

Economies:

United States

Industrial production, housing and employment publications were disappointing this month. For example, with imports increasing rapidly, GDP YoY slowed to 2.6% in Q4 from 3.2% in Q3. Sales of newly constructed single-family homes posted their biggest decline in 16 months (-9.3%) and rent from newly signed leases decreased 0.9% in Q4 compared with Q3. Only consumption figures were strong this month with durable goods orders jumping 2.9% and personal consumption reaching 3.8% in Q4.

United Kingdom

In Q4, GDP rose 1.5% YoY, the weakest pace since early 2013. Manufacturing growth slowed more than forecast, retreating from a four-year high: and retail sales fell the most in 18 months. It is further evidence that inflation and shaky consumer confidence are hitting British stores, many of whom remain cautious about the outlook for the coming year. Fourth quarter sales gained just 0.4%, half the pace seen in the previous three months. The UK saw 3% inflation in December, down from a record 3.1% in November and the first decline since June. A lower cost of transportation, particularly airfares, was the main contributor.

Central banks:

Federal Reserve (next meeting: March 21st)

Officials, meeting for the last time under Chair Janet Yellen, left borrowing costs unchanged while adding emphasis to their plan for more hikes, setting the stage for an increase in March under her successor Jerome Powell. The changes to the statement, collectively acknowledging stronger growth and more confidence that inflation will rise to their 2% target, may spur speculation that the Fed will pick up the pace of interest-rate increases. They also reiterated that “near-term risks to the economic outlook appear roughly balanced.”

Bank of England (next meeting: February 8th)

As the BoE did not meet in January, we will focus this month on the future Mark Carney's succession. We remind our readers that the BoE will need a new governor in 18 months. Though Mark Carney has been controversial at times, the UK will need a safe pair of hands to take over and ensure stability for banks, consumers and businesses as the nation works through its departure from the EU. A successor could be announced late this year. Speculation has already begun and Andrew Bailey, the head of Britain's financial regulator, is seen by economists as current favorite.

Euro area

Business confidence indicators were particularly strong this month: strong activity and lower unemployment drove the spike. German exports surged 4.1% MoM in November, the sharpest gain in three years and Brexit is improving Portugal's economy as firms take an interest in locating facilities in the country, says Portuguese Economy Minister Cabral. That has boosted Portugal's job market. Only Italy lagged the trend with poor activity growth. Industrial production growth declined from 3.10% to 2.2%.

Switzerland

We had few publications this month, but the trend was highly positive. The manufacturing PMI rose to 65.2 - substantially above the threshold of 50 that separates expansion from contraction. Inventory levels are moderate, and high planned inventory purchases suggest that the current robust trend in activity is likely to continue. Separately, the KOF economic barometer rose to 111.3 - its highest level since June 2010. When the survey indicators have previously been close to these levels real GDP growth has been running at 2-3% YoY - well above the current rate of annual growth (1.1%).

European Central Bank (next meeting: March 8th)

Policy makers reiterated that they will continue buying EUR 30 bn of assets a month until at least the end of September. They repeated that they expect borrowing costs to stay at present levels until well past the end of net bond purchases. They also added their pledge to step up or extend the program if needed, and stressed that additional support will come from their policy of reinvesting maturing debt. This decision comes after the euro surged to its strongest level against the dollar in more than three years.

Swiss National Bank (next meeting: March 15th)

President Jordan said that highly valued franc is the reason why the SNB is continuing with its expansive monetary policy. President Jordan also added it was “very early” to talk about policy normalization. That is partly because a more hawkish stance could boost Switzerland's currency, weighing on inflation. The SNB projections already showed price growth breaching its 2% limit in 2020 Q3. To conclude, the SNB expects to have racked up a record CHF 54 billion profit in 2017. The strong result is a consequence of the franc's 8.4% drop against the euro last year.

