

Economies:

United States

The housing sector was particularly strong this month. The builder-sentiment index reached 74, the highest reading since July 1999 and sales of existing homes rose 5.6%, reaching an annual rate of 5.81 million. A tight supply of houses caused prices to rise faster than wages. The Labor Department reported just under 6 million jobs were available at the end of October, down from 6.18 million in September, and total hiring was up 4.4% MoM. However, sentiment was tempered by weak industrial production data and business confidence indicators pointed down.

United Kingdom

The GBP depreciation since the referendum has pushed inflation up to 3.1%, squeezing consumer incomes. According to a BoE report released as part of its Quarterly Bulletin, households saw a deterioration in their balance sheets in the past year. The number of households having concerns with their current levels of debt is now similar to levels seen in 2014 and those who have both a mortgage and other borrowing reported the sharpest increase in distress. Outlook for personal finances has also turned negative for the first time in three years, while expectations for the economy have also become more pessimistic.

Central banks:

Federal Reserve (next meeting: January 31st)

The FOMC voted 7-2 in favour of raising the benchmark lending rate by 25 bp to a target range of 1.25% to 1.5%. The Fed also confirmed that monthly roll-offs from the central bank's balance sheet would step up, as scheduled, to \$20 bn from \$10 bn beginning in January. The committee lowered its median estimate for the unemployment rate, expecting it to hit 3.9% by the end of 2018, compared with a September projection of 4.1%. However, policy makers left the number of hikes projected for 2018 effectively unchanged.

Bank of England (next meeting: February 8th)

As expected, the BoE left the key rate at 0.5% and bond-purchase plans unchanged. However, without providing additional detail on timing, the Monetary Policy Committee reiterated that "further modest increases" may be necessary if the economy performed as expected. Brexit progress could boost consumer and business confidence; the UK budget may lessen drag on GDP; or a gradual buildup of domestic price pressures may appear. Markets are not pricing in another hike until late 2018, and some observers say the bank may not move at all next year.

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Euro area

The German IFO business confidence index fell from last month's record high. Executives are concerned Chancellor Angela Merkel is taking too long to form a coalition government. While the other countries were performing well this month, German macro figures were disappointing. More Europeans are employed than before the financial crisis that swept the world in 2007, but there are sharp disparities across the regions. Germany and Spain have enjoyed strong job creation and employers in Germany say there is a shortage of academics and skilled workers.

Switzerland

The economy grew this month and the upswing looked set to continue as all confidence indicators pointed up. For example, the KOF leading indicator, which predicts how the economy will perform over the next six months, rose in November to 110.3 points, its highest since mid-2010 and beating even the most optimistic estimates of analysts. In addition, investment is playing an increasingly important role. That is good news because it can lead to a recovery that will accelerate without external input. Finally the rising trend in prices continues with a CPI YoY rising from 0.7% to 0.8% and PPI YoY at 1.8%.

European Central Bank (next meeting: January 25th)

The ECB left rates unchanged and repeated that they expect borrowing costs to stay at present levels until well past the end of net bond-buying. They also confirmed that they will halve asset purchases to €30 bn euros a month, starting in January and continuing until at least the end of September. Then, additional support will come from their policy of reinvesting maturing debt. The ECB upgraded its economic growth forecasts for the Eurozone over the next three years but it expects inflation will remain below target throughout the period (1.7% in 2020).

Swiss National Bank (next meeting: March 15th)

Policy makers kept the deposit rate at minus 0.75% and reiterated they will intervene in currency markets if needed. While the CHF depreciation has boosted economic and price growth, Chairman Jordan is concerned about any steps that might entice investors to buy back the franc aggressively. The SNB has the lowest deposit rate of any major central bank, in a bid to maintain the interest-rate differential with other jurisdictions and stem inflows into the franc. However, the bank expects inflation to reach 2.1% in Q3 2020, breaching the upper limit for price stability.

Market issues: Bitcoin has caught much of the attention of markets, but it other news...

- President Donald Trump signed into law legislation making far-reaching changes to US tax law, giving big tax cuts to large corporations and more modest temporary tax reductions for most individuals and small businesses.
- President Trump plans to renominate Jerome Powell to replace Janet Yellen as the chairman of the Fed, whose term expires in February after the Senate failed to vote on his confirmation before ending its 2017 session.
- Congress approved an interim spending measure that keeps the federal government operating through Jan. 19. The legislation includes a temporary program that helps low-income families pay for health insurance for their children.
- S&P Global estimates that if Congress failed to pass a spending bill, for each week the government is shut down, the country could drop \$6.5 billion from real GDP growth.
- During Q2 2018, the Fed will launch three market benchmarks to replace US dollar LIBOR: The Secured Overnight Financing Rate, the Triparty General Collateral Rate and the Broad General Collateral Rate.
- UK LIBOR might still be used as a benchmark after 2021, when the UK FCA stops regulating it. It seems that ICE Benchmark Administration is committed to helping Libor evolve "so it has a future after 2021".
- Hours after the Fed raised interest rates, the PBoC increased two rates used in the interbank market. The bank raised the seven-day reverse repo rate to 2.5% and increased the 28-day reverse repo rate to 2.8%.
- The gap between credit and GDP in China has fallen for five consecutive quarters to 18.9%, compared with 28.8% at the start of 2016, according to the BIS. It is a sign the country is progressing toward its goal to lower financial risk.
- The BoJ has slowed growth of the money supply. In November, the bank expanded the money supply by \$458 billion, the smallest increase in four years, and there is some speculation it is preparing to reign in its ultra-easy monetary policy.
- The ECB reported that corporate lending growth in the Eurozone saw its fastest post-crisis growth pace in October, up 2.9% MoM. However, lending remains well below pre-crisis levels as banks continue to beef up their balance sheets.

