Global Market Outlook

US dollar to reign short term?

Contents

Investment strategy

Figure 1: Our Tactical Asset Allocation views (12M) USD

Asset class	Sub-asset class	Relative outlook	Rationale
Currencies	EUR	Overweight	Economic momentum positive, but some consolidation likely after strong rally
	USD	Neutral	Longer-term risks to the downside, but likely to rise short term
	GBP	Neutral	Political and policy uncertainty to weigh in; sell the recent rebound
	EM currencies	Neutral	Short-term stronger USD negative, long-term EM fundamentals constructive
	AUD	Neutral	Status quo in RBA policy and weaker iron ore prices likely to limit rally
	JPY	Underweight	USD/JPY remains tied to US 10-year yields, which we expect to rise gradually

Source: Standard Chartered Global Investment Committee

Legend: Overweight Neutral Underweight

Perspectives

on key client questions

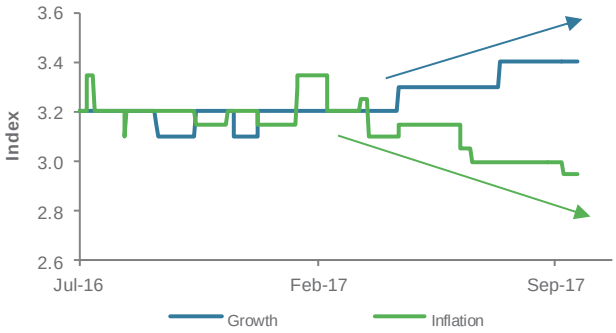
Is low inflation something to celebrate or worry about?

For now, it reaffirms the 'Goldilocks' economy, where global growth expectations are being revised higher and inflation remains benign. This environment has been particularly positive for equity markets, but has also supported returns for bonds and multi-asset income strategies.

Such a benign outlook is unlikely to extend over the long term. Either inflationary pressures will rise or financial excesses will build, both of which would be challenging for asset markets, albeit in very different ways.

Figure 2: Economic outlook remains constructive

Goldilocks has been the best of both worlds – accelerating growth and declining inflation expectations



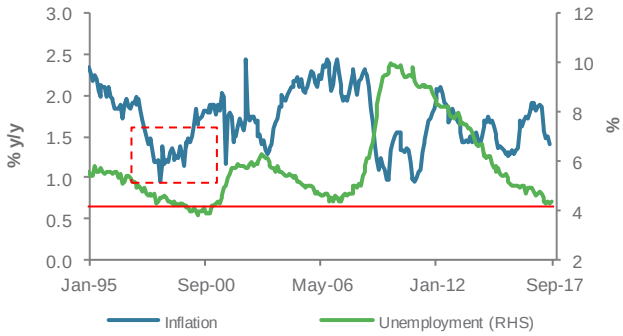
Source: Bloomberg, Standard Chartered

In some ways the late 1990s situation was similar to the current one. Growth then was above trend, unemployment was falling towards 4% and inflationary pressures were benign. Against this backdrop, the equity market did very well. From when Alan Greenspan famously questioned whether markets were 'irrationally exuberant' (with a trailing P/E ratio of 19) in December 1996, the S&P500 index more than doubled in just over three years.

What does this mean in the current context? One simplistic way of looking at equity markets is through a dual lens of valuations and the macro outlook. The macro environment matters less when valuations are very low (a sub-10 P/E ratio) or when they are very high (over 30) as the bad/good news has likely been priced in, respectively.

Figure 3: Some similarities between late 1990s and now

Inflation (core PCE deflator) was low in the late 1990s despite unemployment rate falling towards 4%



Source: Bloomberg, Standard Chartered

Of course most of the time the P/E ratio is between these extremes. Today, our view is that global equity market valuations are high at 21.5x (but not extreme) and the macro environment is still improving. Balancing these factors, we continue to maintain a greater-than-normal allocation to equities.

Factors that would lead us to review this positioning include a sharp acceleration in inflation, signs of significant financial excesses and/or a sharp rise in equity market valuations.

What is the likely impact of North Korea tensions?

While geopolitical risks are always difficult to quantify, especially from a financial market perspective, we believe cooler heads will ultimately prevail. There is no incentive for either side to start a war.

For North Korea, inducing a conflict would increase the risks that the US would push for a regime change, which is exactly the thing that President Kim wants to avoid. For the US, the potentially catastrophic implications for South Korea, should the North retaliate against a US-induced conflict, are likely to encourage calmer heads to prevail.

Of course, this does not preclude periodic volatility should North Korea continue to test missiles, especially if it demonstrates new military capabilities. We see increasingly stern rhetoric. Indeed, we cannot rule out a limited conflict, which could be started by an accident tied to a missile test.

However, overall, we believe that any market volatility generated by US-North Korea tensions is likely to be short-lived.

What are the implications of the Fed decision to reduce the size of its balance sheet?

The Fed maintained its projection to hike rates four times by end 2018 and confirmed plans to start reducing its bond holdings by USD 10bn per month. This is a sign that it expects the economy to remain robust and inflation to gradually pick up over the next 6-12 months, the near-term impact of the hurricanes notwithstanding.