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Market issues:

- US lawmakers failed to reach a compromise and generated a partial shutdown of the US government for three days.
- The Senate confirmed (84-13) Jerome Powell as chairman of the Fed when the term of Chair Yellen ends Feb. 3.
- Talks led by Chancellor Angela Merkel have broken a deadlock that has left Germany without a government for months. Merkel's CDU, sister party CSU and the SPD reportedly have agreed on a blueprint to guide formal coalition talks.
- A group of economists called for Poland to proceed with a commitment to join the Eurozone. The economists argue Poland should have a voice in policies of the ECB because half of Polish exports are sent to the Eurozone.
- Japan appears to be putting deflation behind it. For the first time in three year, the annual wholesale price growth was positive in 2017 (+2.4% YoY) and a tight labor market increased wages.
- Since the financial crisis, the world's banks are more resilient to risks but less profitable, according to the BIS. Over the long term, pressure on profitability may be an indication of overcapacity and needs for structural changes in banking.
- Bank stress tests might become a thing of the past under the Trump administration, says Ken Leon of research firm CFRA. The elimination would give banks greater latitude to reward shareholders with dividends and stock buybacks.
- EC reported that the value of nonperforming loans on European banks' balance sheets is declining but is still excessive. Banks must contend with slow judicial procedures and a lack of liquidity in the market for nonperforming loans.
- ECB tried to identify the most effective methods of deflating credit bubbles. Findings suggest loan limits and larger capital buffers control lending better than adjustment of banks' risk measurements.
- A lack of competition persists in the bond-rating business as major barriers to entry prevent firms from challenging the three largest firms who continue to dominate a decade after the financial crisis, the SEC says in a report.
- Fund managers in the EU have shrunk research budgets by 20% in response to MiFID II, according to Greenwich Associates. Fund managers have become more selective and are buying research from a smaller number of banks.

Credit Markets: Market rallies have spurred a tripling in US sales of high-yield bonds this year from early 2017.

- Corporate bonds, emerging market debt and equities have all begun the new year with a bang. Debt funds saw the largest inflows in 31 weeks, and investment-grade bond funds recorded their 55th straight week of inflows.
- As major stock indexes climb, investors are abandoning hedging, which is seen as a waste of money in a competitive market. The move could create market volatility and amplify a drop in prices in a sell-off, analysts and brokers say.
- Yields spiked after Benoit Coeure and Ewald Nowotny (two ECB officials) indicated the stimulus scheme might end after September. The sell-off sent Germany's 5 yr bond yield into positive territory, and 10-year US Treasury over 2.72.
- Spain has received orders worth €43 billion for a €10 billion issue of benchmark 10-year bonds paying a 1.4% coupon, with investors apparently unconcerned by recent secessionist upheavals.
- The pool of bonds with subzero yields fell in just the first eight trading days of the year by about \$1 trillion. The \$7.3 trillion total is now the lowest since last July as central banks begin to unwind years of quantitative easing.
- A December survey by the Fed of Dallas found executives in the petroleum industry were ready to expand exploration of US shale oil if the price of crude oil were to move above \$61 a barrel.
- With \$11 billion in bids for biotech firms announced in the first few days of 2018, the pace of life science deals is expected to pick up as drug and health care companies search for potentially profitable assets developed by smaller competitors. Consulting firm EY and law firm Baker McKenzie are forecasting a surge in biotech mergers and acquisitions this year.
- Eurozone finance ministers approved an additional €6.7 billion in bailout funds for Greece, but the nation might be able to exit its bailout program in 2018 as its crisis fades, although the country will require close monitoring.
- The UK's second biggest construction contractor, Carillion, filed for insolvency. As Carillion had joint-venture partners worldwide, the company's financial collapse may harm many companies across the UK, North America and Europe.
- China has notified state-owned enterprises they must be profitable this year but didn't say what happens if they aren't. The order reportedly applies to all 98 major state-owned businesses.
- General Electric CEO is considering breaking up the conglomerate. GE is taking more than \$11 bn in charges related to a portfolio of insurance and the new US tax law. The announcement came as GE reported a \$10 bn loss for Q4.
- Trump administration dropped an appeal to maintain the insurer as a systemically important financial institution ('too big to fail' case). Last year it dropped AIG's designation. Prudential Financial is the only remaining non-bank SIFI in the US.