Credit Markets:

- The gap between German and US 10-year bond yields neared the widest point since April ahead of meetings of both central banks based on increasing divergence, with the Fed likely to increase rates and the ECB expected to hold.
- The average maturity of Eurozone bonds sold this year is 10.7 years, the highest in a decade, prompting concerns of volatility from sharp inflation or a steepening yield curve.
- The Russian government is signing up banks to help it conduct its first offering of bonds denominated in yuan, as it prepares for the possibility that US sanctions will cut off its access to other parts of the global debt market.
- China has joined France as the world's top issuer of ethically labeled bonds. Chinese banks hold an estimated \$920 billion in loans qualifying for green-bond status.
- The IMF agreed to loan Egypt \$2 billion in mid-2018, bringing the total borrowed so far to \$8 billion from the \$12 billion loan program. Deputy finance minister, Ahmed Kouchouk, says Egypt and the IMF will meet in May to review progress.
- The People's Bank of China wrote in an editorial that local authorities will not be able to rely on a central bank bailout if they borrow excessively, as the government moves to control leverage and hidden debt.
- According to a report by Moody's, around 17% of the corporate debt in India was at the risk of a default by 2016-end, as it is held with companies with interest coverage ratios less than one, For China, the same metric stands at 15%.
- BNP Paribas has overtaken Barclays as the leading arranger of European government-bond syndications, holding 9.3% market share vs. 5.9% in 2015. Barclays has slid to fifth place, with market share dropping to 7.3% from more than 10%.
- According to Dealogic, companies and countries capitalized on the low-interest-rate environment and tapped the bond markets in 2017 to raise \$6.8 trillion in sales organized by banks.
- JPMorgan Chase estimates US Treasury debt issuance will double to \$1.3 trillion in 2018, the highest level since 2010, but because the Federal Reserve is shrinking its balance sheet, the government will have to rely more on other buyers.
- According to Thomson Reuters, through Dec. 26, companies raised \$780.2 billion in equity worldwide, a 19% increase from 2016. Proceeds from initial public offerings were up 35% in 2017 from the previous year.
- Global mergers and acquisitions in 2017 reached \$3.5 trillion in volume, slightly down from 2016 but passing \$3 trillion for the fourth straight year, with more expected in 2018.

USD Market

Economic data vs. Previous releases

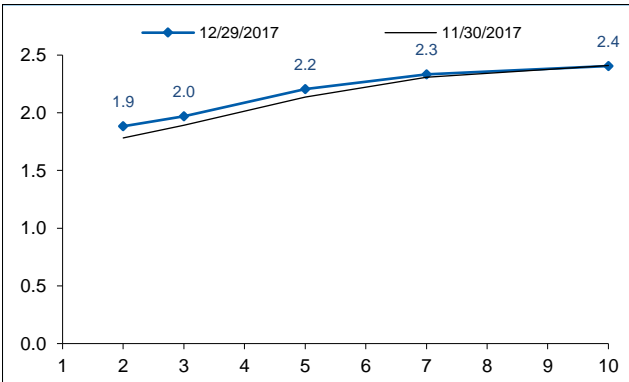
	lower*	unchanged	higher*
Global	37	5	31
Business Confidence	11	-	4
Consumer Confidence	2	-	2
Consumption	6	-	6
Employment	8	3	4
Housing	1	-	7
Industrial Production	7	-	2
Inflation	2	2	6

Economic data vs. Market surveys

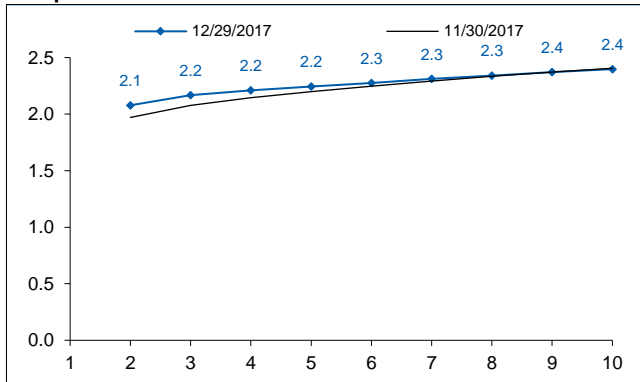
	lower*	unchanged	higher*
Global	28	9	20
Business Confidence	8	1	4
Consumer Confidence	1	-	-
Consumption	6	-	5
Employment	5	2	2
Housing	-	-	6
Industrial Production	5	1	2
Inflation	3	5	1

* indicates the expected impact on government rate (for example, higher inflation higher rates, higher unemployment lower rates)

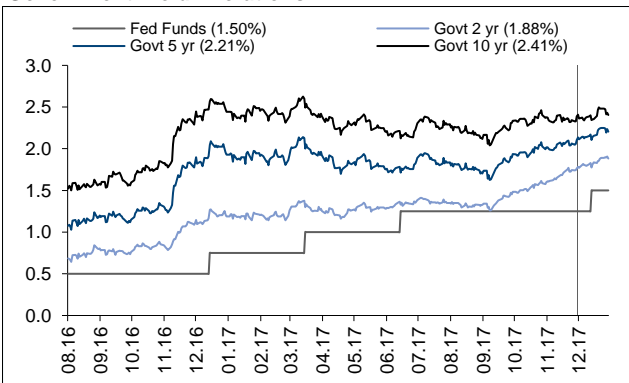
Government Yield Curves



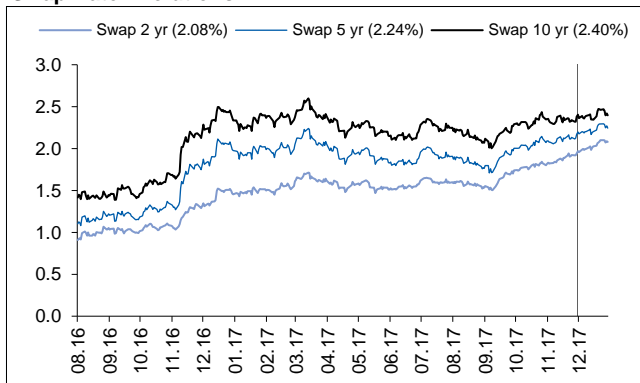
Swap Rates



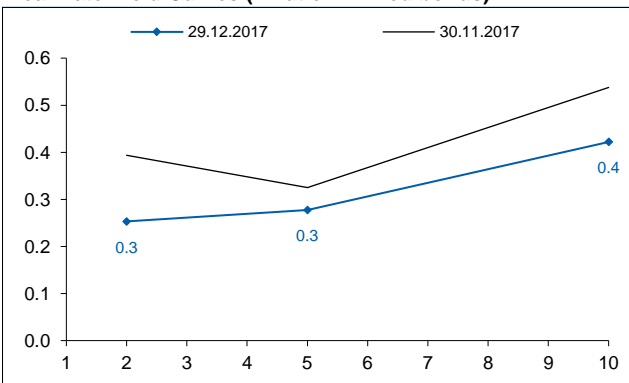
Government Yield Evolutions



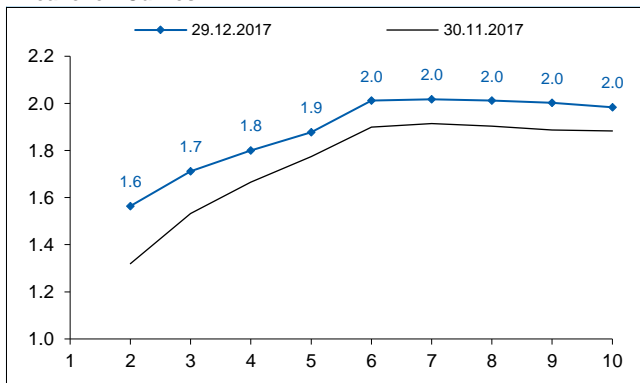
Swap Rate Evolutions



Real Rate Yield Curves (Inflation-Linked bonds)