While the bond holding reduction plan was telegraphed well in advance and is likely to have already been factored in, markets are still pricing in a little less than two rate hikes by end 2018. Therefore, if the Fed does deliver on the projected

four rate hikes instead, it is likely to create a headwind for global bond markets.

We expect US 10-year Treasury yields to rise moderately and remain within 2.25-2.75%, pencilling a slightly slower

pace of rate hikes than the Fed, given the low likelihood of any substantial increase in inflation.

As discussed above, we believe global equity markets are likely to be dominated by the positive fundamental outlook, rather than the Fed's monetary policy.

What is the outlook for the USD?

The USD has fallen around 10% so far this year on the back of declining real interest rate differentials. However, we believe the stage is set for a short-term counter-trend move. Speculative market positioning has swung from being very long USD at the beginning of the year to becoming very short USD today. This creates the risk of a 'short squeeze' whereby a slight improvement in fundamentals leads speculators to buy USDs to cover their short positions.

One potential source of positive surprise comes from the Fed's monetary policy outlook (see above). Markets will be keen to see how severely the hurricanes will impact the economy and how the Fed responds to these uncertainties.

Overall, we expect the USD to rebound from oversold levels and initially test the 96-98 area.

Figure 4: USD sitting just above key support

Source: Thomson Reuters, Standard Chartered

What does this USD outlook mean for bond investors?

When the USD bounces, it is normal for this strength to be largely broad-based. In Developed Markets, we see the EUR, the AUD and the JPY as the most vulnerable, while the CAD and the GBP may be more resilient.

As far as Emerging Market (EM) currencies are concerned, we expect the strong local currency gains since the start of the year to be reversed to some extent. Against this backdrop, we have tempered our bullish view on EM local currency government bonds. EM USD government bonds remain our preferred area of global bonds, with Asia corporate USD bonds (especially Investment Grade bonds) and EM local currency government bonds ranked joint second.

This 'downgrade' to the near-term outlook for EM local currency bonds has been supported by signs that global investors have continued to invest money in EM USD bonds, while the inflows to local currency bonds have reduced.

Macro overview

IMPLICATIONS
FOR INVESTORS

01 The Fed is likely to raise rates two more times over the next 12 months

02 The ECB is likely to taper policy stimulus in the next 12 months; the BoJ to stay on hold for now

03 China could tighten monetary policy further and use fiscal stimulus to support growth

Improving growth, subdued inflation

- **Core scenario:** Economic data surprises in major economies have turned positive, helped by a recovery in the US (despite near-term headwinds from the hurricanes), and an upturn in the Euro area and Japan. Inflation expectations remain subdued.
- **Policy outlook:** The Fed's plan to raise rates four more times by end 2018 is slightly faster than what we have pencilled in. The ECB is likely to start reducing stimulus next year, while China is likely to keep a tight leash on credit growth.
- **Key risks:** a) Geopolitics (North Korea) has climbed in the ranking of risk factors; b) Tighter monetary policy driven by an inflation surprise (in the US) or a greater focus on financial stability (in China); c) Deflation downside from a China slowdown.

Core scenario

The global economy continued to improve, with Developed economy data surprises turning positive for the first time since June and Emerging economies continuing to surprise positively. The increasingly synchronised global growth backdrop means our Global Investment Committee (GIC) continues to assign a combined 75% probability to 'reflation' or 'muddle-through' scenarios unfolding over the next 12 months. Inflation and deflation risks are broadly balanced, but low (about 10% probability each), as inflation expectations remain subdued despite declining slack. Given this benign inflation outlook, we still expect the Fed to raise rates at a more gradual pace than what it confirmed this month (ie, four rate hikes by end 2018). Geopolitical risks have increased, especially after North Korea's nuclear weapon and intercontinental ballistic missile tests.

Figure 5: Global growth outlook remains broad-based, while inflation remains subdued

Region	Growth	Inflation	Benchmark rates	Fiscal deficit	Comments
US	🟢	🟡	🔴	🟢	Hurricanes likely to be short-term negative, long-term positive for growth. Focus remains on tax reform. Fed on course to gradually tighten policy
Euro area	🟢	🟡	🟡	🟡	Growth expectations continue to be revised higher, although inflation remains tepid. The ECB may start withdrawing stimulus in 2018
UK	🔴	🔴	🟡	🟡	Rising inflation, slowing wages hurting demand. Brexit talks remain key risk. The BoE signals possible rate hike as inflation closes in on 3%
Japan	🟢	🟡	🟡	🟡	Growth upgrades continue as Abe calls snap elections. The BoJ to maintain easy monetary policy as deflationary pressures remain
Asia ex-Japan	🟡	🟡	🟡	🟢	China's economy slows gradually as focus turns to financial stability. India may boost fiscal spending in a bid to revive growth
EM ex-Asia	🟢	🟢	🟢	🟡	Brazil and Russia cut rates further amid falling inflation. There is still room for further rate cuts

Source: GIC views

Legend: 🟢 Supportive of risk assets 🟡 Neutral 🔴 Not supportive of risk assets

US – rebuilding after hurricanes

Reconstruction, tax reforms top of agenda. US data surprises were turning less negative before the two major hurricanes that impacted southern US. The hurricanes are likely to cloud near-term data, although reconstruction activity is likely to support growth in the next few quarters. President Trump remains invested in enacting tax reforms – success here could help revive US business spending.

