# Another VIX shock suggests opportunities in EM equities

By Gustavo Medeiros

Last week the Chicago Board Options Exchange Volatility Index, or VIX as it is more commonly known, spiked by 59% to 33.1, impacting asset prices which, in our opinion, make EM equities and EM local bonds look attractive. In China, PMIs softened in January as higher covid-19 cases affected mobility. Brazil's monetary authority signalled rate hikes in 2021 to avoid an escalation in inflation expectations. Ethiopia announced a debt restructuring under the G-20 Debt Service Suspension Initiative (DSSI). South Korean and Taiwanese economic data surprised to the upside on strong production and exports of semiconductors. Turkey's FX reserves remained at concerning levels. India's budget was unveiled aiming for a deficit of 6.8% of GDP in the next fiscal year. Chile's Finance Minister stepped down to run for President. Russia detained pro-Navalny protesters. Myanmar's military staged a coup.

| Emerging Markets | Next year forward PE/Yield | Spread over UST | P&L (5 business days) |
|---|---|---|---|
| MSCI EM | 13.7 | – | -4.54% |
| MSCI EM Small Cap | 11.0 | – | -3.51% |
| MSCI Frontier | 10.2 | – | -2.28% |
| MSCI Asia | 14.8 | – | -4.87% |
| Shanghai Composite | 11.9 | – | -3.43% |
| Hong Kong Hang Seng | 9.2 | – | -4.01% |
| MSCI EMEA | 9.9 | – | -1.75% |
| MSCI Latam | 11.5 | – | -3.49% |
| GBI-EM-GD | 4.27% | – | 0.14% |
| ELMI+ | 2.18% | – | -0.11% |
| EM FX spot | – | – | -0.09% |
| EMBI GD | 4.72% | 354 bps | 0.16% |
| EMBI GD IG | 2.89% | 164 bps | 0.12% |
| EMBI GD HY | 7.11% | 599 bps | 0.20% |
| CEMBI BD | 4.15% | 323 bps | 0.09% |
| CEMBI BD IG | 2.86% | 195 bps | 0.12% |
| CEMBI BD Non-IG | 5.92% | 500 bps | 0.05% |

| Global Backdrop | Next year forward PE/Yield/Price | Spread over UST | P&L (5 business days) |
|---|---|---|---|
| S&P 500 | 19.0 | – | -3.29% |
| 1-3yr UST | 0.11% | – | 0.02% |
| 3-5yr UST | 0.43% | – | 0.05% |
| 7-10yr UST | 1.08% | – | 0.09% |
| 10yr+ UST | 1.85% | – | 0.14% |
| 10yr+ Germany | -0.52% | – | -0.22% |
| 10yr+ Japan | 0.00% | – | -0.16% |
| US HY | 4.31% | 362 bps | -0.15% |
| European HY | 3.38% | 407 bps | -0.24% |
| Barclays Ag | 0.88% | -20 bps | -0.17% |
| VIX Index* | 33.09 | – | 11.18% |
| DXY Index* | 90.51 | – | 0.12% |
| EURUSD | 1.2130 | – | -0.07% |
| USDJPY | 104.66 | – | 0.88% |
| CRY Index* | 174.20 | – | 1.35% |
| Brent | 55.5 | – | -0.75% |
| Gold spot | 1866 | – | 0.55% |

Note: Additional benchmark performance data is provided at the end of this document. *See last page for index definitions.

## Emerging Markets

The Chicago Board Options Exchange Volatility Index ('VIX'), which measures the volatility of the S&P 500 stock market index, spiked 51% to 33.1 last week in response to turmoil related to trading activities of retail investors in small highly shorted stocks in the US. This was a highly technical and very US specific development as leveraged investors were forced to unwind popular short positions and liquidate popular long exposures in order to reduce overall portfolio risk. The result was a drop in equities. As it is often the case, higher volatility also impacted Emerging Markets (EM) equities, which ended the week 4.5% lower, although still closed the month up 3.0%, thereby outperforming the MSCI World (-1.1% for the month of January). The pressure in EM equities was exacerbated by the fear of early tightening of liquidity conditions in China, a risk we believe to be remote (more in the China session). EM debt was also impacted by the rise in volatility with the main EM local currency and Dollar-denominated bond indices as the GBI-EM GD and EMBI GD were both down 1.1% in January, pressured respectively by weaker EM currencies (-1.0%) and higher US Treasury yields (+0.15%). EM corporate bonds denominated in Dollars (CEMBI GD) were down 0.1% for the month.

