed Markets facing trade uncertainty. Fed reiterates a gradual pace of rate hikes.
Euro area	●	●	●	●	Growth expectations pared back amid trade tensions, although data has stabilised lately; ECB to raise rates by Q4 2019.
UK	●	●	●	●	Brexit outlook remains clouded. BoE on wait-and-watch mode amid Brexit talks.
Japan	●	●	●	●	Growth outlook subdued as trade risks offset domestic strength. BoJ unlikely to change its accommodative stance amid still-low inflation.
Asia ex-Japan	●	●	●	●	China steps up support to stabilise growth as trade tensions rise. PBoC to balance growth with long-term financial stability.
EM ex-Asia	●	●	●	●	Differentiation key, as economies with weaker fundamentals face FX and rates pressures.

Source: Standard Chartered Global Investment Committee

Legend: ● Supportive of risk assets ● Neutral ● Not supportive of risk assets



IMPLICATIONS FOR INVESTORS

The Fed to raise rates one more time in 2018, three times in 2019

The ECB to raise rates by Q4 2019, while the BoJ remains accommodative

China to support domestic-driven growth, while pursuing structural reforms



Bonds

Silver lining ahead?

- We expect bonds to deliver positive returns over the next 12 months, albeit still lower than equities. We expect 10-year US Treasury yields to remain capped at 3.25%, unless we see an inflation spike.
- EM USD bonds are most likely to outperform within bonds as we believe current valuations and the yield on offer look attractive, though continued Emerging Market (EM) contagion remains a key risk.
- We view Asian USD bonds as a core defensive holding, especially given the attractive pick-up they now offer over their US counterparts.

Figure 3

Bond sub-asset classes in order of preference

Bond asset class	View	Rates policy	Macro factors	Valuations	FX	Comments
EM USD government	▲	●	●	●	NA	Attractive yields, relative value and stabilising credit quality are positive
Asian USD	◆	●	●	●	NA	High credit quality, defensive allocation. Influenced by China risk sentiment
DM IG corporate	◆	●	●	●	●	Likely to outperform DM IG government bonds. Yield premium is relatively low
DM HY corporate	◆	●	●	●	●	Attractive yields on offer, offset by expensive valuations
EM local currency	◆	●	●	●	●	Attractive yield balanced by changing central bank stance and currency risks
DM IG government	◆	●	●	NA	●	Normalising Fed and ECB policy to challenge returns

Source: Standard Chartered Global Investment Committee

Legend: ● Supportive ● Neutral ● Not Supportive ▲ Preferred ▼ Less Preferred ◆ Core

Hawkish Fed driving bonds lower

US Treasury and German bund yields increased substantially in September as markets started pricing in a faster pace of rate hikes from the Fed. Most bond markets delivered negative returns over the period, as a consequence.

While fluctuating Fed rate hike expectations have been the driver for yields recently, we believe long-term inflation expectations remain a more important medium-term driver. Unless inflation expectations spike up from their range-bound behaviour over past few months, we expect 10-year US Treasury yields to remain capped around 3.25%. Hence, we expect limited further downside in bonds and believe they are likely to deliver positive returns over the next 12 months. In Europe, 10-year German Bund yields are likely to rise modestly.



IMPLICATIONS FOR INVESTORS

EM USD government bonds to outperform global bonds

Expect 10-year US Treasuries to remain capped below 3.25%

Favour a moderate maturity profile (around five years) for USD-denominated bonds

Figure 4

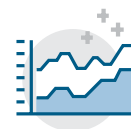
Where markets are today

Bonds	Yield	1m return
DM IG government (unhedged)	*1.64%	-0.9%
EM USD government	6.40%	0.9%
DM IG corporates (unhedged)	*2.98%	-0.5%
DM HY corporates	6.35%	1.0%
Asia USD	5.07%	-0.3%
EM local currency government	6.63%	-0.1%

