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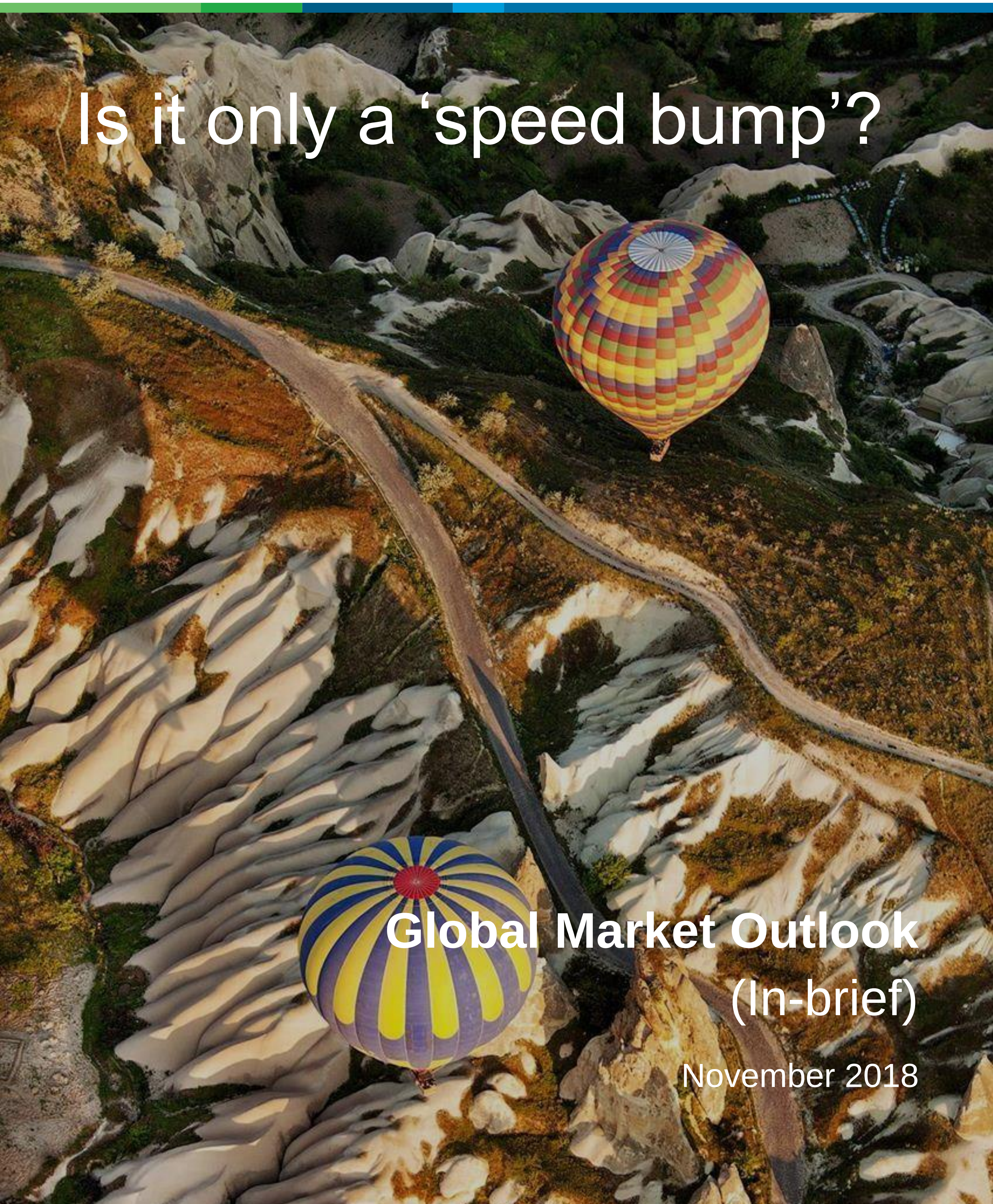


Is it only a 'speed bump'?

Global Market Outlook
(In-brief)

November 2018

Investment strategy

Is it only a 'speed bump'?

- We see current market volatility as a speed bump amid still-solid macro and market fundamentals. Our Global Investment Committee concludes that global equities are likely to outperform bonds and cash over the next 6-12 months.
- The US remains our preferred equity market, while Emerging Market (EM) USD government bonds are the preferred area within bonds.
- USD strength remains a short-term risk for EM assets, but we see this as less of a challenge over the next 6-12 months, given attractive earnings and valuations on equities and elevated bond yields.
- Diversification remains a valuable strategy as it helps mitigate late-cycle volatility.