EM assets are likely to be supported by positive fundamentals, more attractive valuations, and an improving global backdrop in 2021. The number of covid-19 deaths is likely to decline due to declining cases worldwide, continuous improvements in and use of vaccinations, as well as better coronavirus therapeutics. Global central bank policies are likely to remain highly accommodative. Global investors still have limited exposure to EM assets, especially in local currency markets. It is therefore likely that technical instability in the US equity market and the associated spike in the VIX index will have limited negative impact on EM assets in spite of the drop in

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**Emerging Markets**

prices. The experience from previous VIX spikes supports this argument. Historically, investors have been rewarded with strong performance for taking positions in EM within the period of 30 days following +10 point moves in the VIX.[1] Hence we believe investors should take advantage of the volatility to focus on opportunities in EM equities and EM local debt which face favourable tailwinds from a weaker Dollar as highlighted in the 2021 outlook.[2]

- China: There were conflicting messages about the direction of monetary policy in China last week, but we do not expect any imminent tightening of policy. Jun Ma, a member of the monetary policy committee of the People's Bank of China (PBOC) raised concerns about asset price bubbles due to rapid increases in liquidity. Jun Ma cited the strong stock market rally last year as well as property price increases in Shanghai and Shenzhen. However, PBOC Governor Yi Gang said monetary policy will continue to support economic growth and maximise employment, while monitoring risks of excessive leverage, non-performing loans, and external risks closely. Yi Gang also said the Ant Group initial public offering (IPO) is under review and that its payment business is operating normally. Finally, Yi Gang called for more international cooperation on fintech regulation, particularly with respect to consumer finance. Last week, China's 7-day repo rate increased sharply to 3.2% from 2.4% leading to concerns over early tightening of monetary policy. However, this seems unlikely, in our view, given the comments from Yi Gang as well as a second wave of the covid-19 currently underway in China. The NPS manufacturing PMI also declined by 0.6 to 51.3 in January, while non-manufacturing PMI was down 3.3pts to 52.4 over the same period. Services PMI was mostly impacted by mobility restrictions imposed to contain rising cases of coronavirus in the provinces of Hebei, Heilongjiang, and Jilin. PMIs are also likely to have been impacted by seasonal factors ahead of the Chinese New Year. Meanwhile, the yoy pace of industrial profits increased to 20.1% in December from 15.5% yoy in November.

- Brazil: The minutes of the latest monetary policy committee meeting of the Brazilian Central Bank (BCB) signalled a more hawkish stance with members discussing if the combination of fiscal uncertainties and the normalisation of economic activity warrant a partial normalisation of policy rates. Higher interest rates may help to anchor inflation expectations, BRL, and the term structure of the yield curve. In economic news, the yoy rate of consumer prices index (CPI) inflation during the first 15 days of January rose 0.1% to 4.3% yoy, surprising consensus expectations to the downside. In the labour market, 68k jobs were lost in December, which was far better than -135k expected according to the market's consensus surveys. Brazil's current account printed a deficit of USD 5.4bn in December, taking the overall deficit to USD 12.5bn (0.9% of GDP) for 2020. This represents a significant narrowing compared to the 2019 deficit of USD 50.7bn (2.7% of GDP). Foreign direct investment was USD 34.2bn in 2020, down from USD 64.2bn in 2019. Portfolio flows added USD 9.4bn in December of which USD 5.7bn went into fixed income and USD 3.7bn into equities. The total portfolio inflow in 2020 was USD 2.6bn. As for the public finances, the government registered a primary fiscal deficit of 9.5% of GDP in 2020, which pushed gross debt to 89.3% of GDP and net debt to 63% of GDP. In corporate news, Petrobras, the state-owned energy company, increased diesel prices by 4.4%, thereby lowering fears of political interference ahead of a planned truck driver's strike on 1 February. The Markit manufacturing PMI declined to 56.5 in January from 61.5 in December.