Source: Bloomberg, JPMorgan, Barclays, Citigroup, Standard Chartered

As of 27 Sept 2018

*As of 31 August, 2018







































Equities

Equities rally on earnings growth

- Global equities remain a preferred asset class. We believe they will continue to drive the majority balanced portfolio returns in the next 12 months.
- US equities are preferred. US equity valuations are elevated, but are supported by double-digit earnings growth expectations in 2018 and 2019, rising share buybacks and solid growth in the technology and consumer sectors.
- Asia ex-Japan is a core holding. Uncertainty over the outlook for global trade is a concern, but the fundamental outlook remains solid. Margin expansion brought about by industry consolidation and growth in new economy sectors in China are supportive for Asia ex-Japan equities.
- Euro area equities are a core holding. Uncertainty over the outlook for trade is acting as a drag on confidence. Nevertheless, earnings growth is forecast to accelerate, boosted by signs of improving pricing power. UK equities remain hostage to Brexit news flow and fluctuations in the GBP.
- Emerging Markets (EM) ex-Asia is a core holding. Elevated commodity prices and a more constructive USD view in the next 12 months support the view.
- Risks to our equity views: US trade policies/inflation spike, USD strength.

Figure 5

The US remains our preferred equity market

Equity	View	Valuations	Earnings on equity	Return	Economic data	Bond yields	Comments
US							Elevated valuations supported by robust earnings growth.
Asia ex-Japan							Attractive valuations, but earnings under pressure. Trade war risks remain.
Japan							Valuations remain range-bound. Returns to shareholders structurally rising.
Euro area							Signs of improving pricing power, but earnings growth remains weak.
EM ex-Asia							High oil prices a positive, but rising US rates are impacting markets.
UK							Rising commodity prices boosting FTSE100. No deal Brexit a risk.

Source: Standard Chartered

Legend:  Supportive  Neutral  Not Supportive  Preferred  Less Preferred  Core Holding



IMPLICATIONS FOR INVESTORS

Global equities our preferred asset class

US is our preferred regional market

Prefer China within Asia ex-Japan, but confidence in this call dipped this month

Figure 6

Where markets are today

Market	P/E ratio	P/B	EPS	Index level
US (S&P 500)				
17x	3.2x	13%		2,914
Euro area (Stoxx 50)				
13x	1.5x	9%		3,4350
Japan (Nikkei 225)				
13x	1.3x	5%		23,797
UK (FTSE 100)				
13x	1.7x	9%		7,545
MSCI Asia ex-Japan				
12x	1.4x	11%		656
MSCI EM ex-Asia				
10x	1.4x	16%		1,350

Source: FactSet, MSCI, Standard Chartered. Note: valuation and earnings data refer to 12-month forward data for MSCI indices, as of 27 Sept 2018



Alternative strategies

Alternatives preferred

- Alternatives is now one of our most preferred asset classes
- Equity Hedge remains our most preferred strategy, in view of expected higher volatility and stable/lower correlations in the equity market
- Global Macro remains an attractive “Diversifier”, in view of its low correlation to traditional assets, especially during sustained pullbacks

Performance review of alternatives strategies

Alternatives is now one of our most preferred asset classes. This view is motivated by our expectations for increased market volatility and persistence of late-cycle dynamics. Additionally, allocating to alternative strategies can help reduce the overall portfolio volatility.

Last month, all strategies delivered flat to negative returns. Equity Hedge underperformed, delivering -1.4%, likely as managers were ill-positioned for the IT sell-off. Relative Value was the sole gainer, posting a 0.2% return. The diversified alternatives allocation lost 0.7% last month and is down 0.9% YTD.

Within alternatives, we maintain a preference for Equity Hedge. In our view, equity volatility is likely to rise, while correlations are likely to remain at, or decline from, current low levels. Such conditions would drive wider dispersion across equities, creating opportunities for long-short managers. Separately, Global Macro remains an attractive “diversifier” as it typically has low correlation to traditional assets.

Our alternatives strategies allocation remains unchanged: Equity Hedge 46%, Relative Value 28%, Event Driven 8% and Global Macro 18%. For more information on our alternatives allocation, please refer to *Outlook 2018*.

Figure 7

Traffic light framework alternatives strategies

	Description	View	Drivers for strategies to perform	
Substitutes	Equity Hedge	In essence, buying undervalued stocks and selling overvalued stocks	▲	<ul style="list-style-type: none"> • Positively trending equity markets • Rising equity market dispersion
	Relative Value	Looking to take advantage of differences in pricing of related financial instruments	◆	<ul style="list-style-type: none"> • Falling interest rates/cost of funding • Narrowing credit spreads
	Event Driven	Taking positions based on an event such as a merger or acquisition	▼	<ul style="list-style-type: none"> • Positively trending equity markets • Rising mergers and acquisitions • Narrowing credit spreads
Diversifier	Global Macro	Looking to exploit themes, trends and asset class relationships (correlations) at a global level, generally with leverage	◆	<ul style="list-style-type: none"> • Rising volatility and credit spreads • Increasing cross asset dispersion • Clear market trends (up/down)