USD Market

Economic data vs. Previous releases

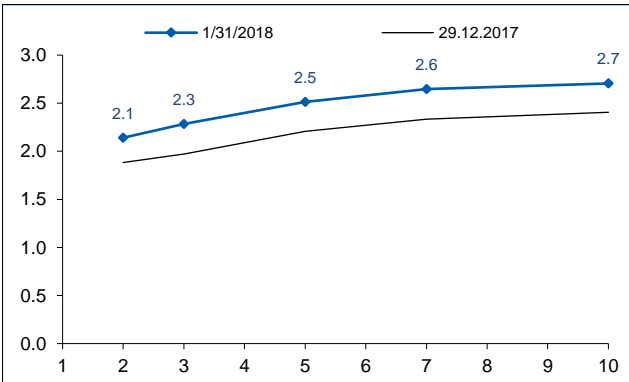
	lower*	unchanged	higher*
Global	39	7	27
Business Confidence	10	-	7
Consumer Confidence	2	-	2
Consumption	4	1	7
Employment	7	4	3
Housing	5	-	3
Industrial Production	5	1	2
Inflation	6	1	3

Economic data vs. Market surveys

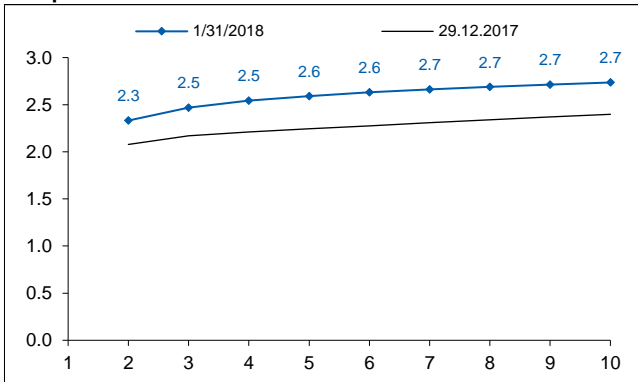
	lower*	unchanged	higher*
Global	23	12	22
Business Confidence	7	-	7
Consumer Confidence	-	-	1
Consumption	2	3	6
Employment	2	4	2
Housing	4	1	2
Industrial Production	5	-	2
Inflation	3	4	2