- Ethiopia: The government announced it will use the mechanism G-20 DSSI to restructure its debt. This could imply a full restructuring of the country's commercial and bilateral debt. The announcement is surprising in light of a recent statement from the International Monetary Fund (IMF) that Ethiopia's debt is sustainable, although the IMF also classified Ethiopia's risk of external debt distress as 'high'. Ethiopia has one USD 1bn outstanding 2024 Eurobond with a manageable annual coupon payment of USD 66m annual coupon. The price of this bond dropped sharply last week in response to the announcement, highlighting the high cost in terms of reputation and loss of confidence associated with asking Eurobond holders to join the G-20 framework. We believe that the G-20 DSSI, while well-intended, is deeply misguided and poorly designed and will end up doing more harm than good if widely implemented.[3]

- South Korea: Industrial production (IP) rose 3.7% in December after 0.3% in November, led by an 11.8% increase in the production of semiconductors. Strong export demand took the inventory-to-shipment ratio to the lowest level in a year. Meanwhile, real GDP growth was 1.1% in Q4 2020 following growth of 2.1% in Q3 2020. The Q4 2020 growth print was a positive surprising relative to expectations, which reduced Korea's economic contraction for the year to a very modest -1.0%. The manufacturing PMI improved in January to 53.2 from 52.9 in December. South Korea exports in January were 6.1% higher on a yoy basis, while imports were up 3.1% yoy (both working day adjusted).

- Taiwan: The yoy rate of real GDP growth rose to 4.9% in Q4 2020, thus taking full-year GDP growth to 3.0% yoy, which is the same growth rate as in 2019. Buoyed by an extremely strong technology industry, Taiwan's net exports and investment were the main contributors to the strong performance. Taiwan has become a geopolitical hotspot due to the scale and quality of its semiconductor industry. The Biden Administration last week requested a meeting with the Taiwanese government to ask for a boost of the supply of semiconductors to American industry. Meanwhile, the Chinese Air Force simulated an attack on a US aircraft carrier inside Taiwan's air defence zone.

[1] See: *'It is here again - the VIX spike!'*, Market Commentary, 28 February 2020.

[2] See: *'Equity Outlook 2021: Emerging Markets'*, The Emerging View, 6 January 2021.

[3] See: *'The well-meaning misguided G20 proposal'*, Market Commentary, 7 May 2020.

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## Emerging Markets

- **Turkey:** The Central Bank of Turkey (CBT) issued new official end-2021 and end-2022 inflation targets of 9.4% and 7.0%, respectively after inflation reached 14.6% in 2020. CBT's swap book declined in size to USD 60.1bn as of 22 January from USD 66.9bn at the end of October, but foreign exchange reserves net of swaps fell further to minus USD 59bn compared to minus USD 57.6bn in late October. PMI for January 2020 was 54.4 compared to 50.8 in December.

- **India:** The Finance Minister unveiled the April-2021 to April-2022 Budget with a deficit projection of 6.8% of GDP compared to 9.5% of GDP last fiscal year. The projected deficit for next year is larger than the 5.6% of GDP consensus expectation. Expenditure on healthcare projected to rise 137% to INR 2.2tn. The government will also create a new Development Finance Institution with starting capital of USD 2.7bn to invest in infrastructure. The Budget assumes INR 1.75tn in proceeds from privatisations of eight companies. Revenue estimates in the Budget may be too conservative, given that GST collections rose to INR 1.2tn in December from INR 1.15tn in the previous month as larger companies, which tend to pay more tax, have gained market share during the coronavirus pandemic. Last week, the government released the 2020-21 economic survey,[6] which revealed an expectation of a V-shaped economic recovery. The government intends to focus on privatisation, simplifying regulations, and more active fiscal policy. The document also argues that growth will ensure debt sustainability, while the reverse is not necessarily true. In other news, the manufacturing PMI increased to 57.7 in January from 56.4 in December.