Source: Standard Chartered

Legend: ● Supportive ● Neutral ● Not Supportive ▲ Preferred ▼ Less Preferred ◆ Neutral



IMPLICATIONS FOR INVESTORS

Diversified alternatives allocation preferred, given our outlook on volatility and late-cycle dynamics

Equity Hedge supported by higher volatility and stable/lower equity correlations

Global Macro remains an attractive “Diversifier” given its low correlation to traditional assets

Figure 8

Where markets are today

Alternatives	YTD	1m return
Equity Long/Short	-0.8%	-1.4%
Relative Value	2.6%	0.2%
Event Driven	-5.0%	-0.4%
Global Macro	-2.3%	-0.6%
GIC Alternatives Allocation	-0.9%	-0.7%

Source: Bloomberg, Standard Chartered
As of 27 Sept 2018



FX

USD: Medium-term range trading

- Our near-term USD outlook is balanced. We expect heightened volatility in Q4 that may be triggered by developments in global trade, global growth and interest rate differentials.
- Medium-term, the USD may extend its appreciation against some Emerging Market (EM) currencies, but remain range-bound against a recovering Developed Market (DM) currency basket.
- Near-term EUR weakness is likely to reassert on hawkish Fed and benign ECB. Medium term, we expect a broadly range-bound EUR/USD as growth and inflation gaps narrow slowly
- In China, the PBoC has restored FX stability. We have a negative CNY bias medium-term. A weaker CNY may be a safety valve for a slowing economy and rising trade tensions. This may spill over to EM FX.

Figure 9

Foreign exchange; key driving factors and outlook

Currency	View	Real interest rate differentials	Risk sentiment	Commodity prices	Broad USD strength	Comments
USD	◆	●	●	NA	NA	Medium-term rate differentials stable
EUR	◆	●	●	NA	●	Monetary policy normalisation on hold
JPY	◆	●	●	NA	●	Range-bound amid opposing constraints
GBP	◆	●	●	NA	●	Brexit dependency
AUD	▼	●	●	●	●	Domestic weakness and China slowdown
EM FX	▼	NA	●	●	●	China to allow currency weakness

Source: Bloomberg, Standard Chartered Global Investment Committee

Legend: ● Supportive ● Neutral ● Not Supportive ▲ Preferred ▼ Less Preferred ◆ Neutral

USD – Range-bound in the near term and medium term

We see the possibility of the USD making a new high before settling into a range in the **near term**. DXY support around 92.65-93.65 should hold and support a rally to re-test the August high near 97.00 – and possibly our retracement target at 97.90. In the medium term, we believe a broad DM recovery in growth and inflation will dampen US outperformance and the USD will be range-bound. Tighter USD global liquidity and a weakening CNY may cause further USD strength against some EM currencies.



IMPLICATIONS FOR INVESTORS

USD range trading medium term

EUR outlook shifts to range-bound

Bearish bias for CNY and EM FX

Figure 10

Figure 1: Where markets are today

FX (against USD)	Current level	1m change
Asia ex-Japan	105	-0.8%
AUD	0.72	-1.9%
EUR	1.16	-0.3%
GBP	1.31	1.5%
JPY	113	-2.0%
SGD	1.37	-0.4%