Fed sticks with rate hike plan. The Fed's plan to start balance sheet tightening from October was telegraphed well in advance. However, we expect a slightly slower pace of rate hikes than the Fed (which forecasts four more rate hikes by end 2018), given still-subdued inflation expectations.

Euro area – broad-based growth

Southern slack to sustain expansion. The Euro area continues to see growth upgrades, with growth rates in Italy gradually catching up with those in France and Germany. Significant slack remains across southern Europe, which should sustain the expansion for some more quarters without inducing a significant rise in inflation (even though the overall region is growing above trend). The re-election of Chancellor Angela Merkel for a fourth term in Germany is positive for Euro area policy continuity.

ECB to withdraw stimulus. As growth broadens, the ECB is likely to taper its bond purchases from 2018 (although low inflation suggests the process is likely to be gradual). There is a risk the recent EUR strength could tighten financial conditions, delaying ECB tapering.

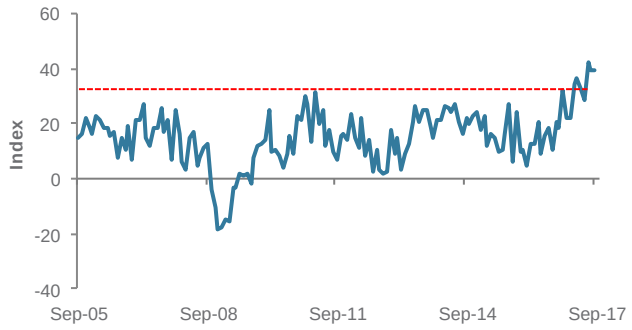
UK – BoE signals rate hike

Job market tightens further. The UK jobless rate fell to a 42-year low of 4.3%, which is 0.2ppt below the BoE's sustainable rate. However, consumption remains subdued as tepid wage growth continues to fall short of inflation. Meanwhile, Brexit talks have made little progress.

BoE builds case for rate hike. The BoE cited the reduced slack in the economy to build a case for a possible rate hike. Any hike is likely to be one-off for now, given the overhang of Brexit-related risks and the likely impact on the job market.

Figure 6: US business spending intentions have picked up; clarity on tax reforms could provide a further boost

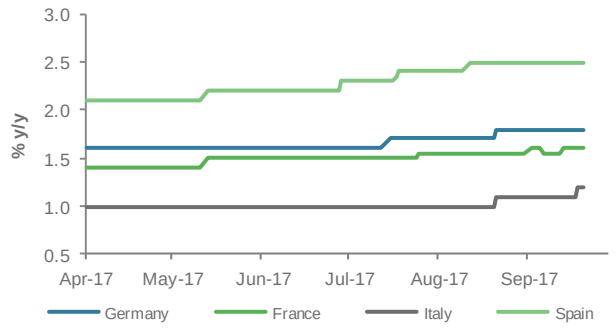
US Philadelphia Fed survey of capital expenditure in six months



Source: Bloomberg, Standard Chartered

Figure 7: Euro area growth expectations continue to be revised higher across the region, most recently in Italy

Euro area consensus GDP growth expectations for 2018



Source: Bloomberg, Standard Chartered

Figure 8: UK's wage growth remains well below retail inflation, hurting consumers' purchasing power

UK average wage growth excluding bonus; retail price inflation

Source: Bloomberg, Standard Chartered

Japan – growth upgrades continue

Above-trend growth to support Abe's re-election. Japan's growth forecasts continue to be upgraded as domestic consumption joined exports to boost growth above its long-term trend. The improved outlook is likely to help Prime Minister Abe win re-election in October. However, it also means Abe is likely to push through with another sales tax hike, which is likely to dampen growth next year.

BoJ to stay accommodative. We believe Japan's continued deflationary challenges, despite a pick-up in activity, and uncertainty around the sales tax hike are likely to keep the BoJ accommodative, at least over the next 12 months.

China – policy-driven slowdown

Economy slows further. After a stronger-than-expected H1, China's economy continued to slow into August amid tighter credit supply, property-sector policy tightening and efforts to phase out old industrial capacity. The measures have impacted fixed asset investment, housing sales and industrial production. However, domestic consumption remains robust.

Tightening to continue. We expect the above policy moves to remain after the Communist Party Congress in October, given the focus on financial stability and sustainable growth. We expect a smooth leadership transition, with President Xi Jinping and Premier Li Keqiang ensuring policy continuity.