- **Chile:** Finance Minister Ignacio Briones resigned in order to run for president in the 21 November general election. He will be replaced by Budget Director Rodrigo Cerda. We believe there will be policy continuity. Chile's central bank kept the policy rate unchanged at 0.5% in line with consensus expectations. The unemployment rate declined to 10.3% in December from 10.8% in November, while retail sales slowed to a yoy rate of 10.4% from 25.0% yoy over the same period.

- **Russia:** The yoy rate of IP was -0.2% in December compared to -1.5% yoy in November, while retail sales declined at a pace of -3.6% yoy compared to -3.1% yoy over the same period. The unemployment rate declined to 5.9% in December from 6.1% in the previous month. In political news, thousands were detained across Russia during protests against the imprisonment of the leader of the opposition Alexei Navalny.[5] The police also detained people close to Navalny, including his brother Oleg Navalny. Navalny's team wrote to US President Joe Biden asking for sanctions on key supporters of Russia's President Vladimir Putin. The letter included no suggestion of measures against the Sovereign or companies. In economic news, PMI for January 2021 was 50.9 versus 50.4 expected.

- **Myanmar:** The military has staged a coup and taken power in Myanmar. National League for Democracy leader Aung San Suu Kyi has been arrested. The military says it will remain in power for a least a year. The military in Myanmar held power for almost half a century until popular protests and external pressure forced elections to be held in 2011. However, the military has remained the ultimate authority in the country, while Aung San Suu Kyi's moral standing abroad has been severely eroded following her defence of the alleged genocide of Rohingya Muslims in Rakhine State.

Snippets:

- **Argentina:** The GDP proxy published by the National Statistics Institute rose 1.4% in seasonally-adjusted terms in November, implying -3.7% yoy growth. The trade balance deficit was USD 0.4bn in December following a USD 0.3bn surplus in November. For the year as a whole, the trade balance posted a USD 12.5bn surplus from USD 16bn in 2019.
- **Chad:** The government of Chad requested a restructuring of its external debt under the G-20 DSSI framework within the context of a USD 560m loan from the IMF to be disbursed over four years conditional on meeting certain macroeconomic targets. Chad has no outstanding Eurobonds.
- **Colombia:** Defence Minister Carlos Trujilo died of covid-19 aged 69 years old. Trujilo was a key ally of President Ivan Duque and his passing leaves a void in the Democratic Centre Party ahead of next year's presidential election. In other news, the central bank kept the key policy rate unchanged at 1.75% in line with consensus expectations.
- **Ecuador:** The latest polls from Cedatos shows populist candidate Andres Arauz leading with 21.9% of voting intentions ahead of market-friendly Guillermo Lasso with 21.2% and 14.5% for indigenous candidate Yaku Perez. About 50% of the population remains undecided ahead of the 7 February ballot leaving the presidential race wide open.
- **Hong Kong:** The yoy rate of real GDP growth contracted 3.0% in Q4 2020, leading to a full-year GDP contraction of 6.1% contraction after a contraction of 1.2% in 2019.
- **Hungary:** The central bank kept policy rate unchanged at 0.6% in line with consensus expectations. Manufacturing PMI was 54.9 in January versus 51.2 expected.
- **Indonesia:** Manufacturing PMI improved to 52.2 in January from 51.3 in December.
- **Kenya:** The central bank left the interest rate unchanged at 7.0% in line with consensus expectations.

[4] See: https://www.indiabudget.gov.in/economicsurvey/

[5] See: https://apnews.com/article/ap-top-news-moscow-coronavirus-pandemic-arrests-russia-085b16035e9c89ffb9919e4d94a2309c