Source: Bloomberg, Standard Chartered
As of 27 Sept 2018



Multi-asset

Multi-year investing key to sustainable returns

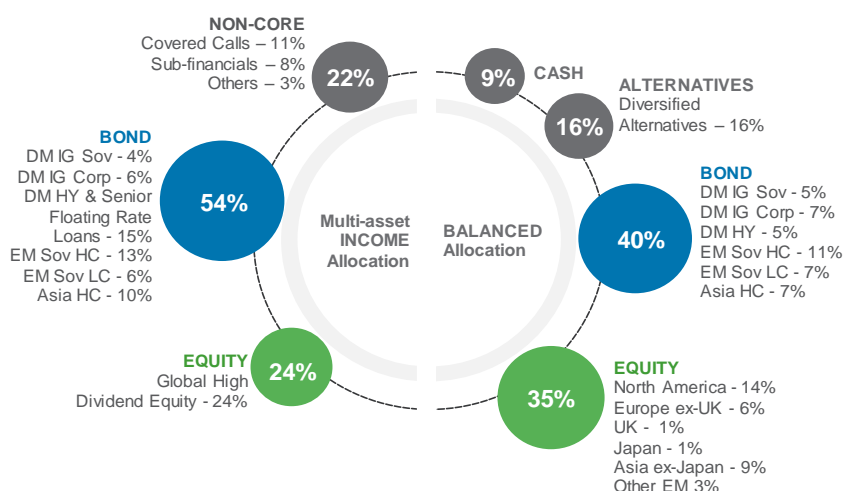
- Multi-year investing key to sustainable longer-term wealth accumulation
- We believe that continuing to diversify risky asset exposures is the most effective way to manage timing risk in a late-stage economic cycle
- For income-seeking investors, a multi-asset income allocation should continue to help an investor's regular income goal

In our *Mid-Year Outlook*, we updated two distinct asset allocations focusing on goals for i) capital growth investors and ii) income-focused investors (Figure 46).

As we end Q3, we continue to see diverging performances between Developed Markets (DM) and Emerging Markets (EM) assets. Our positive view on EM bonds has come under pressure this year as trade tensions, USD strengthening and idiosyncratic country events (e.g. Turkey, Argentina) have all added to negative EM performances and sentiment. While we recognise challenges, we believe EM USD government bonds continue to provide value. Currently our 'multi-asset income' allocation continues to lead our 'balanced' allocation, primarily due to its far lower EM equities exposure (7% in multi-asset income vs 15% in balanced) and its positive contributions from covered calls (+6.7% YTD).

Figure 11

Breakdown of our Income and Balanced allocations



Source: Bloomberg, Standard Chartered

Note: If allocation figures do not sum to 100%, it is due to rounding



IMPLICATIONS FOR INVESTORS

Preference for diversified growth-tilted balanced allocation

Multi-asset income strategy remains key for income investors looking to generate overall yield across assets

Tailor your overall multi-asset allocation in line with your return expectations and risk appetite