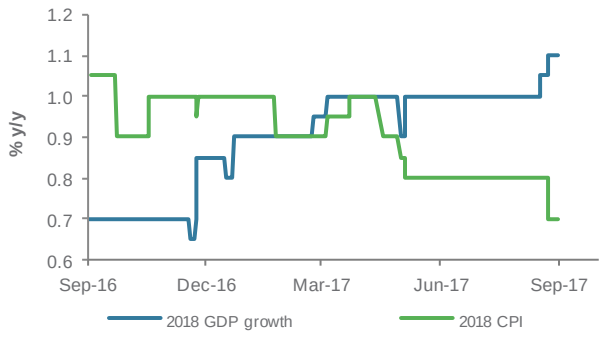
Emerging Markets – further rate cuts likely

India likely to boost fiscal spending, cut rates. India's economy continues to be affected by the rollout of the goods and services tax. Private investment remains subdued, with banks constrained from lending due to non-performing assets. This raises the chances of the government boosting fiscal spending. We also expect another rate cut by the RBI, although the recent rebound in inflation is a constraint.

More rate cuts in Brazil, Russia likely. Inflation-adjusted rates in Brazil and Russia remain high, despite recent rate cuts. This is likely to encourage further easing of rates, especially as inflation continues to decline. Meanwhile, inflation may have peaked in Mexico, which should allow the central bank to end its rate-tightening policy.

Figure 9: Japan's consensus growth forecasts continue to be revised higher, but inflation expectations have been downgraded

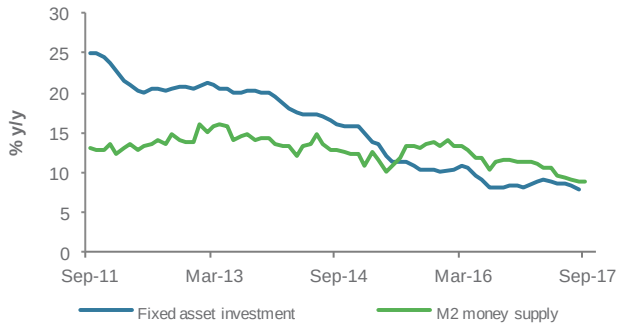
Consensus economic growth and CPI inflation forecasts for 2018



Source: Bloomberg, Standard Chartered

Figure 10: China's fixed asset investment showed signs of further slowdown as authorities tightened the supply of credit

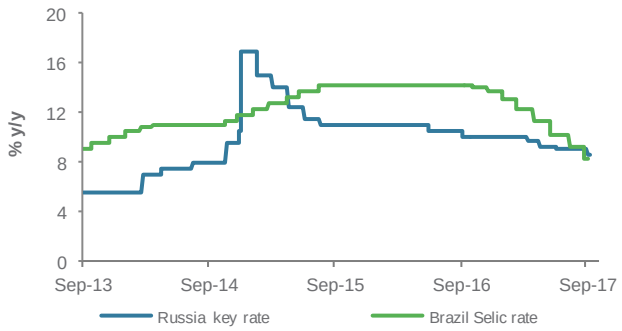
China's fixed asset investment (YTD) and M2 money supply



Source: Bloomberg, Standard Chartered

Figure 11: Brazil and Russia are likely to see further rate cuts as inflation-adjusted rates remain high, constraining growth

Brazil's Selic rate and Russia's key rate



Source: Bloomberg, Standard Chartered

Commodities

IMPLICATIONS
FOR INVESTORS

01 Risks to oil prices are more balanced

02 Gold to remain range-bound

03 Modest retracement of base metal prices likely

Shrugging off geo-political risks

- We expect commodities to rise modestly amid continued strength in global growth, though any slowdown in China's growth remains the key risk.
- We believe risks to the oil price outlook are becoming more balanced following the recent rise.
- Gold is expected to return to USD 1,200-1,300/oz, implying some downside from current prices amid gradually rising real yields globally.

Figure 13: Commodities – key driving factors and outlook

Commodity	View	Inventory	Production	Demand	Real interest rates	USD	Risk sentiment	Comments
Oil	◆	Neutral	Neutral	Supportive	NA	Neutral	Neutral	OPEC cuts and slowing US shale production to support prices
Gold	◆	Neutral	Neutral	Not Supportive	Neutral	Neutral	Neutral	Gradually rising yields to weigh on gold
Metals	◆	Not Supportive	Not Supportive	Neutral	NA	Neutral	Neutral	Modest retracement likely as China demand stalls

Source: Standard Chartered Global Investment Committee

Legend: Supportive, Neutral, Not Supportive, Preferred, Less Preferred, Neutral

China remains key

We remain moderately constructive on commodities as global economic data improves, with growth broadening across both Developed and Emerging economies. China's macroeconomic outlook remains resilient, although the slowdown over the past few months could act as a headwind to industrial metal prices. We remain watchful of the progress of environmental and supply-side reforms after the Party Congress in October, as that would determine industrial metal prices going forward.