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

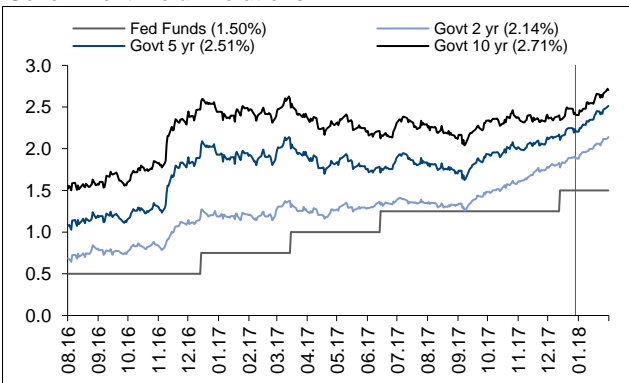
Government Yield Curves



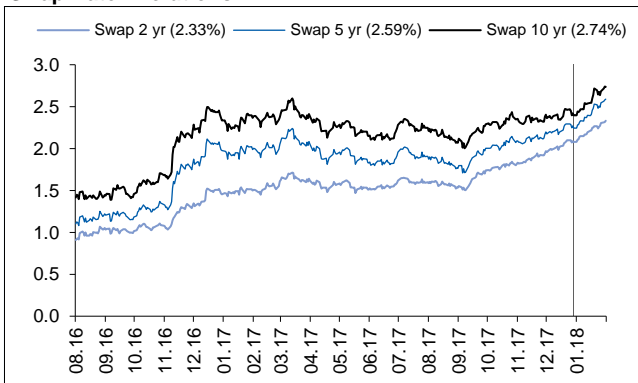
Swap Rates



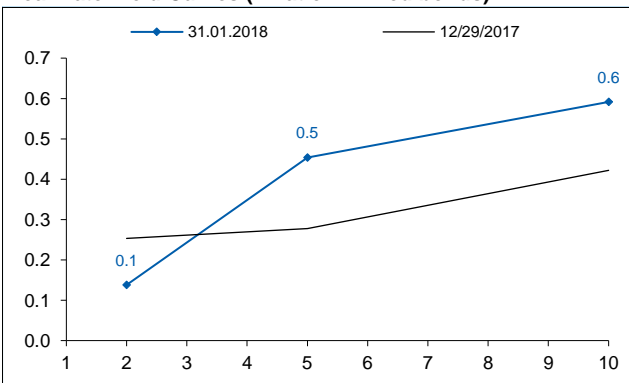
Government Yield Evolutions



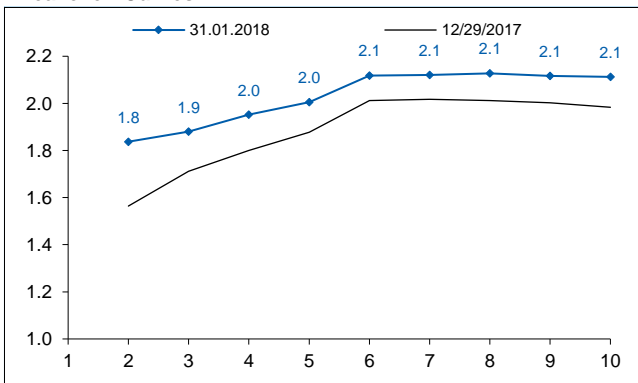
Swap Rate Evolutions



Real Rate Yield Curves (Inflation-Linked bonds)



Breakeven Curves



EUR Market

Economic data vs. Previous releases

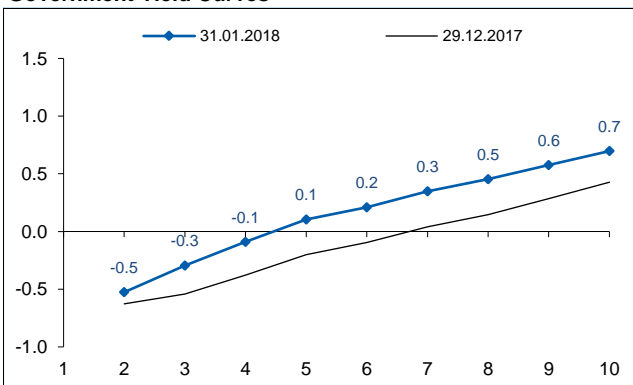
	lower*	unchanged	higher*
Global	52	8	54
Business Confidence	13	-	26
Consumer Confidence	2	1	3
Consumption	6	-	2
Employment	3	1	5
Housing	3	-	-
Industrial Production	14	3	14
Inflation	11	3	4

Economic data vs. Market surveys

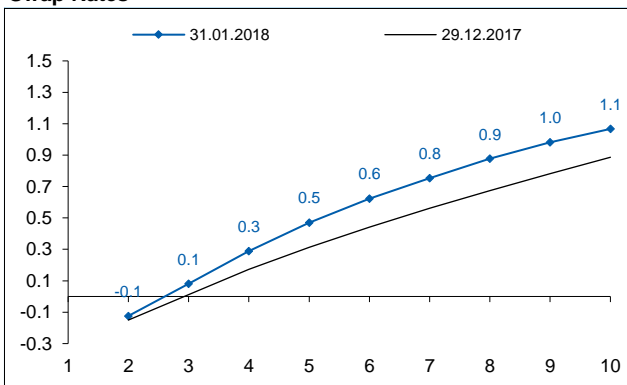
	lower*	unchanged	higher*
Global	28	16	37
Business Confidence	12	3	16
Consumer Confidence	2	1	3
Consumption	3	-	2
Employment	2	2	4
Housing	-	-	-
Industrial Production	4	5	9
Inflation	5	5	3