Separating the short term from the long term

Equity markets globally have had a rough ride over the past two months. Since the end of August, global equities have fallen 6.2%. However, much of the pain was concentrated in equities alone – global corporate bonds fell by only 1.8%, while EM currencies actually gained by a similar amount against the USD. Markets sold off against the backdrop of (i) an earlier move higher in Treasury yields, (ii) worries that US corporate earnings growth has peaked, and (iii) that the Fed may commit a policy mistake by overtightening.

To most investors, the key question has been whether the current sell-off represents the start of a major and prolonged period of equity market weakness, or just a short-lived 'speed bump' within a continued uptrend.

Our Global Investment Committee's assessment is that we are more likely experiencing a speed bump. First, from an economic point of view, key end-of-cycle indicators (the yield curve, US lead economic indicators and corporate margins) have not significantly worsened. A similar argument holds for broader economic growth, in our view – the rate of growth is likely to slow, but the level of growth itself is likely to remain robust. Second, US earnings *growth* is likely to have peaked, as markets price an end to fiscal stimulus, but earnings are still expected to increase.

Third, economic indicators suggest a gradual Fed rate hike path remains justified and non-threatening to growth. Indeed, an index of financial conditions (a measure of the 'health of financial markets', usually via indicators like government and corporate bond yields, the USD and equity prices) shows that, while they have become less supportive of growth since the beginning of the current sell-off, they are not as tight as before the 2015 and 2016 market sell-off (see chart). Finally, most measures of inflation have recovered to around 2%, suggesting moderately tighter policies are appropriate.

IMPLICATIONS
FOR INVESTORS

Equities likely to outperform other traditional asset classes

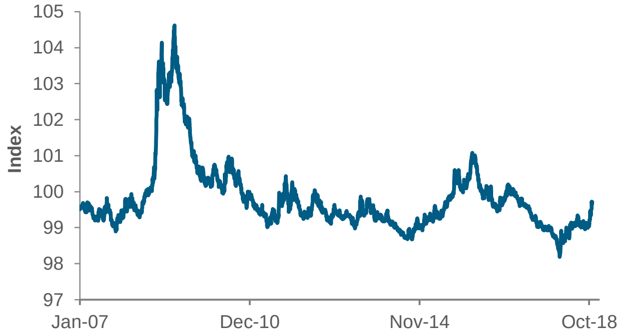
EM USD government bonds a relatively attractive way to start adding EM exposure

Staying diversified particularly important at this point in the cycle

Figure 1

US financial conditions still more supportive than in 2015 or 2016 market sell-offs

Goldman Sachs US Financial Conditions Index
Lower = Easier/more supportive; Higher = Tighter/less supportive conditions



Source: Bloomberg, Standard Chartered

Equities likely to outperform bonds

The implication, in our assessment, is there is a high probability that equities will outperform bonds over the coming 6-12 months. Equities are now around 9% lower than a month ago, valuations have eased alongside and a fund manager survey shows cash holdings have risen. US equities have also likely adjusted to a lower level of earnings growth as the prior fiscal stimulus effect abates.

Cautiously adding to EM via USD bonds

Our assessment is that EM assets remain at risk from the USD rebound, but we believe it is increasingly attractive to selectively take advantage of post-correction levels. EM USD government bonds remain one of our preferred routes to do this. In addition to attractive yields and credit quality, it has proven to be one of the relatively more stable parts of the EM universe through 2018. Asia USD corporate bonds also tend to be less volatile.

Watching China

Chinese policymakers' announcement of economic and equity market support via specific fiscal and market measures is a modest positive, in our view. Having said that, we do not see them back-peddling on long-term deleveraging efforts. How they continue to strike a balance between the two will be key to the market outlook, in our view. In the near term, the announcement of market-backing measures and emerging technical support give us greater confidence than last month in our preference for Chinese equities in Asia ex-Japan.

Diversification is the winner

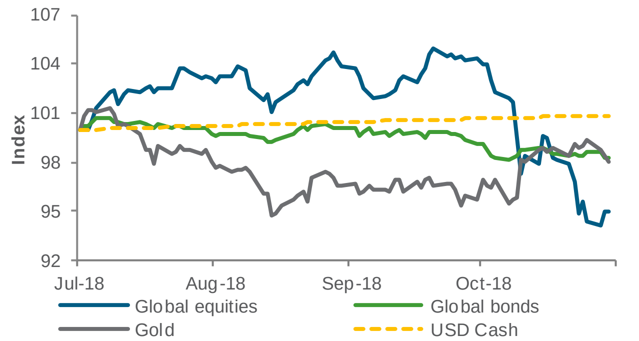
It is always tempting to focus on one's strongest convictions alone, especially in bull markets. However, we believe a diversified approach is more appropriate, especially late in the economic cycle, when volatility tends to rise.