Gold prices have surrendered recent gains as investors reacted to a hawkish outlook after the recent FOMC meeting, despite heightened geo-political risks surrounding the Korean peninsula. Additionally, the physical market has remained soft despite the seasonally strong period for consumption (Diwali) nearing. Nevertheless, we believe gold's outlook will be centred on USD strength and real yields as gold's correlation with the USD and 10-year US Treasuries has remained largely intact. In our view, we continue to believe gold prices will turn lower as rising real yields will pose a headwind going forward.

Figure 12: Where markets are today

Commodity	Current level	1-month return
Gold (USD/oz)	1,287	-1.6%
Crude Oil (USD/bbl)	57.4	11.6%
Base Metals (index)	126	-1.7%

Source: Bloomberg, Standard Chartered

Crude oil – Not chasing the rally for now

Brent crude prices have rallied due to rising geopolitical tensions as Turkey threatened to shut down Kurdish oil exports in response to the region's independence vote. Hurricane Harvey also impacted the US energy market, with the drop in oil product inventory outpacing the build-up of crude inventories, which supported prices.

Looking forward, US crude inventories are likely to build up further due to healthy US production. Furthermore, while the prospect of additional OPEC production cuts remains under discussion, we doubt an agreement will be reached in the short term.

As a result, we believe the recent rally in oil prices has made the risks to the outlook more balanced. Therefore, while we do not see huge downside to oil prices from here, we also believe upside is limited in the near term as well.

Gold – Some downside likely in the near term

Although gold prices reached this year's high in early September, they have since retraced due to the recent rebound in US Treasury yields (which diminished the relative appeal of a non-yielding commodity such as gold). We retain our view that gold prices will trade within a broad range of USD 1200-1300/oz for the remainder of 2017.

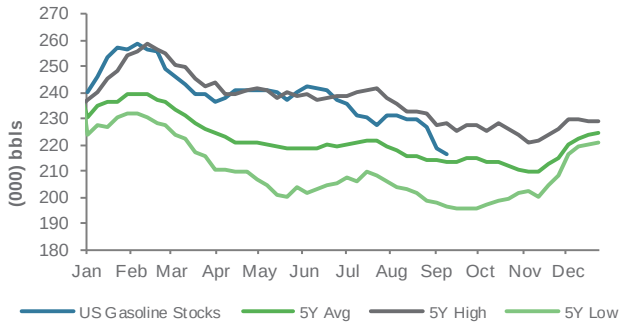
Barring large downside surprises in inflation, we believe central banks will gradually move towards tightening policy, which implies further downside for gold at current prices. A re-escalation of political tensions and a weaker USD are key risks to our view.

Industrial metals – Stay cautious

As we highlighted last month, we believe that the broader industrial metals complex may retrace modestly as the recent attrition in supplies is likely transitory. Copper prices have since pulled back. We note that key macroeconomic data—such as industrial output, investment, retail sales and trade—all grew less than expected last month. Eventually, we expect demand to fall as China's economy slows with its focus turning to financial stability.

Figure 14: Lower oil product inventories in the wake of Hurricane Harvey helped support oil prices

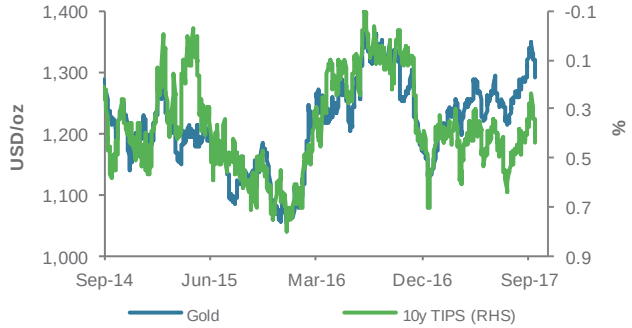
US total gasoline stocks (000 bbls); 5y averages, highs, lows



Source: Bloomberg, Standard Chartered

Figure 15: Hawkish reading of FOMC meeting weighs on gold prices

Gold price (USD/oz), 10-year TIPS yield (%; inverted scale)



Source: Bloomberg, Standard Chartered

Figure 16: What has changed – Oil

Factor	Recent moves
Supply	OPEC continues to cut production; US crude oil inventories picked up slightly
Demand	Leading economic indicators in the US continue to expand
USD	Close to one-year low; Rebound a risk

Source: Standard Chartered

Figure 17: What has changed – Gold

Factor	Recent moves
Interest rate expectations	US yields have risen as the Fed looks to pare down its balance sheet
Inflation expectations	Marginal increase in the US
USD	Close to one-year low; Rebound a risk

Source: Standard Chartered

FX

IMPLICATIONS
FOR INVESTORS

01 Position for short-term USD strength

02 Expect further JPY downside

03 Short-term downside in EM currencies

USD to reign short term?

- We believe there is potential for a short-term USD rebound. However, we maintain our moderately bearish bias for the longer term.
- While we believe the EUR is likely to appreciate further over the medium term, positives may have been priced in for the short term.
- We continue to expect further JPY weakness as the BoJ maintains its monetary policy while most other major central banks move towards policy normalisation.
- Emerging Market (EM) currencies to remain broadly stable over the next 12 months as most positive factors remain intact. However, a pick-up in the USD and potentially higher volatility are likely to pose a challenge short term.