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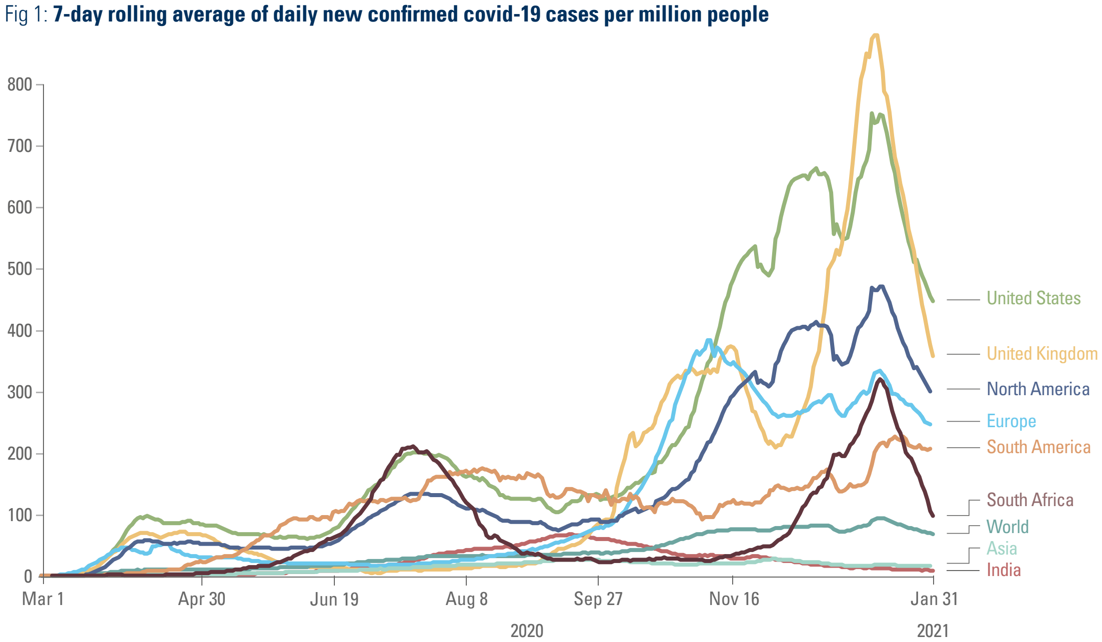
## Emerging Markets

- **Malaysia:** The trade surplus rose to MYR 20.7bn in December from MYR 17.1bn in November as exports increased at a yoy rate of 10.8% and imports increased at a rate of 1.6% yoy. Manufacturing PMI declined to 48.7 in January from 49.7 in December.
- **Mexico:** Retail sales rose 3.3% in November after falling 1.4% in October. The improvement in sales was supported by spending in department stores, on clothing and on cars during the 'Buen Fin' sale which is the Mexican equivalent to 'black Friday'. Real GDP growth was 3.1% in Q4 2020 on a seasonally-adjusted basis, thus taking the full-year 2020 GDP growth rate to -8.3%. The trade balance was in surplus to the tune of USD 34.5bn (3.2% of GDP) in 2020.
- **Mozambique:** The central bank hiked interbank and policy rates by 300bps to 13.25% and 16.25% respectively in a bid to curb future inflationary risks following a 21% depreciation of the currency, the Metical, in 2020 and possible price increases after a tropical storm recently hit the country. CPI inflation was 3.5% in 2020, unchanged from the previous two years.
- **Peru:** The government announced a strict 14-day lockdown in Lima from 1 February to 14 February.
- **Philippines:** The trade deficit widened to USD 2.2bn in December from USD 1.7bn in November, taking the cumulative deficit to USD 22bn in 2020, which is the smallest deficit since 2015. The yoy rate of real GDP growth was minus 8.3% in Q4 2020 following minus 11.4% yoy in Q3 2020. Thus, growth contracted 9.5% in real terms in 2020 after expanding 6.0% in 2019. The January manufacturing PMI rose to 52.5 from 51.3 in December.
- **Singapore:** The yoy rate of IP slowed to 14.3% in December from 18.7% yoy in November, surprising consensus expectations to the upside. IP was buoyed by exports of electronic goods. The unemployment rate declined to 3.2% in Q4 2020 from 3.6% in Q3 2020.
- **Sri Lanka:** The government put in place measures to block banks from offering forward foreign exchange transactions for a period of three months in an attempt to rein-in the rupee depreciation.
- **Thailand:** The current account deficit narrowed to USD 690m in December from USD 1,480m in November as the trade balance recorded a surplus of USD 2.8bn surplus in December compared to USD 1.9bn in November. The narrowing of the current account deficit was mainly due to a 4.6% yoy rise in exports and a 0.1% yoy decline in imports. Thailand's manufacturing PMI declined to 49 in January from 50.8 in December.