2018 has thus far been a year that has amply proven the value of staying diversified. The chart below demonstrates this in a simplified, representative way – a simple mix of equities, bonds and gold would have offered less negative returns and reduced volatility as compared to owning our equities conviction alone. While this comparison may be an over-simplified one, it illustrates why we believe a diversified approach remains appropriate late-cycle; we expect equities to outperform bonds, but the ride is unlikely to be a smooth one. Diversification can help smoothen the ride.

Figure 2

Diversification has been of great value in 2018 YTD, a period of negative returns across most major asset classes

Total returns: MSCI AC World Index, Citi WorldBIG Index, Gold, JPMorgan 3M Cash



Source: Bloomberg, Standard Chartered

In conclusion, we continue to have a preference for equities over bonds and cash over the next 6-12 months. We see the current equity volatility as temporary rather than indicative of a deeper and more prolonged sell-off. However, we also believe staying diversified is particularly important late in the cycle.

In this context, we continue to favour multi-asset strategies; balanced strategies should continue to outperform late-cycle given their greater weight to growth equities. However, going forward, income strategies are likely to benefit from the higher yields on offer today.

Macro overview

Trade rift clouds outlook

- **Core scenario:** Moderately strong* global growth with limited inflation, although recent data shows growth slowing in the US, Europe and China with the escalation in trade tensions. Emerging Markets (EM) are under pressure due to trade uncertainty and tightening USD liquidity.
- **Policy outlook:** Fed to hike once more in 2018 and thrice in 2019, ECB to hike once by Q4 2019, BoJ to stay accommodative and China to ease further to support growth. Chances of fiscal easing rise in Europe.
- **Key risks:** Global growth slowdown due to escalation in US-China 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 moderately strong* global growth with limited inflation unfolding in the next 12 months. While the US continues to lead Developed Market (DM) growth, helped by last year's tax cuts, escalating trade tensions have started to dampen growth indicators, especially in export-dependent economies of Europe, Japan, China and other EMs. Trade risks have also slowed US business spending plans. We see growing chances of fiscal easing in Europe, with Italy leading, amid rising populism. China is likely to step up fiscal easing measures, including tax cuts, to support growth. Brazil's election is positive for fiscal reforms.

Figure 3

The US remains the growth leader; inflation is mostly benign worldwide

Region	Growth	Inflation	Benchmark rates	Fiscal policy	Comments
US	●	◐	◐	●	Consumption continues to drive growth, but business spending has slowed amid trade tensions. Fed to stick with gradual rate hikes
Euro area	◐	●	●	◐	Business and consumer sentiment resume decline amid trade uncertainty; fiscal easing more likely; ECB to raise rates by Q4 2019
UK	◐	●	◐	◐	Brexit outlook remains clouded. BoE on wait-and-watch mode amid Brexit talks
Japan	◐	●	●	◐	Growth slows as trade tensions hurt exports. BoJ to stay accommodative amid low inflation
Asia ex-Japan	◐	◐	◐	●	China plans more fiscal easing to support growth, without sacrificing stability. India, Indonesia under pressure from weaker FX
EM ex-Asia	◐	◐	○	◐	Brazil elections raise expectations of fiscal reforms; differentiation remains key in EMs

Source: Standard Chartered; * Consensus estimates 3.6% in 2019 vs. average 3.6% in last 5 years

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

IMPLICATIONS
FOR INVESTORS

The Fed to raise rates one more time in 2018, thrice 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

Tilting towards higher quality

- Bonds remain a core holding as we continue to progress through this economic cycle. The recent market moves reinforce our view that 10-year US Treasury yields are likely to remain capped around 3.25%, unless inflation spikes.
- We believe Emerging Market (EM) USD government bonds are most likely to outperform, helped by attractive yields of over 6.5%, relative value and a balanced 12-month outlook for the USD.
- Recent market volatility highlighted the value of always owning high quality bonds, leading us to view Developed Market (DM) Investment Grade (IG) corporate bonds more favourably. Asian USD bonds remain a core holding as we continue to like their defensive characteristics.