Figure 19: Foreign exchange – key driving factors and outlook

Currency	View	Real interest rate differentials	Risk sentiment	Commodity prices	Broad USD strength	Comments
USD	◆	●	●	NA	NA	Policy divergence diminishing, but likely priced in weaker USD
EUR	▲	●	●	NA	●	Economic momentum argues for ECB stimulus withdrawal
JPY	▼	●	●	NA	●	Remains tied to US 10-year yields
GBP	◆	●	●	NA	●	Political and policy uncertainty to weigh
AUD NZD	◆	●	●	●	●	Central banks likely to maintain policy for now despite rising interest rates elsewhere
EM FX	◆	NA	●	●	●	Headwinds mounting short term

Source: Bloomberg, Standard Chartered Global Investment Committee

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

USD negative factors largely priced in

- The USD has consistently weakened since the start of the year, falling about 10%. We attribute three reasons for a weaker USD: 1) a number of other major central banks moving towards stimulus withdrawal, 2) a decline in US inflation expectations is resulting in US yield-curve flattening, and 3) disappointment regarding progress on tax reform. We believe many of the above factors have been priced in and there is some possibility of a reversal in the next three months.
- Over the medium term, we believe the continued focus of major global central banks towards tightening monetary policy and robust growth in EM countries are likely to limit any near-term USD gains.

Figure 18: Where markets are today

FX (against USD)	Current Level	1-month change
Asia ex-Japan	107	-0.7%
AUD	0.79	-1.3%
EUR	1.18	-1.6%
GBP	1.34	3.9%
JPY	112	-2.8%
SGD	1.36	-0.3%

Source: Bloomberg, Standard Chartered

EUR – Short-term pain, long-term gain

The EUR has rallied strongly over the past six months against the backdrop of declining political risks, strong economic momentum and the ECB hinting at the potential withdrawal of policy stimulus. However, EUR strength seems over-extended. The EUR is running ahead of both real and nominal interest rate differentials and speculator positioning is near extreme levels. As a result, a short-term pullback is expected.

Over the medium term (6-12 months), we remain bullish on the EUR as most of the supportive drivers remain in place. We expect a reduction in ECB bond purchases to lead to narrowing interest rate differentials and an increase in demand for Euro area assets. While political risks have certainly reduced, they are likely to remain a factor worth watching, as the recent German elections have shown.

JPY – Downside risks intact for now

We retain our bearish bias on the JPY. So far this year, a compression in US-Japan real interest rate differentials has supported a stronger JPY. Nevertheless, we expect a US 10-year Treasury yield rebound. Which is likely to weaken the JPY. A key assumption is the BoJ maintains its current yield curve control policy. We believe this is likely, as so far inflation indicators in Japan have continued to weaken.

Longer term, we believe the BoJ could eventually raise its target for 10-year yields, along with other central banks withdrawing policy stimulus. However, this is more likely once yields pick up more significantly elsewhere globally.

GBP – Sell the rally

In our view, strong GBP/USD gains are unlikely to be sustained and we are unlikely to see the GBP at pre-Brexit levels, at least in the short term.

Recent GBP gains have largely been the result of BoE rate hike expectations. However, there is very little clarity on the future BoE interest rate trajectory beyond what could be a mere reversal of last year's post-Brexit 'emergency rate cut'. Economic momentum is slowing, suggesting downside risks remain considerable.

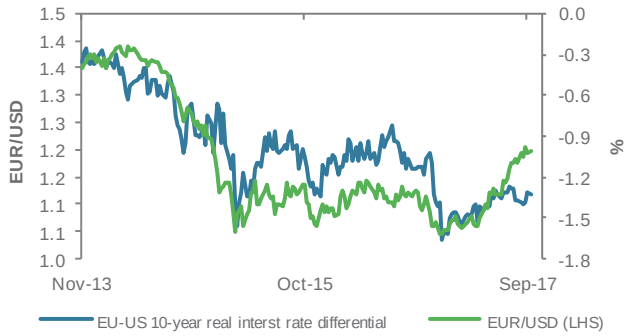
Figure 20: What has changed – G3 currencies

Factor	Recent moves
Real interest rate differentials	Moderately moved against the EUR. Moved in favour of the USD at the expense of the JPY and the GBP
Risk sentiment	Equity and FX volatility has risen from the lows of last month. Still at a low level compared with historical averages
Speculator positioning	USD positioning remains net-short while EUR positioning is near extreme net long. JPY positioning remains significantly net-short while GBP is near historical averages