## Global backdrop

- **Coronavirus:** The number of coronavirus cases per million people continued to decline sharply across the world, led by declines in case numbers in the UK, US, Europe, and South Africa. South American cases stabilised around 200 as shown in Figure 1. In vaccine news, the phase 3 clinical trial of the Novavax vaccine showed a good response against new strains of the virus in the UK and South Africa. Specifically, Novavax had 89.3% efficacy in a trial of 15k participants in the UK and 60% efficacy in a trial with 4.4k participants in South Africa. The Johnson and Johnson single dose vaccine trial with 44k adults showed an efficacy rate of 72% in North America, 66% in Latin America, and 57% in South Africa. Encouragingly, the shot was 100% effective in preventing hospitalisation and death and 85% effective at preventing severe disease within 4 weeks of a single shot.[6] Moderna, another vaccine producer, said it was developing a booster shot against the South African strain.

Fig 1: **7-day rolling average of daily new confirmed covid-19 cases per million people**




Source: Johns Hopkins University CSSE COVID-19 Data. Data as at 1 February 2021.

[6] See: https://edition.cnn.com/2021/01/29/health/johnson-coronavirus-vaccine-results/index.html

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## Global backdrop

- **Earnings:** A total of 55% of all S&P 500 companies announced Q4 2020 earnings and more than 80% of all companies reported better than consensus results. The average earnings per share (EPS) outperformed, 10% led by financials (+27% ahead of expectations). Nevertheless, companies beating earnings have on average underperformed the market in the days following announcements. The poor market performance in the face of strong earnings may be related to very high valuations in US equities. Turmoil related to trading activity in small highly shorted stocks also added to volatility in global equities, but is unlikely to have any long-term impact, in our view.
- **United States (US):** Economic data surprised to the downside overall taking the Citibank surprise index to 65.3 from 78.2. The University of Michigan sentiment survey declined 0.2 to 79 in January while the consumer confidence index rose to 89.3 in January from 87.1 in December. Durable goods orders rose 0.2% in December, which was weaker than expected and slower than in November (1.2%). Personal spending declined 0.6% in real terms in December in the context of a 0.6% rise in personal income due to wages and government transfers. New home sales rose to 842k in December from 829k in the prior month, but mortgage applications declined 4.1% in the week of 22 January after declining 1.9% in the previous week. Quarterly real GDP growth annualised slowed sharply to just 4.0% in Q4 2020 following 33.4% qoq saar in Q3 2020.
- **European Union (EU):** ECB director Klaus Knot said the monetary authority has not yet reached the lower bound for interest rates, implying that ECB could cut rates further into negative territory. In Germany, the IFO business climate survey declined to 90.1 in January from 92.2 in December, surprising to the downside. Eurozone CPI inflation increased to 0.6% on a yoy basis in January after recording deflation of 0.5% yoy in December. The German EU harmonised CPI basket recorded inflation of 1.6% yoy in January after falling 0.7% yoy in December. Inflation in Europe was therefore significantly above consensus expectations, although the upwards surprise owes much to a re-weighting of services (lower) and goods (higher) within the inflation basket.