Figure 4

Bond sub-asset classes in order of preference

Bond asset class	View	Rates policy	Macro factors	Valua-tions	FX	Comments
EM USD government	Preferred	Not Supportive	Neutral	Supportive	NA	Attractive yields, relative value and stabilising credit quality are positive
DM IG corporate	Core Holding	Not Supportive	Neutral	Neutral	Neutral	Low yield premium and high interest rate sensitivity offset by high credit quality
Asian USD	Core Holding	Not Supportive	Neutral	Neutral	NA	High credit quality, defensive allocation. Influenced by China risk sentiment
DM HY corporate	Core Holding	Not Supportive	Neutral	Not Supportive	Neutral	Attractive yields on offer, offset by expensive valuations
EM local currency	Core Holding	Not Supportive	Neutral	Neutral	Not Supportive	Attractive yield balanced by changing central bank stance and currency risks
DM IG government	Core Holding	Not Supportive	Neutral	NA	Neutral	Normalising Fed and ECB policy to challenge returns

Source: Standard Chartered Global Investment Committee

Legend: Supportive | Neutral | Not Supportive | Preferred | Less Preferred | Core Holding

An eventful October; all eyes now on the US

October was a bumpy month for bonds. Government bond yields spiked before declining on the back of the equity market sell-off. Corporate bonds delivered negative returns as yield premiums rose, owing to the weak risk sentiment.

Looking ahead, we expect the Fed to maintain its current trajectory and hike rates in December. The impact on bonds should be limited as markets have priced in most of the rate hikes, in our view. In our opinion, a sudden spike in inflation, not our base case, is required to drive US yields meaningfully higher from here.

IMPLICATIONS
FOR INVESTORS

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

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

EM USD government bonds are most likely to outperform global bonds

Figure 5

Where markets are today

Bonds	Yield	1m return
DM IG government (unhedged)	1.79%	**-1.2%**
EM USD government	6.82%	**-2.2%**
DM IG corporates (unhedged)	3.25%	**-1.7%**
DM HY corporates	6.83%	**-1.8%**
Asia USD	5.41%	**-1.1%**
EM local currency government	6.74%	**-1.7%**

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

As of 31 Oct 2018

Equities

Equities - after the correction

- Global equities remain a preferred asset class. In our assessment, the recent correction in global equities, which have fallen 10% from September 2018 highs, represents a good opportunity for investors to increase exposure.
- US equities are preferred. US equity valuations have returned to fairer value levels. The market is supported by double-digit earnings growth expectations this year and next and USD1 tn share buybacks in 2018.
- Asia ex-Japan is a core holding. Policy makers have the fiscal flexibility to offset some of the downside risks that appear increasingly priced into equity markets. Increased US trade protectionism is a risk for Asian companies. Rising interest rates and tightening liquidity are also creating strains in real estate markets across the region.
- Euro area equities are a core holding. Earnings growth is forecast to accelerate in 2019 and elevated dividend yields following recent share price declines may attract investors. UK equities appear to be pricing in the risk of a No Deal Brexit.
- Emerging Markets (EM) ex-Asia is a core holding. Elevated commodity prices and signs of an earnings recovery support the view.
- Risks to our equity views: US trade policies, rising rates, USD strength.

Figure 6

The US remains our preferred equity market

Equity	View	Valuations	Earnings	Return on equity	Economic data	Bond yields	Comments
US	▲	◐	●	●	●	◐	Valuations now fair, supported by double digit earnings growth in 2019.
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	◆	◐	●	◐	◐	●	Earnings growth recovering in 2019, but trade war risks a concern
EM ex-Asia	◆	●	◐	◐	◐	◐	High oil prices a positive, but rising US rates are impacting markets.
UK	◆	●	◐	◐	◐	◐	Market under pressure due to no-deal Brexit risk.

Source: Standard Chartered

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

IMPLICATIONS
FOR INVESTORS

Global equities our preferred asset class, with a tilt towards US equities

Asia ex-Japan, Japan, Euro area, Emerging Markets ex-Asia and UK are core holdings

Prefer China within Asia ex-Japan

Figure 7

Where markets are today

Market P/E ratio	P/B	EPS	Index level
US (S&P 500)			
16x	3.0x	12%	**2,712**
Euro area (Stoxx 50)			
12x	1.4x	10%	**3,198**
Japan (Nikkei 225)			
12x	1.2x	5%	**21,920**
UK (FTSE 100)			
12x	1.6x	9%	**7,128**
MSCI Asia ex-Japan			
11x	1.3x	10%	**584**
MSCI EM ex-Asia			
10x	1.3x	16%	**1,309**

Source: FactSet, MSCI, Standard Chartered. Note: valuation and earnings data refer to 12-month forward data for MSCI indices, as of 31 Oct 2018

Alternative strategies

Alternatives as a core holding

- We have slightly shifted our assessment and now view alternatives as a core portfolio component, in the context of the recent sharp correction in risky assets
- Equity Hedge, our most preferred strategy, has been challenged recently alongside other risky assets
- We continue to keep Equity Hedge as preferred, as we eventually expect sustained higher volatility amongst equities to support this strategy, even if correlations remain elevated or rise

Performance review of alternatives strategies

We expect volatility in equities and bonds to remain higher, as well as for policy divergence and trade tensions to persist. As such, alternatives remains a core holding even as we dial back from our preferred view on this asset class.