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

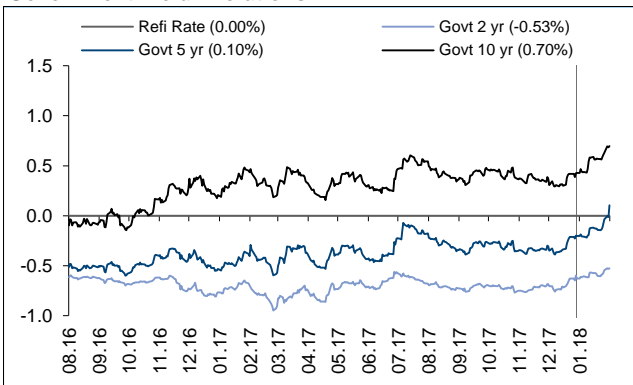
Government Yield Curves



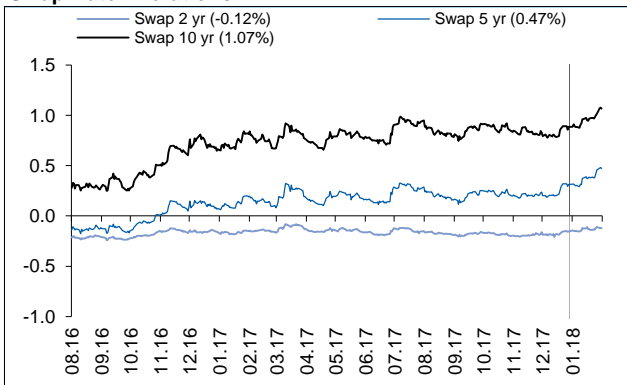
Swap Rates



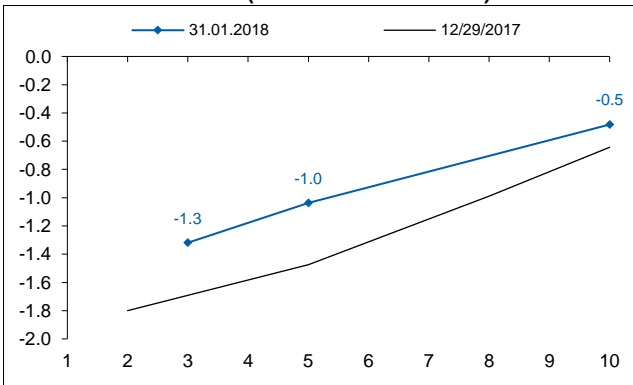
Government Yield Evolutions



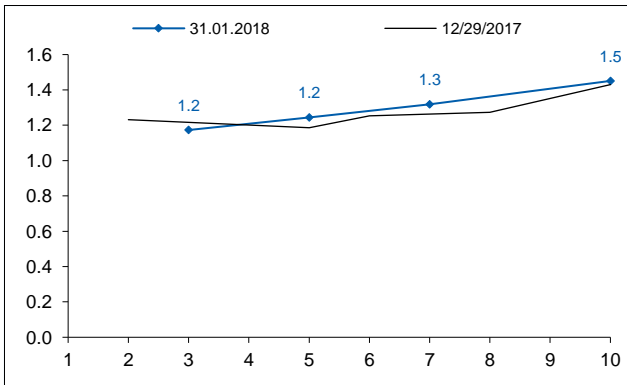
Swap Rate Evolutions



Real Rate Yield Curves (Inflation-Linked bonds)