Source: Bloomberg, Standard Chartered

Figure 21: Recent EUR strength has diverged from interest rate differentials

EUR/USD and real interest rate (interest rate net of inflation) differential



Source: Bloomberg, Standard Chartered

Figure 22: US Treasury yields remain the key driver for USD/JPY

US 10y Treasury yields and USD/JPY

Source: Bloomberg, Standard Chartered

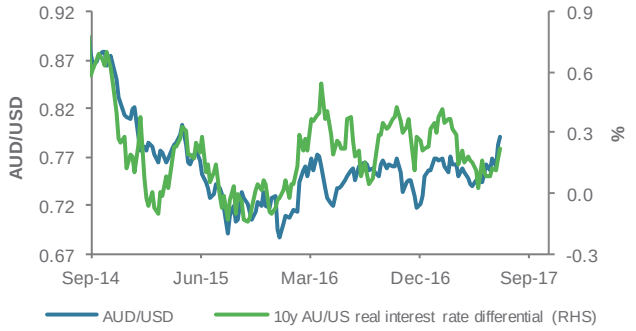
AUD – Headwinds mounting

The AUD has struggled to strengthen meaningfully beyond 0.80 after breaching its medium-term range. This validates our view past month that fundamentals do not warrant a sustained rally in the AUD. We broadly maintain a range-bound stance on the AUD over the medium term, with a slight downside bias leading into year end.

We believe fundamentals are not supportive for two main reasons. First, we believe the RBA is unlikely to hike rates, despite higher yields elsewhere. This has been communicated by the RBA, which prefers to see further evidence of an economic recovery taking hold in Australia. Second, the rebound in iron ore prices is at odds with the weaker China fixed asset investment data. Therefore, we believe limited upside in iron ore could weigh on the AUD.

Figure 23: Yield differentials unlikely to support the AUD if the RBA maintains status quo

AUD/USD and 10y AU-US real interest rate differentials



Source: Bloomberg, Standard Chartered

Emerging Market currencies – A notch towards caution

While the overall macro environment is likely to favour EM currencies over the next 12 months, we are seeing a number of reasons to turn more cautious moving into year end.

First, we believe the decline in the USD against major currencies has become overextended. Second, capital inflows into EMs have begun to taper off, suggesting valuations in local assets have now incorporated most of the positives. Third, EM volatility remains exceptionally low and any pick-up in volatility is likely to have negative implications. Finally, we believe, local central banks are likely to push back against further appreciation of local currencies should the USD continue to weaken.

Within Asian currencies, we do not expect the PBoC to favour continued CNY appreciation. We believe authorities may have allowed the CNY to catch up with earlier USD weakness amid an improvement in economic data and focus on domestic deleveraging. However, any significant appreciation of the CNY (trade-weighted) could result in excessive tightening of domestic financial conditions, something which authorities would likely want to avoid. We believe there is room for some short-term weakness in the externally oriented, trade-focused SGD and KRW as they are likely to closely follow the USD in the short term.

Figure 24: What has changed in Emerging Market currencies

Factor	Recent moves
USD	USD is near its last one-year range lows
China risks	China economic data positive; however, fixed asset investment data has been weak lately
Risk sentiment	EM FX volatility remain near one-year lows

Source: Standard Chartered

Figure 25: Emerging Market currencies have been supported by a decline in volatility

JPMorgan Emerging Market FX volatility (reverse scale) and Emerging Market FX index

Source: Bloomberg, Standard Chartered

Market performance summary*

Commodity

	Year to date	1 month
Diversified Commodity	-2.7% ↓	1.5% ↑
Agriculture	-10.0% ↓	0.5% ↑
Energy	-12.3% ↓	7.4% ↑
Industrial Metal	16.8% ↑	-1.7% ↓
Precious Metal	8.5% ↑	-2.5% ↓
Crude Oil	-2.3% ↓	11.6% ↑
Gold	11.7% ↑	-1.6% ↓

FX (against USD)