In October, all strategies delivered negative returns, bringing our alternatives allocation performance to -3.7% for the month and -4.5% YTD. October also saw sharp losses in global equities (-7.5%) and other risky assets.

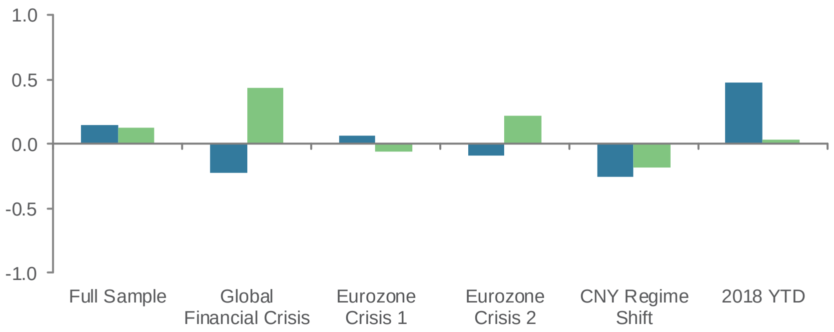
Within alternatives, we maintain a preference for Equity Hedge. Equity volatility is elevated following the recent correction. While we acknowledge that volatility tends to fall back after a correction, we believe that it will eventually be at current levels or higher in 12 months. While correlations tend to also temporarily increase after a correction, our assessment is that we can eventually expect wider performance dispersion across equities, presenting long/short opportunities.

Within an allocation, Global Macro can be an attractive "diversifier" as it has typically exhibited low correlation with traditional assets, especially during pullbacks. (Figure 38)

Figure 8

Global Macro exhibits weak correlation with traditional assets

Correlation of HFRX Macro/CTA with MSCI World and FTSE non-MBS World BIG



Source: Bloomberg, Standard Chartered

Dates of periods (in chronological order): Full Sample (1 Jan 04 onwards); Global Financial Crisis (11 Oct 07 – 6 Mar 09); Eurozone Crisis 1 (30 Apr 10 – 31 Aug 10); Eurozone Crisis 2 (28 Feb 11 – 31 Oct 11); CNY Regime Shift (18 Aug 15 – 11 Feb 16); 2018 YTD (1 Jan 18 onwards)

IMPLICATIONS
FOR INVESTORS

Equity Hedge (most preferred) supported by higher volatility and lower equity correlations

Global Macro and Relative Value are core holdings

Global Macro as a "Diversifier" in an investment allocation likely to be beneficial

Figure 9

Where markets are today

Alternatives	YTD	1m return
Equity Hedge	-6.3%	-5.4%
Relative Value	1.3%	-1.2%
Event Driven	-9.6%	-4.3%
Global Macro	-4.0%	-2.8%
Alternatives Allocation	-4.5%	-3.7%

Source: Bloomberg, Standard Chartered
As of 31 Oct 2018

FX

USD: Further strength near term

- Our near-term USD outlook is bullish. Near-term EUR weakness could continue as US exceptionalism and Euro area-specific issues combine. We expect the USD to eventually trade in a range ahead of the Fed signalling a pause in the medium term
- CNY expected to weaken over the medium term as part of a policy cocktail that offsets slowing growth pressures.
- Brexit continues to dominate GBP direction, but short-term volatility might provide a chance to accumulate GBP/USD before a medium-term rally

Figure 10

Foreign exchange: key driving factors and outlook

Currency	3m View	12m View	Real interest rate differentials	Risk sentiment	Commodity prices	Broad USD strength	Comments
USD	▲	◆	◐	◐	NA	NA	Medium-term rate differentials remain
EUR	▼	◆	◐	◐	NA	◐	Slow monetary policy normalisation
JPY	◆	◆	◐	◐	NA	◐	Range-bound amid opposing constraints
GBP	◆	▲	◐	●	NA	◐	Brexit dependent but value in medium-term
AUD	▼	◆	○	◐	◐	◐	Domestic weakness and China slowdown
CNY	▼	▼	○	○	◐	◐	Targeted response to slow growth and trade

Source: Bloomberg, Standard Chartered Global Investment Committee

Legend: ● Supportive ◐ Neutral ○ Not Supportive ▲ Bullish ▼ Bearish ◆ Range

USD–Bullish near-term bias before medium-term range-bound

We expect more volatile markets where the USD is likely to push higher to the 97.90 retracement target with further gains towards 100 possible in the **near-term**. The key drivers for USD strength are still in place – interest rate differentials with tightening global liquidity and a hawkish Fed, and fear of a trade war escalation that dampens Chinese and thereby Asian and European growth before finally impacting the US economy. USD strength could eventually pressure the Fed to slow policy tightening and thereby allow the global economy to recover. This scenario supports our **medium-term** outlook for a more range-bound USD.