Breakeven Curves



EUR Market

Economic data vs. Previous releases

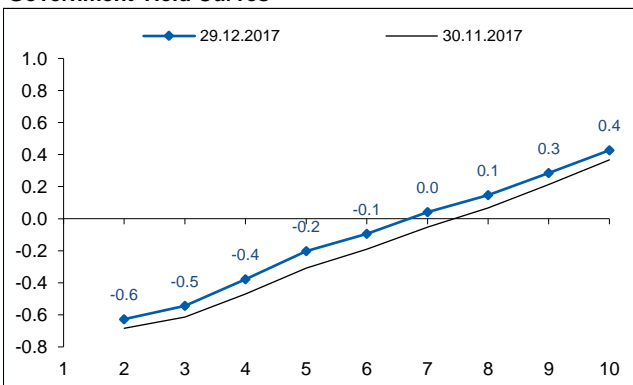
	lower*	unchanged	higher*
Global	43	10	51
Business Confidence	13	2	15
Consumer Confidence	-	-	3
Consumption	3	1	3
Employment	4	2	6
Housing	2	-	3
Industrial Production	13	1	16
Inflation	8	4	5

Economic data vs. Market surveys

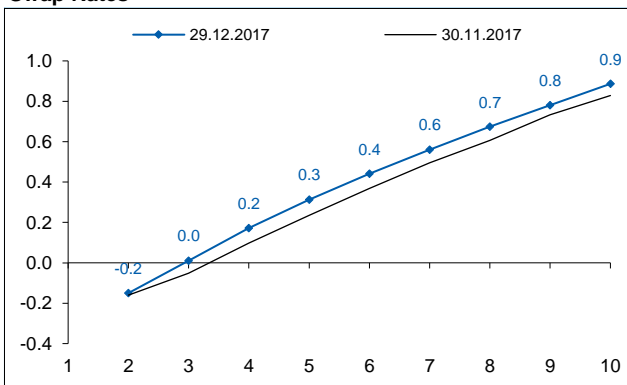
	lower*	unchanged	higher*
Global	29	8	24
Business Confidence	12	1	9
Consumer Confidence	-	-	3
Consumption	1	-	2
Employment	1	2	-
Housing	-	-	-
Industrial Production	9	1	7
Inflation	6	4	3

* indicates the expected impact on government rate (for example, higher inflation higher rates, higher unemployment lower rates)

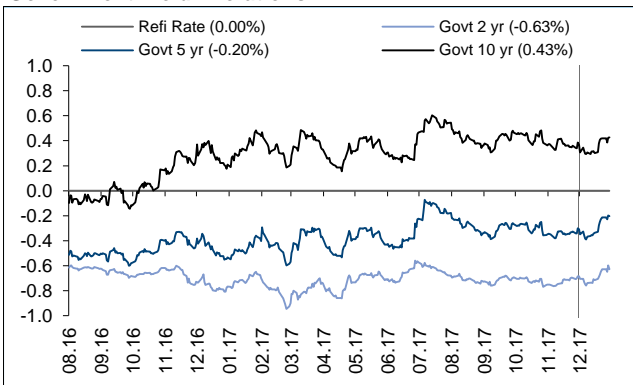
Government Yield Curves



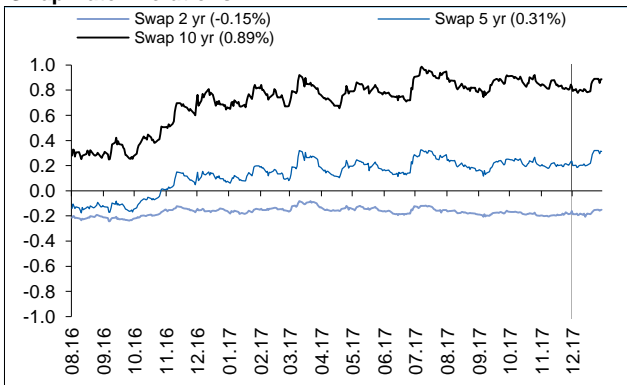
Swap Rates



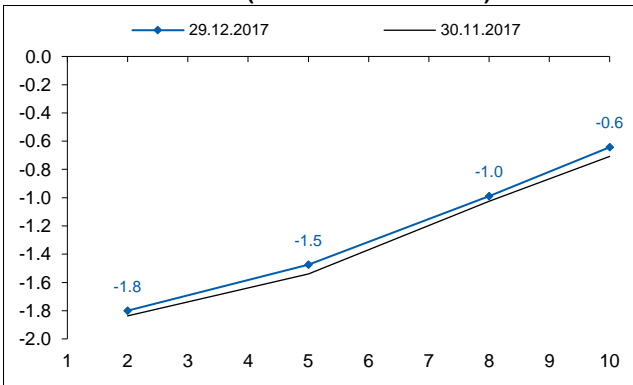
Government Yield Evolutions



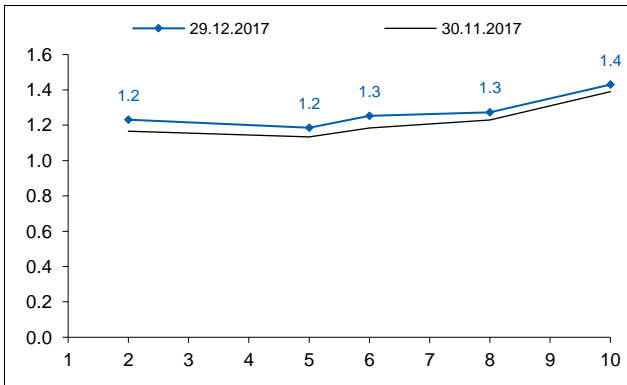
Swap Rate Evolutions



Real Rate Yield Curves (Inflation-Linked bonds)