Figure 12

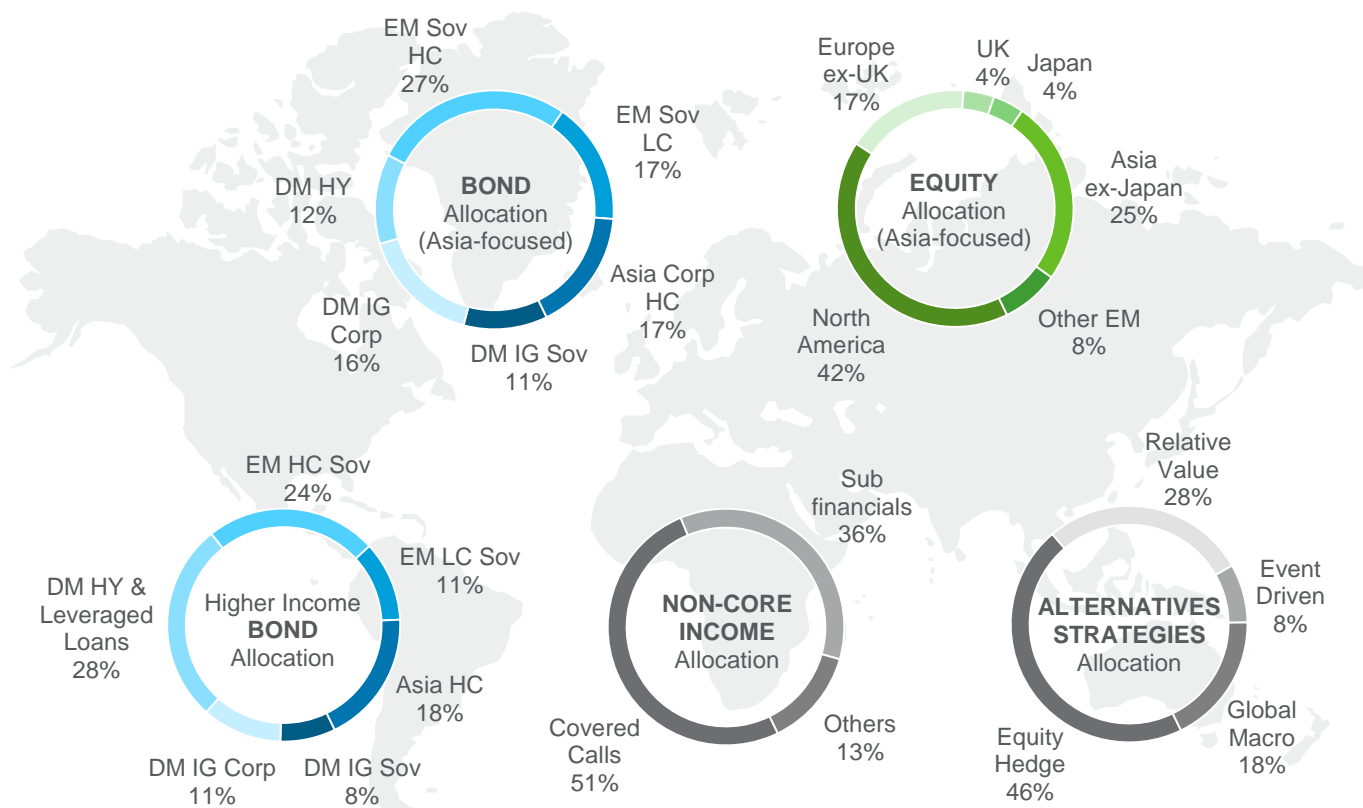
Key multi-asset views

Allocation performance	YTD	1m return
Total return balanced	-0.1%	0.3%
Multi-asset income	2.5%	0.2%

Source: Bloomberg, Standard Chartered
As of 27 Sept 2018

Our recommended allocations

Asset class sleeves



Tailoring a multi-asset allocation to suit an individual's return expectations and appetite for risk

- We have come up with several asset class "sleeves" across major asset classes driven by our investment views
- Our modular allocations can be used as building blocks to put together a complete multi-asset allocation
- These multi-asset allocations can be tailored to fit an individual's unique return expectations and risk appetite
- We illustrate allocation examples for both Global and Asia-focused investors, across risk profiles

BOND Allocation (Asia-focused)	Higher Income BOND Allocation	EQUITY Allocation (Asia-focused)	NON-CORE Income Allocation	ALTERNATIVES STRATEGIES Allocation
<ul style="list-style-type: none"> • For investors who want a diversified allocation across major fixed income sectors and regions • Asia-focused allocation 	<ul style="list-style-type: none"> • For investors who prefer a higher income component to capital returns from their fixed income exposure • Includes exposures to Senior Floating Rate bonds 	<ul style="list-style-type: none"> • For investors who want a diversified allocation across major fixed income sectors and regions • Asia-focused allocation 	<ul style="list-style-type: none"> • For investors who want to diversify exposure from traditional fixed income and equity into "hybrid" assets • Hybrid assets have characteristics of both fixed income and equity • Examples include Covered Calls, REITs, and sub-financials (Preferred Shares and CoCo bonds) 	<ul style="list-style-type: none"> • For investors who want to increase diversification within their allocation • Include both "substitute" and "diversifying" strategies

Note: Allocations may not add up to 100 due to rounding

Asset allocation summary

Tactical Asset Allocation - (12m). All figures are in percentages.

Summary	View	ASIA FOCUSED				GLOBAL FOCUSED			
		Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
Cash	●	19	9	4	0	19	9	4	0
Fixed Income	●	62	40	30	8	62	40	30	8
Equity	●	19	35	50	82	19	35	50	82
Alternative Strategies	●	0	16	16	10	0	16	16	10

Asset class	View	ASIA FOCUSED				GLOBAL FOCUSED			
		Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
USD Cash	●	19	9	4	0	19	9	4	0
DM Government Bonds*	●	7	5	3	1	10	6	5	1
DM IG Corporate Bonds*	●	10	7	5	1	14	9	7	2
DM HY Corporate Bonds	●	8	5	4	1	10	7	5	1
EM USD Sovereign Bonds	●	17	11	8	2	13	8	6	2
EM Local Ccy Sovereign Bonds	●	10	7	5	1	8	5	4	1
Asia Corporate USD Bonds	●	10	7	5	1	8	5	4	1
North America	●	8	14	21	34	12	22	31	51
Europe ex-UK	●	3	6	8	14	1	3	4	6
UK	●	1	1	2	3	1	1	2	3
Japan	●	1	1	2	3	1	1	2	3
Asia ex-Japan	●	5	9	13	21	3	5	8	13
Non-Asia EM	●	1	3	4	6	1	2	4	6
Alternatives	●	0	16	16	10	0	16	16	10
		100	100	100	100	100	100	100	100