IMPLICATIONS
FOR INVESTORS

USD rally to continue near-term

Near-term EUR weakness likely to spill over to other currencies including CNY

A broadly stronger USD will eventually allow synchronisation of global growth medium-term

Figure 11

Where markets are today

FX (against USD)	Current level	1m change
Asia ex-Japan	103	-1.5%
AUD	0.71	-2.1%
EUR	1.13	-2.6%
GBP	1.28	-2.1%
JPY	113	0.6%
SGD	1.39	-1.4%

Source: Bloomberg, Standard Chartered
As of 31 Oct 2018

Multi-asset

Gold as a hedge in a diversified portfolio

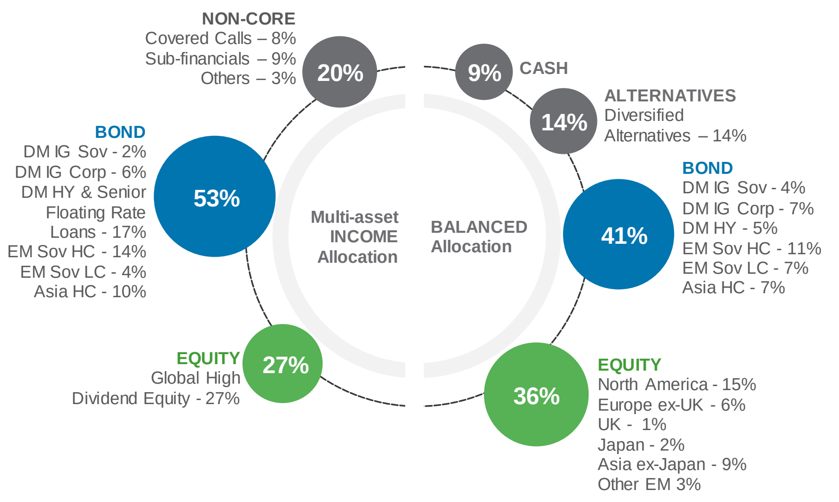
- We believe that continuing to diversify risky asset exposures is the most effective way to manage drawdown risk in a late-stage economic cycle
- For income-seeking investors, a multi-asset income allocation should continue to help an investor's regular income goal, but possibly with growing capital risk
- Gold, up 6.0% YTD, remains relevant as a portfolio hedge, particularly during more severe episodes of risk aversion

In our *Mid-Year Outlook*, we updated two distinct multi-asset allocations focusing on i) capital growth investors and ii) income-focused investors (Figure 52).

In a month marked by sharp losses in equities and other risky assets, our multi-asset income and balanced allocations both delivered negative returns. The multi-asset income allocation continued to perform better, owing to its lower equity exposure, than the balanced allocation.

Figure 12

Breakdown of our Income and Balanced allocations



Source: Bloomberg, Standard Chartered

Note: *Allocation figures may not sum to 100% 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 13