Breakeven Curves



GBP Market

Economic data vs. Previous releases

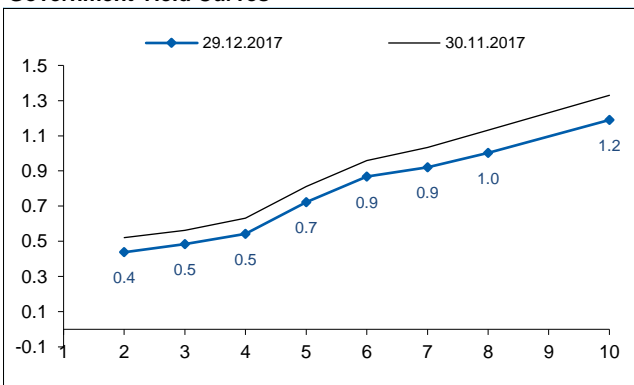
	lower*	unchanged	higher*
Global	15	6	22
Business Confidence	4	1	4
Consumer Confidence	1	-	-
Consumption	-	-	4
Employment	2	2	2
Housing	4	-	-
Industrial Production	2	1	8
Inflation	2	2	4

Economic data vs. Market surveys

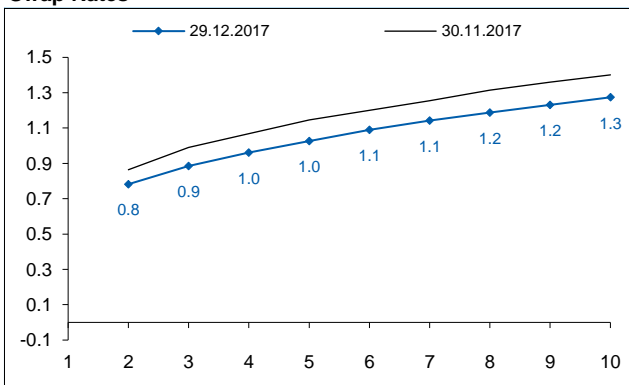
	lower*	unchanged	higher*
Global	11	9	15
Business Confidence	2	1	3
Consumer Confidence	1	-	-
Consumption	-	-	2
Employment	2	1	1
Housing	1	2	-
Industrial Production	2	2	7
Inflation	3	3	2

* indicates the expected impact on government rate (for example, higher inflation higher rates, higher unemployment lower rates)

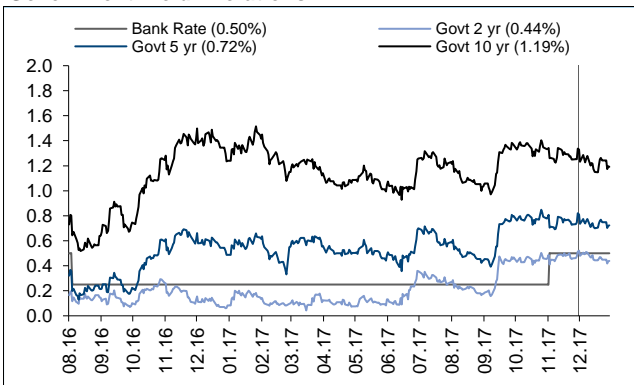
Government Yield Curves



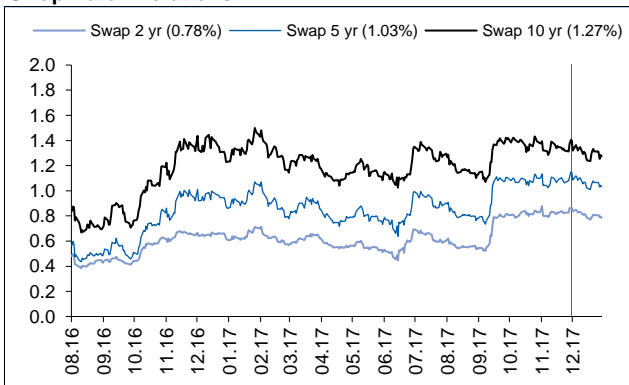
Swap Rates



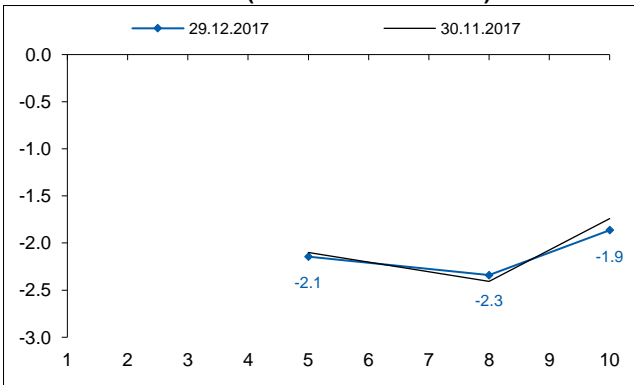
Government Yield Evolutions



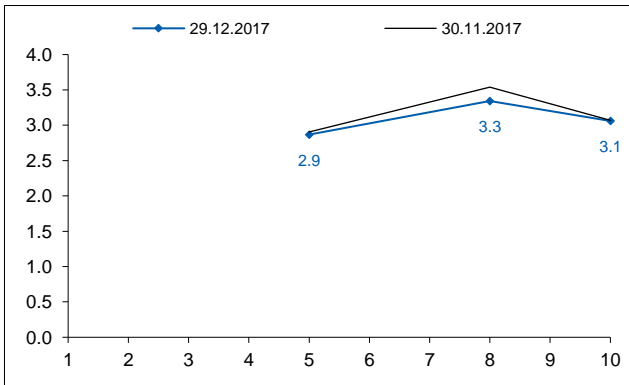
Swap Rate Evolutions



Real Rate Yield Curves (Inflation-Linked bonds)



Breakeven Curves



CHF Market

Economic data vs. Previous releases

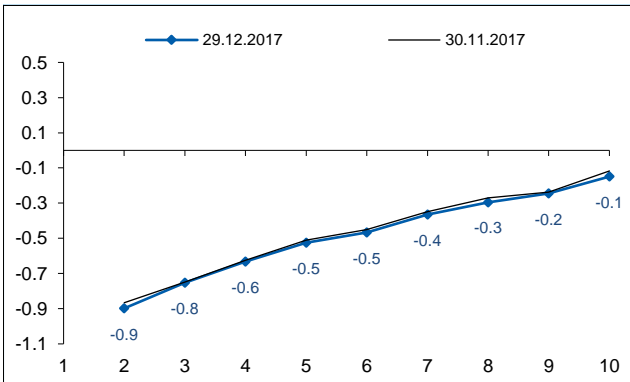
	lower*	unchanged	higher*
Global	2	1	8
Business Confidence	-	-	3
Consumer Confidence	-	-	1
Consumption	-	-	-
Employment	1	-	1
Housing	-	-	-
Industrial Production	1	-	1
Inflation	-	1	2