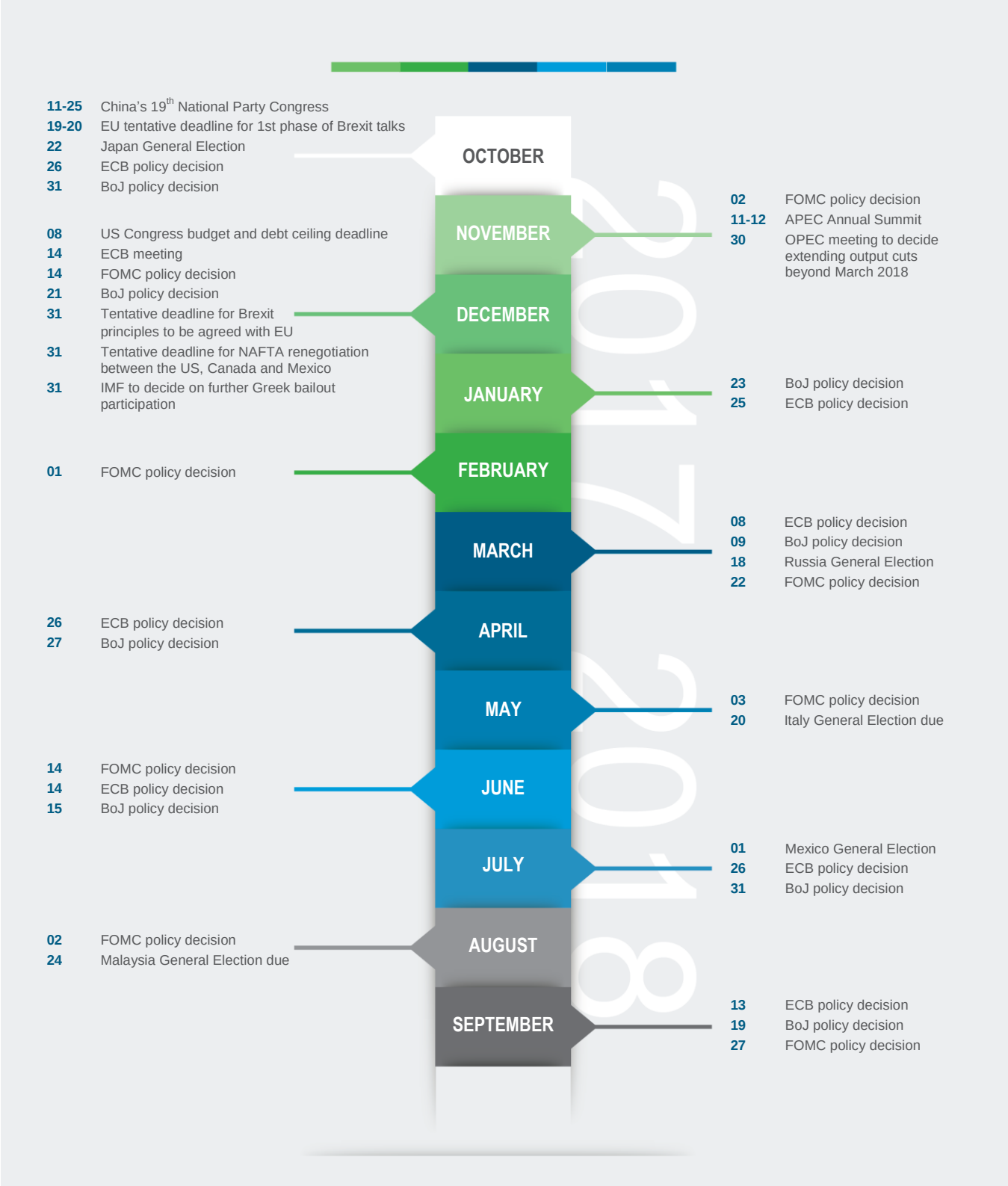
	Year to date	1 month
Asia ex- Japan	4.1% ↑	-0.7% ↓
AUD	9.0% ↑	-1.3% ↓
EUR	12.1% ↑	-1.6% ↓
GBP	8.9% ↑	3.9% ↑
JPY	4.1% ↑	-2.7% ↓
SGD	6.6% ↑	-0.3% ↓

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 2016 to 28 September 2017 and 1-month performance from 28 August 2017 to 28 September 2017

Events calendar



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

The team

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

Alexis Calla*
Global Head, Investment Advisory and Strategy,
Chair of the Global Investment Council
Alexis.Calla@sc.com

Steve Brice*
Chief Investment Strategist
Steve.Brice@sc.com

Aditya Monappa*, CFA
Head, Asset Allocation and Portfolio Solutions
Aditya.Monappa@sc.com

Clive McDonnell*
Head, Equity Investment Strategy
Clive.McDonnell@sc.com

Audrey Goh, CFA
Director, Asset Allocation and Portfolio Solutions
Audrey.Goh@sc.com

Manpreet Gill*
Head, FICC Investment Strategy
Manpreet.Gill@sc.com

Rajat Bhattacharya
Investment Strategist
Rajat.Bhattacharya@sc.com

Arun Kelshiker*, CFA
Executive Director,
Asset Allocation and Portfolio Solutions
Arun.Kelshiker@sc.com

Tariq Ali, CFA
Investment Strategist
Tariq.Ali@sc.com

Abhilash Narayan
Investment Strategist
Abhilash.Narayan@sc.com

Trang Nguyen
Analyst, Asset Allocation and Portfolio Solutions
Trang.Nguyen@sc.com

Jeff Chen
Analyst, Asset Allocation and Portfolio Solutions
JeffCC.Chen@sc.com

DJ Cheong
Investment Strategist
DJ.Cheong@sc.com

Jill Yip, CFA
Investment Strategist
Jill.Yip@sc.com

* Core Global Investment Council voting members

Contacts Information

Wealth Management, Vietnam

Do Lan Anh
Head of Wealth Management
LanAnh.Do@sc.com

Nguyen Anh Tuan
Associate Director,
WMPS, WM
AnhTuanWMPS.Nguyen@sc.com

Chu Thi Minh Anh
WMPS Dealer
Anh-Thi-Minh-Chu@sc.com

Mach Khoi Tin, CFA
WMPS Dealer
Tin.MachKhoi@sc.com

Nguyen Thanh Tung, CFA
Treasury Specialist
Tung.Nguyenthanh@sc.com

Tran Quyen Bieu
Treasury Specialist
Bieu.Tranquyen@sc.com

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