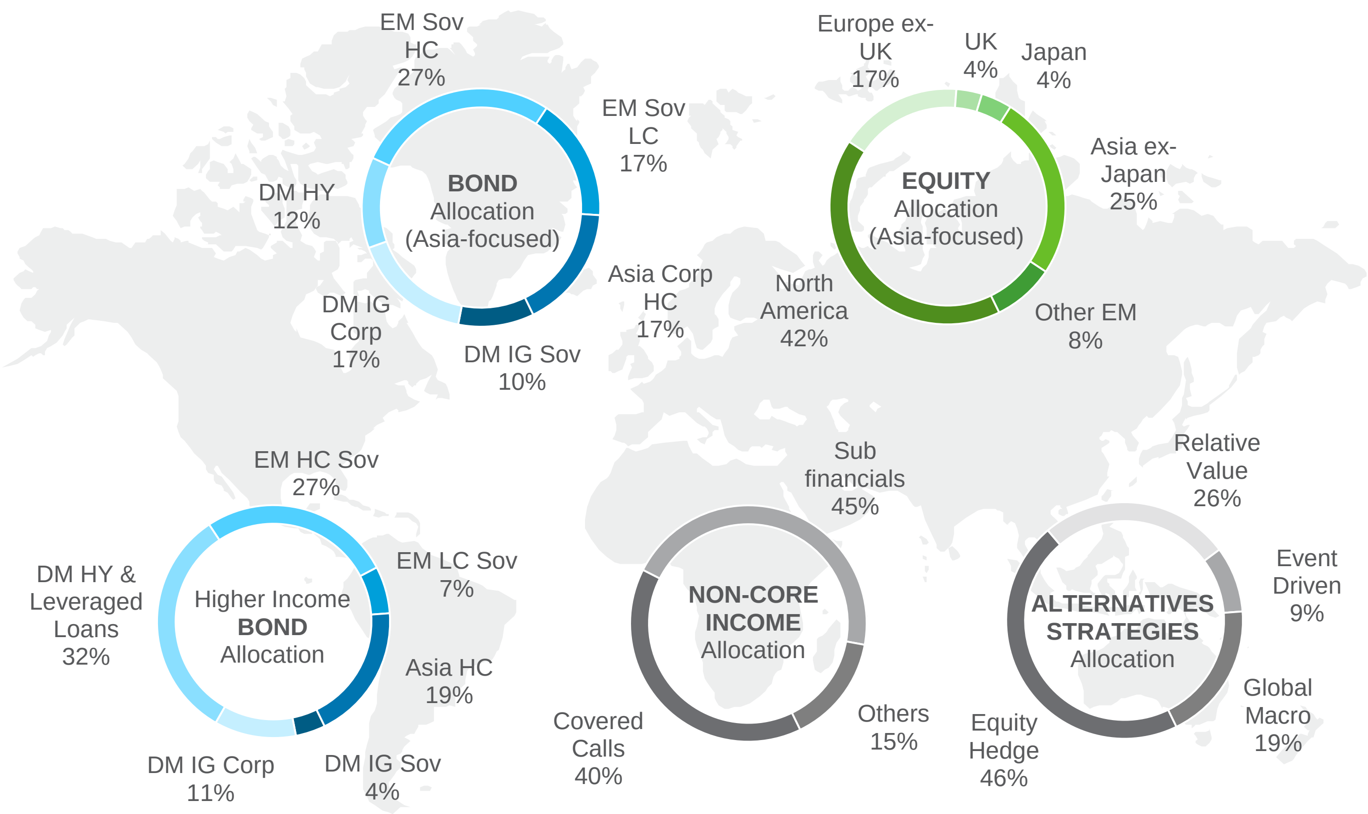
Allocation performance

	Q1	Q2	Q3	YTD	1m return
Total return balanced					
	-0.2%	-2.6%	1.2%	-3.7%	-3.5%
Multi-asset income					
	-1.0%	-1.0%	2.5%	-0.3%	-2.7%

Source: Bloomberg, Standard Chartered
As of 31 Oct 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
• For investors who want a diversified allocation across major fixed income sectors and regions • Asia-focused allocation	• For investors who prefer a higher income component to capital returns from their fixed income exposure • Includes exposures to Senior Floating Rate bonds	• For investors who want a diversified allocation across major fixed income sectors and regions • Asia-focused allocation	• 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)	• For investors who want to increase diversification within their allocation • Include both "substitute" and "diversifying" strategies

Note: Allocation figures may not add up to 100% due to rounding

Asset allocation summary

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

		ASIA FOCUSED				GLOBAL FOCUSED			
Summary	View	Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
Cash	◆	19	9	4	0	19	9	4	0
Fixed Income	◆	62	41	30	8	62	41	30	8
Equity	▲	19	36	52	83	19	36	52	83
Alternative Strategies	◆	0	14	13	8	0	14	13	8