Breakeven Curves



GBP Market

Economic data vs. Previous releases

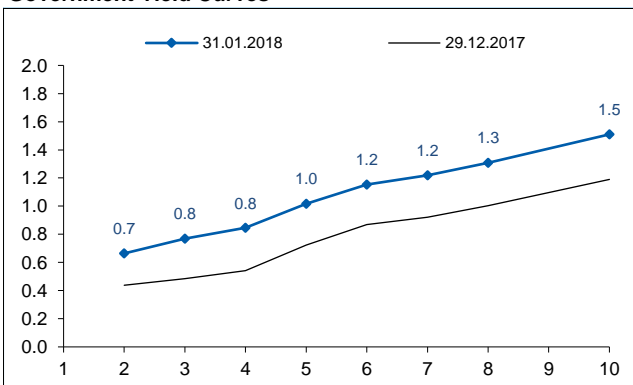
	lower*	unchanged	higher*
Global	24	4	20
Business Confidence	5	1	4
Consumer Confidence	-	-	1
Consumption	3	1	1
Employment	3	2	2
Housing	3	-	4
Industrial Production	6	-	3
Inflation	4	-	5

Economic data vs. Market surveys

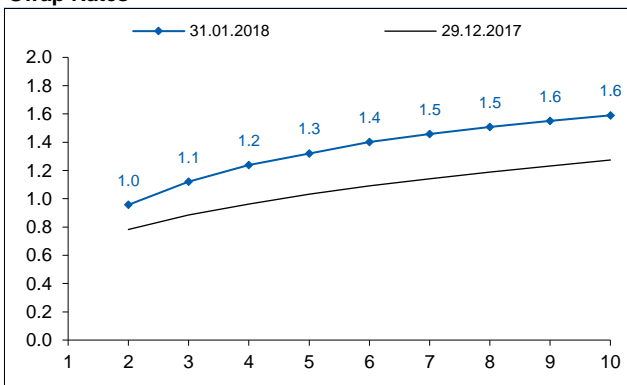
	lower*	unchanged	higher*
Global	15	4	20
Business Confidence	4	-	2
Consumer Confidence	-	-	1
Consumption	2	-	2
Employment	-	2	2
Housing	2	-	4
Industrial Production	3	1	5
Inflation	4	1	4