Economic data vs. Market surveys

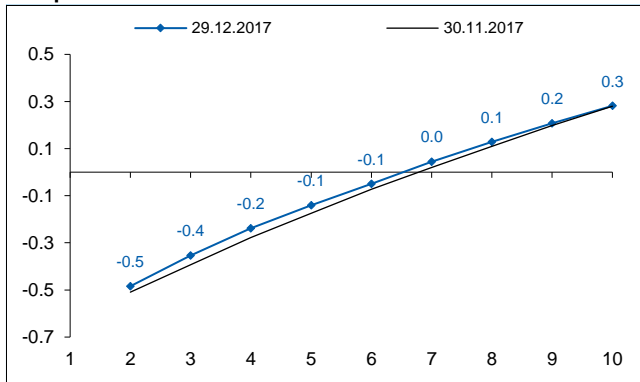
	lower*	unchanged	higher*
Global	0	2	3
Business Confidence	-	-	2
Consumer Confidence	-	-	-
Consumption	-	-	-
Employment	-	1	1
Housing	-	-	-
Industrial Production	-	-	-
Inflation	-	1	-

* indicates the expected impact on government rate (for example, higher inflation higher rates, higher unemployment lower rates)

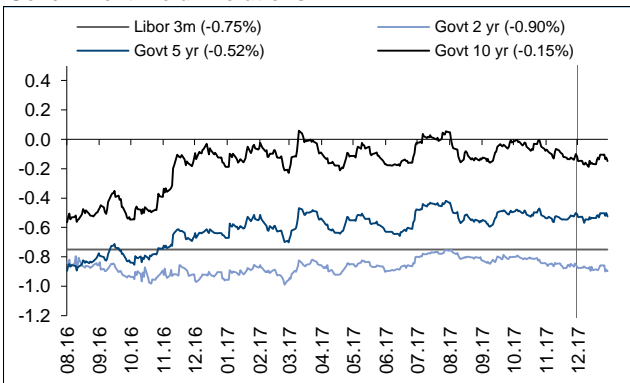
Government Yield Curves



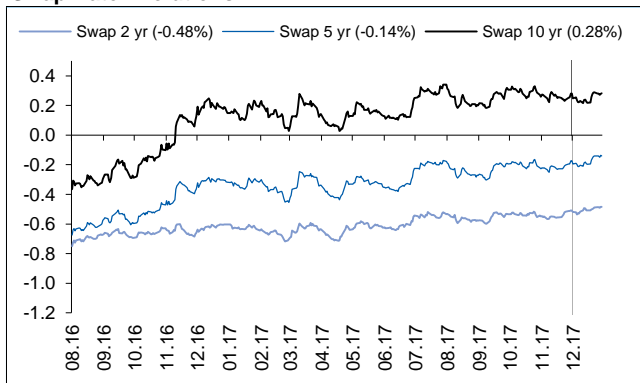
Swap Rates



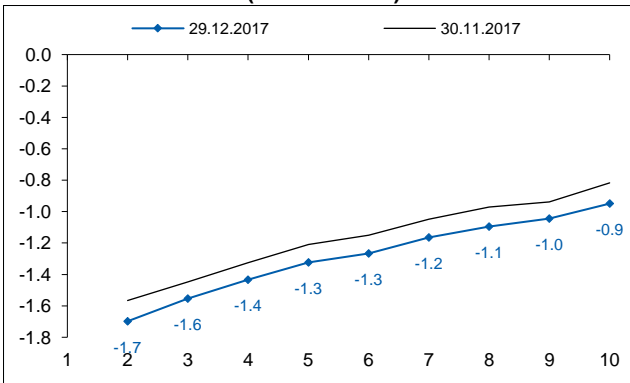
Government Yield Evolutions



Swap Rate Evolutions

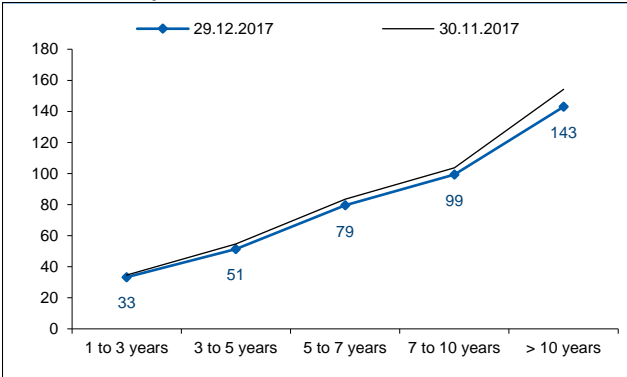


Real Rate Yield Curves (Nominal - CPI)