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## Benchmark performance

| Emerging Markets | Month to date | Quarter to date | Year to date | 1 year | 3 years | 5 years |
|---|---|---|---|---|---|---|
| MSCI EM | 2.99% | 2.99% | 2.99% | 28.23% | 4.76% | 15.42% |
| MSCI EM Small Cap | 0.08% | 0.08% | 0.08% | 24.46% | 1.02% | 10.22% |
| MSCI Frontier | 0.38% | 0.38% | 0.38% | 2.07% | -1.65% | 7.90% |
| MSCI Asia | 3.99% | 3.99% | 3.99% | 36.48% | 7.23% | 16.64% |
| Shanghai Composite | 0.29% | 0.29% | 0.29% | 19.77% | 2.44% | 7.31% |
| Hong Kong Hang Seng | 4.38% | 4.38% | 4.38% | 13.80% | -2.45% | 10.62% |
| MSCI EMEA | 1.12% | 1.12% | 1.12% | -0.79% | -4.40% | 7.87% |
| MSCI Latam | -6.71% | -6.71% | -6.71% | -14.60% | -7.67% | 8.77% |
| GBI EM GD | -1.07% | -1.07% | -1.07% | 2.92% | 1.15% | 6.41% |
| ELMI+ | -0.58% | -0.58% | -0.58% | 2.49% | -0.01% | 3.74% |
| EM FX Spot | -0.97% | -0.97% | -0.97% | -3.57% | -5.94% | -1.48% |
| EMBI GD | -1.09% | -1.09% | -1.09% | 2.55% | 4.69% | 6.88% |
| EMBI GD IG | -1.24% | -1.24% | -1.24% | 5.16% | 7.21% | 7.22% |
| EMBI GD HY | -0.91% | -0.91% | -0.91% | -0.75% | 1.89% | 6.44% |
| CEMBI BD | -0.07% | -0.07% | -0.07% | 5.44% | 5.97% | 7.18% |
| CEMBI BD IG | -0.14% | -0.14% | -0.14% | 5.62% | 6.39% | 6.19% |
| CEMBI BD Non-IG | 0.04% | 0.04% | 0.04% | 5.09% | 5.42% | 8.81% |

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## Benchmark performance

| Global Backdrop | Month to date | Quarter to date | Year to date | 1 year | 3 years | 5 years |
|---|---|---|---|---|---|---|
| S&P 500 | -1.02% | -1.02% | -1.02% | 17.24% | 11.70% | 16.13% |
| 1-3yr UST | 0.03% | 0.03% | 0.03% | 2.62% | 2.89% | 1.79% |
| 3-5yr UST | -0.11% | -0.11% | -0.11% | 4.56% | 4.60% | 2.64% |
| 7-10yr UST | -1.08% | -1.08% | -1.08% | 5.40% | 6.78% | 3.62% |
| 10yr+ UST | -3.61% | -3.61% | -3.61% | 6.19% | 9.75% | 5.96% |
| 10yr+ Germany | -1.29% | -1.29% | -1.29% | 2.19% | 8.13% | 4.52% |
| 10yr+ Japan | -0.56% | -0.56% | -0.56% | -3.17% | 1.45% | 1.82% |
| US HY | 0.33% | 0.33% | 0.33% | 7.44% | 6.15% | 9.00% |
| European HY | 0.54% | 0.54% | 0.54% | 2.37% | 2.94% | 5.08% |
| Barclays Ag | -0.88% | -0.88% | -0.88% | 6.87% | 4.13% | 4.42% |
| VIX Index* | 0.00% | 45.45% | 45.45% | 75.64% | 145.66% | 65.62% |
| DXY Index* | -0.08% | 0.63% | 0.63% | -7.07% | 2.07% | -8.59% |
| CRY Index* | 0.00% | 3.82% | 3.82% | 2.29% | -12.17% | 6.55% |
| EURUSD | -0.05% | -0.71% | -0.71% | 9.67% | -3.03% | 11.41% |
| USDJPY | -0.02% | 1.37% | 1.37% | -3.71% | -4.33% | -13.50% |
| Brent | -0.75% | 7.07% | 7.07% | -4.64% | -20.37% | 61.97% |
| Gold spot | 1.01% | -1.69% | -1.69% | 18.36% | 38.37% | 65.39% |

*VIX Index = Chicago Board Options Exchange SPX Volatility Index. *DXY Index = The Dollar Index. *CRY Index = Thomson Reuters / CoreCommodity CRM Commodity Index.

Source: Bloomberg, JP Morgan, Barclays, Merrill Lynch, Chicago Board Options Exchange, Thomson Reuters, MSCI, total returns.
Figures for more than one year are annualised other than in the case of currencies, commodities and the VIX, DXY and CRY which are shown as percentage change.


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