Source: Bloomberg, Standard Chartered

For illustrative purposes only. Please refer to the disclosure appendix at the end of the document. * FX-hedged

Note: 1. For small allocation we recommend investors to implement through global equity/global bond product; 2. If allocation figures does not add up to 100, it is due to rounding

Legend: ● Least preferred ● Core holding ● Most preferred

Market performance summary*

Equity

	Year to date	1 month
Global Equities	4.1% ↑	0.4% ↑
Global High Dividend Yield Equities	2.4% ↑	0.9% ↑
Developed Markets (DM)	5.7% ↑	0.6% ↑
Emerging Markets (EM)	-7.4% ↓	-1.4% ↓
BY COUNTRY		
US	10.2% ↑	0.6% ↑
Western Europe (Local)	1.6% ↑	-0.2% ↓
Western Europe (USD)	-1.1% ↓	0.5% ↑
Japan (Local)	1.3% ↑	4.8% ↑
Japan (USD)	0.8% ↑	2.7% ↑
Australia	-2.9% ↓	-2.5% ↓
Asia ex- Japan	-6.1% ↓	-1.7% ↓
Africa	-19.4% ↓	-7.1% ↓
Eastern Europe	2.4% ↑	6.2% ↑
Latam	-6.4% ↓	1.7% ↑
Middle East	14.9% ↑	-0.2% ↓
China	-9.0% ↓	-3.5% ↓
India	-9.1% ↓	-9.5% ↓
South Korea	-8.5% ↓	2.3% ↑
Taiwan	5.6% ↑	2.6% ↑
BY SECTOR		
Consumer Discretionary	7.4% ↑	0.6% ↑
Consumer Staples	-4.2% ↓	-0.6% ↓
Energy	8.9% ↑	2.4% ↑
Financial	-3.4% ↓	-0.6% ↓
Healthcare	12.4% ↑	2.0% ↑
Industrial	1.6% ↑	1.3% ↑
IT	13.7% ↑	0.0% ↑
Materials	-2.7% ↓	0.2% ↑
Telecom	-4.9% ↓	0.3% ↑
Utilities	0.1% ↑	-1.3% ↓
Global Property Equity/REITS	-1.1% ↓	-2.6% ↓

Bonds

	Year to date	1 month
SOVEREIGN		
Global IG Sovereign	-2.0% ↓	-0.6% ↓
US Sovereign	-1.7% ↓	-0.9% ↓
EU Sovereign	-2.5% ↓	-0.7% ↓
EM Sovereign Hard Currency	-3.0% ↓	0.9% ↑
EM Sovereign Local Currency	-7.5% ↓	-0.1% ↓
Asia EM Local Currency	-4.7% ↓	-1.1% ↓
CREDIT		
Global IG Corporates	-2.6% ↓	-0.4% ↓
Global HY Corporates	0.9% ↑	0.6% ↑
US High Yield	2.5% ↑	0.4% ↑
Europe High Yield	-2.5% ↓	0.9% ↑
Asia USD Corporates	-1.5% ↓	-0.3% ↓

Commodity

	Year to date	1 month
Diversified Commodity	-2.5% ↓	1.4% ↑
Agriculture	-11.6% ↓	-1.0% ↓
Energy	15.3% ↑	5.7% ↑
Industrial Metal	-14.4% ↓	-1.4% ↓
Precious Metal	-12.9% ↓	-2.8% ↓
Crude Oil	27.6% ↑	6.8% ↑
Gold	-9.2% ↓	-2.4% ↓

FX (against USD)

	Year to date	1 month
Asia ex- Japan	-4.6% ↓	-0.8% ↓
AUD	-7.7% ↓	-1.9% ↓
EUR	-3.0% ↓	-0.3% ↓
GBP	-3.2% ↓	1.5% ↑
JPY	-0.6% ↓	-2.0% ↓
SGD	-2.4% ↓	-0.4% ↓