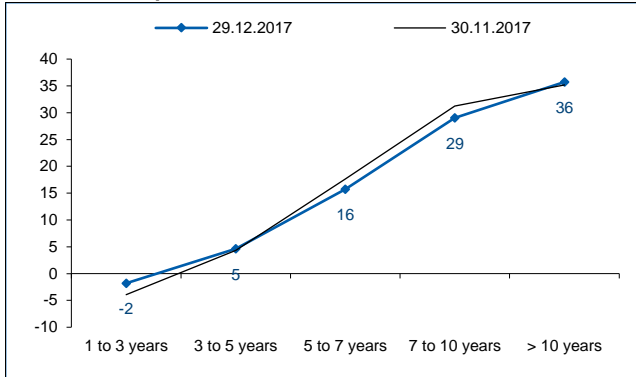


Credit Markets

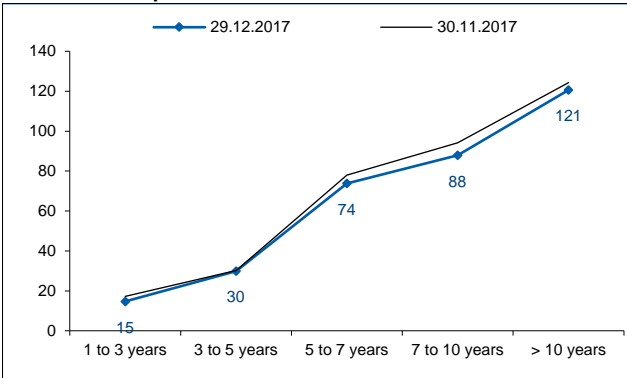
USD IG D/Swap Curves



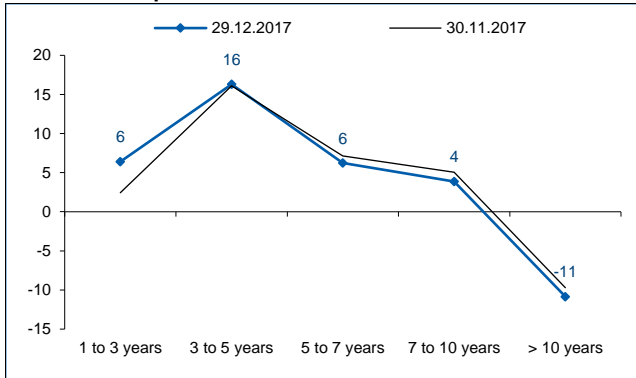
EUR IG D/Swap Curves



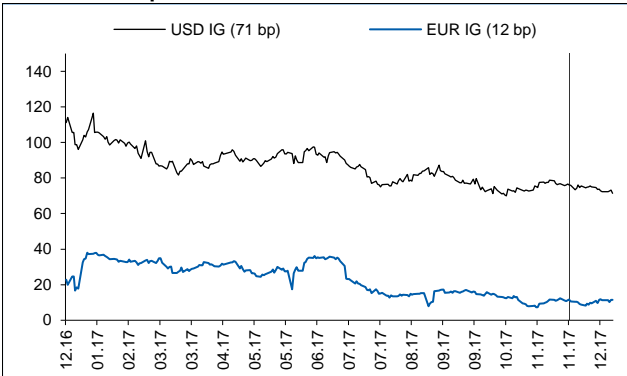
GBP IG D/Swap Curves



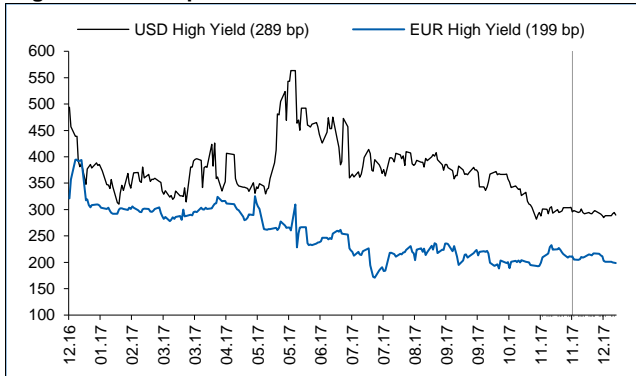
CHF IG D/Swap Curves



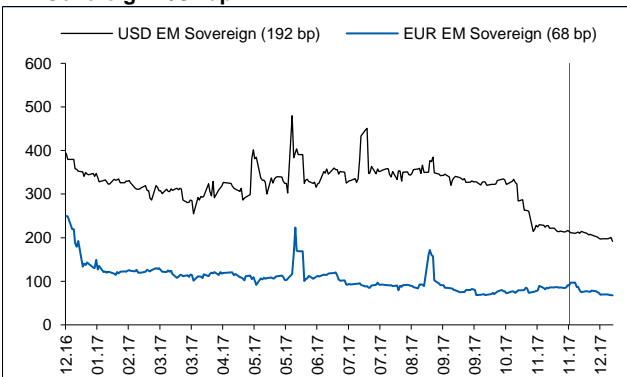
Low IG D/Swap



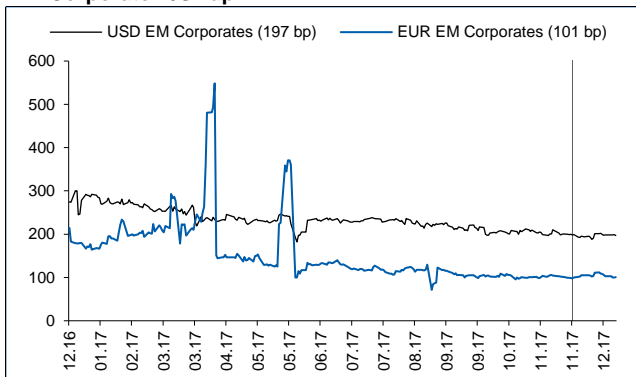
High-Yield D/Swap



EM Sovereign D/Swap



EM Corporate D/Swap



USD Median D/Swap

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	-3	5	14	18	74
AA	14	35	60	84	104
A	32	48	53	84	124
BBB	52	81	104	143	171
BB	117	176	187	210	277
B	240	339	363	382	467

USD Median Yield

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	2.04	2.28	2.46	2.57	3.31
AA	2.22	2.55	2.88	3.22	3.61
A	2.41	2.72	2.84	3.23	3.80
BBB	2.60	3.04	3.36	3.82	4.28
BB	3.23	4.03	4.18	4.48	5.33
B	4.54	5.65	5.91	6.20	7.18

EUR Median D/Swap

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	-21	-18	-22	-24	-27
AA	-19	-14	-21	-20	-5
A	2	5	9	18	26
BBB	11	17	32	54	79
BB	65	118	135	161	221
B	244	367	356	336	380

EUR Median Yield

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	-0.38	-0.05	0.21	0.46	1.03
AA	-0.35	0.01	0.27	0.57	1.22
A	-0.12	0.19	0.51	0.87	1.34
BBB	-0.05	0.31	0.77	1.26	1.89
BB	0.50	1.29	1.79	2.24	3.49
B	2.31	3.87	3.88	4.06	4.69

GBP Median D/Swap

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	-14	-3	2	32	45
AA	-5	14	0	24	55
A	16	25	57	69	126
BBB	30	53	92	103	141
BB	37	216	217	285	286
B	209	424	809	434	n.a.

GBP Median Yield

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	0.65	0.94	1.13	1.49	1.87
AA	0.78	1.14	1.11	1.45	1.93
A	0.97	1.24	1.64	1.95	2.72
BBB	1.12	1.53	2.02	2.29	2.84
BB	1.09	3.07	3.23	4.06	4.32
B	2.79	5.19	9.20	5.50	n.a.

CHF Median D/Swap

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	-10	-6	-5	-5	-5
AA	-1	0	-6	-5	-7
A	10	21	14	14	1
BBB	38	54	43	294	n.a.
BB	117	171	231	n.a.	n.a.
B	n.a.	n.a.	n.a.	n.a.	n.a.