		ASIA FOCUSED				GLOBAL FOCUSED			
Asset class	View	Conservative	Moderate	Moderately Aggressive	Aggressive	Conservative	Moderate	Moderately Aggressive	Aggressive
USD Cash	◆	19	9	4	0	19	9	4	0
DM Government Bonds*	◆	6	4	3	1	9	6	4	1
DM IG Corporate Bonds*	◆	10	7	5	1	14	9	7	2
DM HY Corporate Bonds	◆	8	5	4	1	11	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	15	22	35	12	23	33	52
Europe ex-UK	◆	3	6	9	14	1	3	4	6
UK	◆	1	1	2	3	1	1	2	3
Japan	◆	1	2	2	4	1	1	2	3
Asia ex-Japan	◆	5	9	13	21	3	6	8	13
Non-Asia EM	◆	2	3	4	7	1	3	4	6
Alternatives	◆	0	14	13	8	0	14	13	8
		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	-4.0% ↓	-7.5% ↓
Global High Dividend Yield Equities	-2.7% ↓	-4.8% ↓
Developed Markets (DM)	-2.3% ↓	-7.3% ↓
Emerging Markets (EM)	-15.7% ↓	-8.7% ↓
BY COUNTRY		
US	2.5% ↑	-7.0% ↓
Western Europe (Local)	-4.7% ↓	-5.4% ↓
Western Europe (USD)	-9.9% ↓	-7.6% ↓
Japan (Local)	-6.8% ↓	-9.0% ↓
Japan (USD)	-7.0% ↓	-8.5% ↓
Australia	-9.6% ↓	-7.6% ↓
Asia ex- Japan	-16.4% ↓	-10.8% ↓
Africa	-28.8% ↓	-10.3% ↓
Eastern Europe	-3.3% ↓	-5.8% ↓
Latam	-3.7% ↓	3.5% ↑
Middle East	15.8% ↑	0.1% ↑
China	-19.5% ↓	-11.5% ↓
India	-15.9% ↓	-7.0% ↓
South Korea	-22.0% ↓	-14.3% ↓
Taiwan	-7.0% ↓	-11.8% ↓
BY SECTOR		
Consumer Discretionary	-2.9% ↓	-9.3% ↓
Consumer Staples	-6.2% ↓	-2.2% ↓
Energy	-1.5% ↓	-9.4% ↓
Financial	-10.2% ↓	-6.1% ↓
Healthcare	4.9% ↑	-6.8% ↓
Industrial	-9.0% ↓	-10.3% ↓
IT	2.9% ↑	-9.4% ↓
Materials	-12.3% ↓	-9.5% ↓
Telecom	-8.7% ↓	-3.8% ↓
Utilities	-0.1% ↓	-0.7% ↓
Global Property Equity/REITS	-4.8% ↓	-4.0% ↓

Bonds

	Year to date	1 month
SOVEREIGN		
Global IG Sovereign	-3.6% ↓	-1.2% ↓
US Sovereign	-2.1% ↓	-0.5% ↓
EU Sovereign	-4.6% ↓	-1.9% ↓
EM Sovereign Hard Currency	-5.1% ↓	-2.2% ↓
EM Sovereign Local Currency	-9.0% ↓	-1.7% ↓
Asia EM Local Currency	-6.4% ↓	-2.0% ↓
CREDIT		
Global IG Corporates	-4.5% ↓	-1.7% ↓
Global HY Corporates	-1.2% ↓	-2.0% ↓
US High Yield	0.9% ↑	-1.6% ↓
Europe High Yield	-6.6% ↓	-3.5% ↓
Asia USD Corporates	-2.5% ↓	-1.1% ↓

Commodity

	Year to date	1 month
Diversified Commodity	-4.1% ↓	-2.2% ↓
Agriculture	-10.4% ↓	2.0% ↑
Energy	9.4% ↑	-5.7% ↓
Industrial Metal	-18.0% ↓	-5.7% ↓
Precious Metal	-11.4% ↓	0.6% ↑
Crude Oil	18.5% ↑	-8.8% ↓
Gold	-6.8% ↓	1.9% ↑

FX (against USD)

	Year to date	1 month
Asia ex- Japan	-6.0% ↓	-1.5% ↓
AUD	-9.4% ↓	-2.1% ↓
EUR	-5.8% ↓	-2.6% ↓
GBP	-5.6% ↓	-2.1% ↓
JPY	-0.3% ↓	0.6% ↑
SGD	-3.6% ↓	-1.5% ↓

Alternatives

	Year to date	1 month
Composite (All strategies)	-4.3% ↓	-3.1% ↓
Relative Value	1.5% ↑	-1.0% ↓
Event Driven	-9.8% ↓	-4.6% ↓
Equity Long/Short	-4.8% ↓	-3.9% ↓
Macro CTAs	-3.8% ↓	-2.7% ↓

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 31 October 2018 and 1-month performance from 30 September 2018 to 31 October 2018

Events calendar

NOVEMBER

06 US House (all 435 seats) and Senate (33 out of 100 seats) elections
09 FOMC policy decision
12-18 APEC Summit
30 G20 leaders' summit

DECEMBER

13 ECB policy decision
20 FOMC policy decision
20 BoJ policy decision

JANUARY

23 BoJ policy decision
31 FOMC policy decision

FEBRUARY

16 Nigeria general election due
X Thailand to hold general elections

MARCH

15 BoJ policy decision
29 UK to leave the EU

APRIL

10 ECB policy decision
17 Indonesia general election due
25 BoJ policy decision

MAY

02 FOMC policy decision
X India general election due

JUNE

06 ECB policy decision
20 FOMC policy decision
20 BoJ policy decision

JULY

25 ECB policy decision
30 BoJ policy decision

AUGUST

1 FOMC policy decision

SEPTEMBER

12 ECB policy decision
19 FOMC policy decision
19 BoJ policy decision

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

The team

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

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Disclosure appendix

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