Alternatives

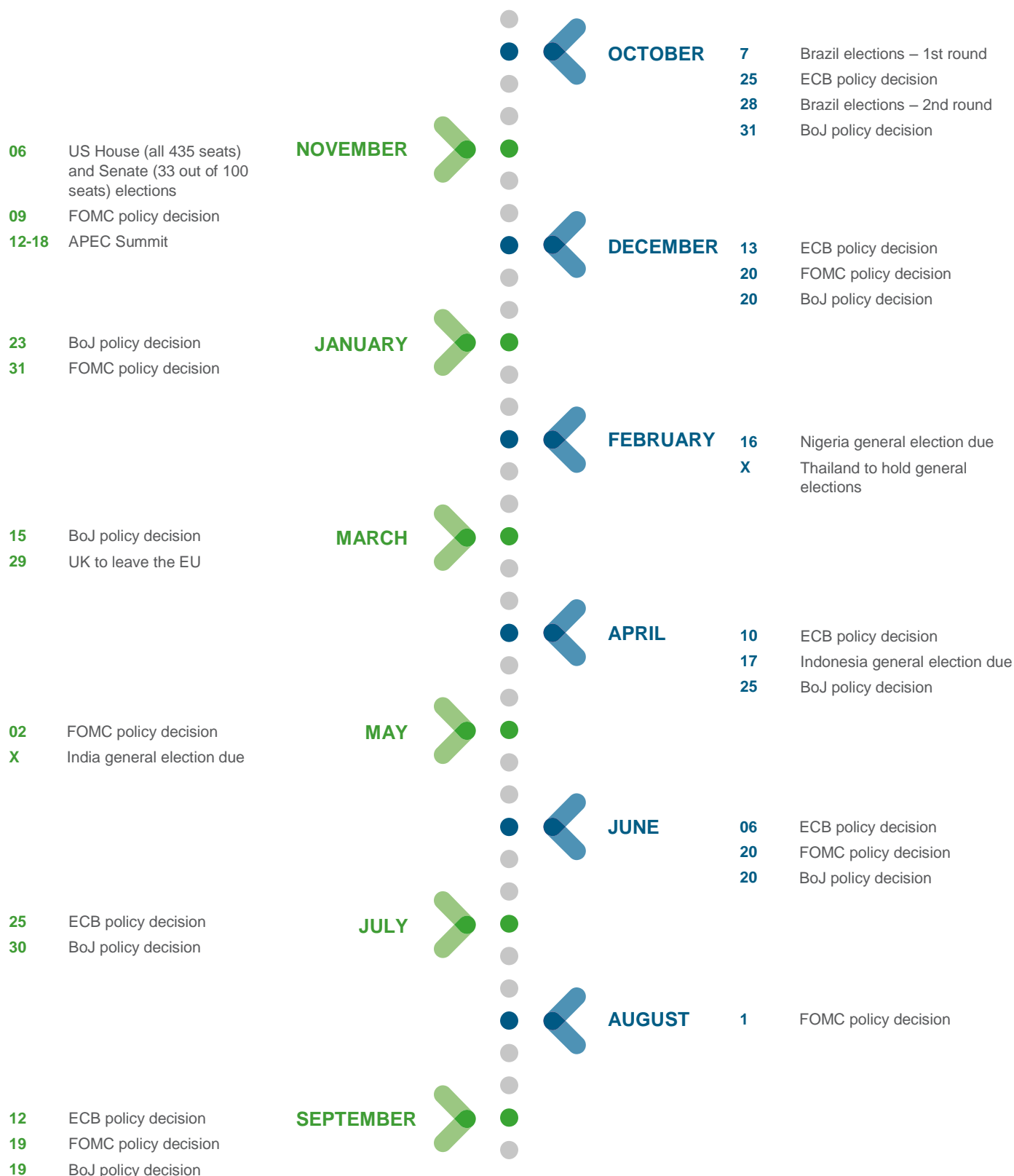
	Year to date	1 month
Composite (All strategies)	-1.3% ↓	-0.6% ↓
Relative Value	2.6% ↑	0.2% ↑
Event Driven	-5.0% ↓	-0.4% ↓
Equity Long/Short	-0.8% ↓	-1.4% ↓
Macro CTAs	-2.3% ↓	-0.6% ↓

Source: MSCI, JPMorgan, Barclays, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

*All performance shown in USD terms, unless otherwise stated

*YTD performance data from 31 December 2017 to 27 September 2018 and 1-month performance from 27 August 2018 to 27 September 2018

Events calendar



Legend: X – Date not confirmed | **ECB** – European Central Bank | **FOMC** – Federal Open Market Committee (US) | **BoJ** – Bank of Japan

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Our experience and expertise help you navigate markets and provide actionable insights to reach your investment goals.

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