CHF Median Yield

	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>5-7 yrs</u>	<u>7-10 yrs</u>	<u>+10 yrs</u>
AAA	-0.60	-0.32	-0.12	0.09	0.41
AA	-0.50	-0.26	-0.08	0.13	0.38
A	-0.39	-0.01	0.08	0.29	0.48
BBB	-0.07	0.23	0.34	3.02	n.a.
BB	0.64	1.46	2.33	n.a.	n.a.
B	n.a.	n.a.	n.a.	n.a.	n.a.

USD D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-1	+0	-1	-1	-6
AA	-3	+1	-4	-3	-11
A	-1	-1	-5	-1	-10
BBB	+0	-4	-5	+0	-11
BB	-10	-2	-4	+2	-12
B	-2	-18	-9	-19	-13

USD Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+0.12	+0.10	+0.07	+0.03	-0.08
AA	+0.12	+0.10	+0.02	+0.01	-0.13
A	+0.09	+0.09	+0.02	+0.02	-0.12
BBB	+0.14	+0.06	+0.03	+0.05	-0.12
BB	-0.01	+0.12	+0.06	+0.04	-0.14
B	+0.13	-0.07	-0.05	-0.13	-0.23

EUR D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+1	-1	-2	-4	+0
AA	+3	+1	-3	-1	+3
A	+1	+2	-1	-1	-4
BBB	+3	+1	-2	-4	-3
BB	-3	-2	+2	-2	+47
B	-1	+0	+58	+8	-26

EUR Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+0.03	+0.07	+0.05	+0.04	+0.05
AA	+0.04	+0.05	+0.05	+0.04	+0.01
A	+0.04	+0.07	+0.07	+0.08	+0.00
BBB	+0.04	+0.06	+0.05	+0.02	-0.02
BB	-0.01	-0.03	+0.11	+0.02	+0.44
B	-0.04	-0.03	+0.52	-0.06	-0.22

GBP D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-2	+1	-1	-2	-1
AA	+0	+2	-26	-12	+0
A	+0	-1	-3	-9	-7
BBB	-6	-10	-4	-11	-5
BB	-25	+11	-8	-30	+4
B	+22	-65		+14	

GBP Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-0.05	-0.07	-0.14	-0.14	-0.12
AA	+0.02	-0.05	-0.31	-0.21	-0.15
A	-0.03	-0.12	-0.16	-0.20	-0.19
BBB	-0.09	-0.18	-0.18	-0.21	-0.20
BB	-0.46	-0.02	-0.26	-0.38	-0.10
B	+0.16	-0.77		+0.00	

CHF D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-2	-3	-3	-1	-1
AA	+8	+5	-2	+1	-2
A	+1	+4	-5	-2	+0
BBB	-11	-1	+14	+210	
BB	-1	-4	+0		
B					

CHF Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+0.01	+0.01	-0.01	-0.01	-0.02
AA	+0.12	+0.10	+0.00	-0.02	-0.04
A	+0.03	+0.10	-0.03	-0.03	-0.01
BBB	+0.01	-0.06	+0.02	+1.92	
BB	-0.02	-0.02	+0.01		
B					

Fixed Income Markets Profitability

USD Market

	MTD	QTD	YTD
Libor (3mo)	0.1%	0.3%	1.2%
Government 1 - 10 yr	0.3%	0.1%	2.3%
<i>Government 1 - 3 yr</i>	<i>0.0%</i>	<i>-0.3%</i>	<i>0.4%</i>
<i>Government 3 - 5 yr</i>	<i>0.0%</i>	<i>-0.6%</i>	<i>1.0%</i>
<i>Government 5 - 7 yr</i>	<i>0.0%</i>	<i>-0.5%</i>	<i>1.9%</i>
<i>Government 7 - 10 yr</i>	<i>0.2%</i>	<i>-0.3%</i>	<i>2.6%</i>
<i>Government >10 yr</i>	<i>0.6%</i>	<i>0.4%</i>	<i>4.2%</i>
Inflation Linked	1.0%	1.4%	3.3%
IG Corporate	0.7%	0.8%	5.9%
<i>Corporates AAA</i>	<i>1.4%</i>	<i>1.9%</i>	<i>8.0%</i>
<i>Corporates AA</i>	<i>0.8%</i>	<i>0.9%</i>	<i>4.7%</i>
<i>Corporates A</i>	<i>0.6%</i>	<i>0.6%</i>	<i>5.3%</i>
<i>Corporates BBB</i>	<i>0.7%</i>	<i>0.9%</i>	<i>7.5%</i>
<i>Financial</i>	<i>0.4%</i>	<i>0.5%</i>	<i>5.9%</i>
<i>Industrial</i>	<i>0.9%</i>	<i>1.0%</i>	<i>5.7%</i>
EM Sovereigns	0.5%	0.9%	9.6%
High Yield	0.3%	0.5%	7.5%
Tier 1	0.0%	0.0%	14.1%

EUR Market

	MTD	QTD	YTD
Libor (3mo)	0.0%	-0.1%	-0.4%
Government 1 - 10 yr	-0.8%	0.6%	0.2%
<i>Government 1 - 3 yr</i>	<i>-0.2%</i>	<i>-0.1%</i>	<i>-0.3%</i>
<i>Government 3 - 5 yr</i>	<i>-0.5%</i>	<i>-0.1%</i>	<i>0.0%</i>
<i>Government 5 - 7 yr</i>	<i>-0.6%</i>	<i>0.3%</i>	<i>0.5%</i>
<i>Government 7 - 10 yr</i>	<i>-0.8%</i>	<i>0.8%</i>	<i>1.2%</i>
<i>Government >10 yr</i>	<i>-1.7%</i>	<i>1.4%</i>	<i>-0.3%</i>
Inflation Linked	-0.6%	1.8%	1.4%
IG Corporate	-0.3%	0.5%	1.8%
<i>Corporates AAA</i>	<i>-0.5%</i>	<i>0.5%</i>	<i>1.0%</i>
<i>Corporates AA</i>	<i>-0.3%</i>	<i>0.3%</i>	<i>0.8%</i>
<i>Corporates A</i>	<i>-0.3%</i>	<i>0.5%</i>	<i>1.4%</i>
<i>Corporates BBB</i>	<i>-0.3%</i>	<i>0.6%</i>	<i>2.4%</i>
<i>Financial</i>	<i>-0.2%</i>	<i>0.5%</i>	<i>2.1%</i>
<i>Industrial</i>	<i>-0.4%</i>	<i>0.5%</i>	<i>1.6%</i>
EM Sovereigns	-0.2%	-0.7%	-3.7%
High Yield	0.0%	0.8%	6.9%
Tier 1	0.0%	0.0%	2.0%

GBP Market

	MTD	QTD	YTD
Libor (3mo)	0.0%	0.1%	0.3%
Government 1 - 10 yr	1.6%	2.2%	2.0%
<i>Government 1 - 4 yr</i>	<i>0.4%</i>	<i>0.7%</i>	<i>1.2%</i>
<i>Government 4 - 7 yr</i>	<i>0.9%</i>	<i>1.3%</i>	<i>3.6%</i>
<i>Government 7 - 10 yr</i>	<i>1.5%</i>	<i>2.1%</i>	<i>4.7%</i>
<i>Government >10 yr</i>	<i>2.5%</i>	<i>3.0%</i>	<i>5.5%</i>
Inflation Linked	2.2%	3.9%	2.4%
IG Corporate	1.7%	2.2%	4.3%
<i>Corporates AAA</i>	<i>1.8%</i>	<i>2.5%</i>	<i>2.5%</i>
<i>Corporates AA</i>	<i>1.5%</i>	<i>1.7%</i>	<i>2.6%</i>
<i>Corporates A</i>	<i>1.9%</i>	<i>2.2%</i>	<i>4.5%</i>
<i>Corporates BBB</i>	<i>1.6%</i>	<i>2.2%</i>	<i>4.6%</i>
<i>Financial</i>	<i>1.5%</i>	<i>2.2%</i>	<i>5.9%</i>
<i>Industrial</i>	<i>1.8%</i>	<i>2.3%</i>	<i>3.6%</i>

CHF Market

	MTD	QTD	YTD
Libor (3mo)	-0.1%	-0.2%	-0.7%
Government 1 - 10 yr	0.5%	1.1%	-0.1%
<i>Government 1 - 4 yr</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-0.3%</i>
<i>Government 4 - 7 yr</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
<i>Government 7 - 10 yr</i>	<i>0.2%</i>	<i>0.6%</i>	<i>0.5%</i>
<i>Government >10 yr</i>	<i>0.6%</i>	<i>1.3%</i>	<i>0.4%</i>
IG Corporate	0.2%	0.5%	0.2%
<i>Corporates AAA</i>	<i>0.3%</i>	<i>0.6%</i>	<i>0.1%</i>
<i>Corporates AA</i>	<i>0.1%</i>	<i>0.4%</i>	<i>0.1%</i>
<i>Corporates A</i>	<i>0.1%</i>	<i>0.4%</i>	<i>0.5%</i>
<i>Corporates BBB</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.7%</i>
<i>Financial</i>	<i>0.1%</i>	<i>0.3%</i>	<i>0.7%</i>
<i>Industrial</i>	<i>0.1%</i>	<i>0.4%</i>	<i>0.2%</i>

Other Markets Profitability

Major Cross Rates

	MTD	QTD	YTD
USD vs. EUR	-0.8%	-1.6%	-12.4%
USD vs. GBP	0.1%	-0.8%	-8.6%
USD vs. CHF	-0.9%	0.6%	-4.4%
USD vs. JPY	0.1%	0.2%	-3.7%
EUR vs. USD	0.8%	1.6%	14.1%
EUR vs. GBP	0.9%	0.7%	4.1%
EUR vs. CHF	0.0%	2.3%	9.2%
EUR vs. JPY	1.0%	1.8%	10.0%
GBP vs. USD	-0.1%	0.9%	9.5%
GBP vs. EUR	-0.9%	-0.7%	-4.0%
GBP vs. CHF	-1.0%	1.5%	4.7%
GBP vs. JPY	0.0%	1.0%	5.3%
CHF vs. USD	0.9%	-0.6%	4.5%
CHF vs. EUR	0.1%	-2.2%	-8.4%
CHF vs. GBP	1.0%	-1.5%	-4.6%
CHF vs. JPY	1.1%	-0.4%	0.8%

Equities

	MTD	QTD	YTD
Americas			
Dow Jones	1.8%	10.3%	25.1%
S&P 500	1.0%	6.1%	19.4%
Nasdaq	0.4%	6.3%	28.2%
Mexico IPC	4.8%	-2.0%	8.1%
Brazil Bovespa	6.2%	2.8%	26.9%
Europe			
Euro Stoxx 50	-1.8%	-2.5%	6.5%
FTSE 100	4.9%	4.3%	7.6%
CAC 40	-1.1%	-0.3%	9.3%
DAX	-0.8%	0.7%	12.5%
IBEX	-1.6%	-3.3%	7.4%
FTSE MIB	-2.3%	-3.7%	13.6%
AEX	0.8%	1.4%	12.7%
OMX	-2.1%	-3.7%	3.9%
SMI	0.7%	2.5%	14.1%
Asia			
NIKKEI 225	0.2%	11.8%	19.1%
Hang Seng	2.5%	8.6%	36.0%
S&P/ASX 200	1.6%	6.8%	7.0%

Other Cross Rates

	MTD	QTD	YTD
USD vs. AUD	-3.1%	0.4%	-7.8%
USD vs. BRL	1.4%	4.7%	1.8%
USD vs. CAD	-2.5%	0.8%	-6.5%
USD vs. CNY	-1.5%	-2.2%	-6.3%
USD vs. MXN	5.5%	7.7%	-5.2%
USD vs. NZD	-3.8%	1.6%	-2.4%
USD vs. RUB	-1.3%	0.2%	-6.3%
EUR vs. BRL	2.3%	6.5%	16.0%
EUR vs. CNY	-1.0%	-0.8%	6.3%
EUR vs. HUF	-0.8%	-0.3%	0.4%
EUR vs. NOK	-0.6%	4.6%	8.3%
EUR vs. PLN	-0.6%	-3.1%	-5.1%
EUR vs. RUB	-0.4%	1.9%	7.1%
EUR vs. SEK	-1.4%	2.2%	2.7%

Commodities

	MTD	QTD	YTD
CRB All Commodities	0.7%	1.2%	2.2%
CRB Food	-2.6%	1.8%	-0.8%
CRB Raw Industrials	3.0%	0.8%	4.3%
CRB Metals	5.3%	2.2%	13.3%
Oil	5.3%	16.9%	12.5%
Gold	2.2%	1.8%	13.1%
Copper	7.2%	11.8%	30.9%