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

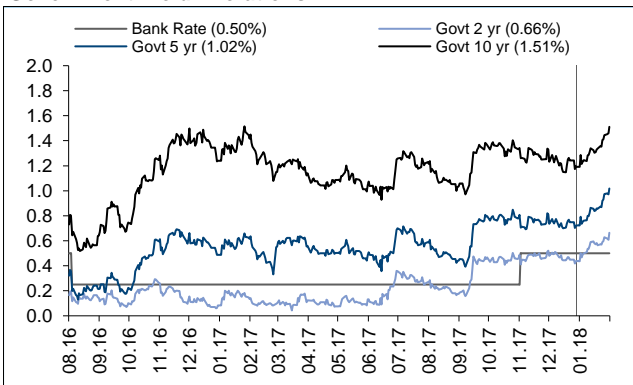
Government Yield Curves



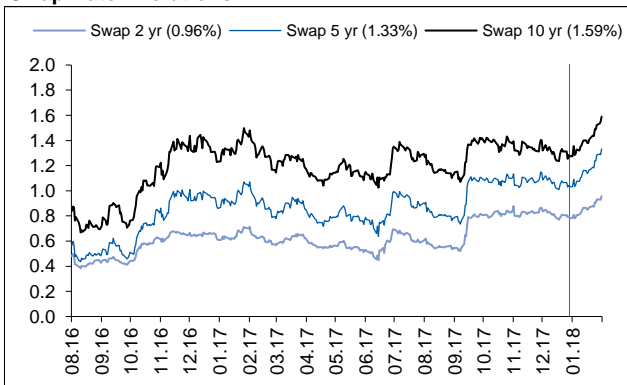
Swap Rates



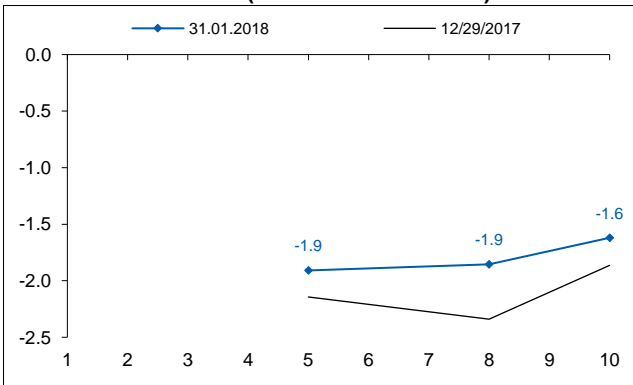
Government Yield Evolutions



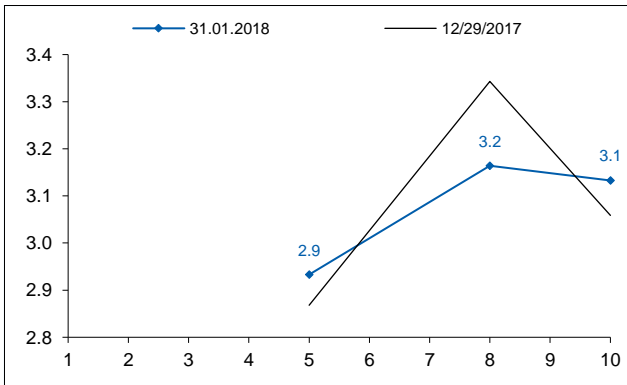
Swap Rate Evolutions



Real Rate Yield Curves (Inflation-Linked bonds)



Breakeven Curves



CHF Market

Economic data vs. Previous releases

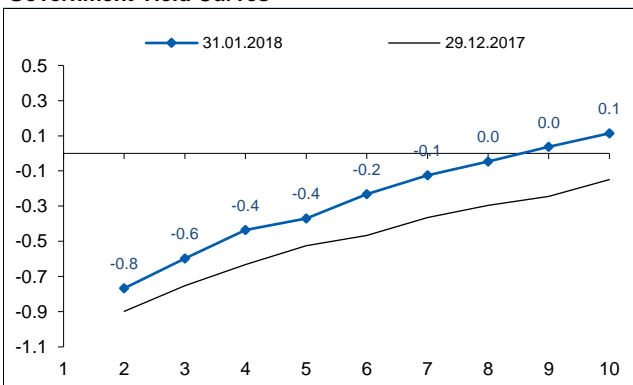
	lower*	unchanged	higher*
Global	4	3	5
Business Confidence	2	-	1
Consumer Confidence	-	-	1
Consumption	-	-	1
Employment	1	1	-
Housing	-	-	1
Industrial Production	1	-	-
Inflation	-	2	1

Economic data vs. Market surveys

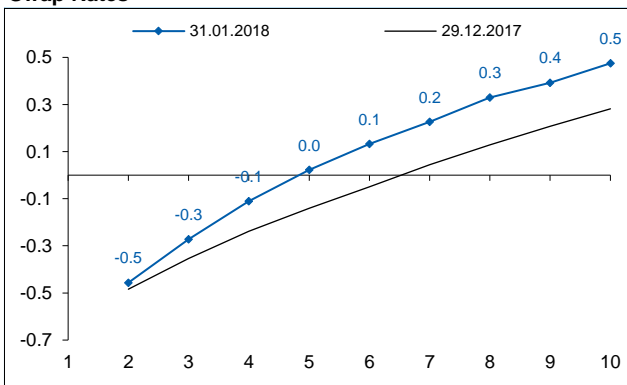
	lower*	unchanged	higher*
Global	2	2	1
Business Confidence	1	-	1
Consumer Confidence	-	-	-
Consumption	-	-	-
Employment	1	1	-
Housing	-	-	-
Industrial Production	-	-	-
Inflation	-	1	-

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

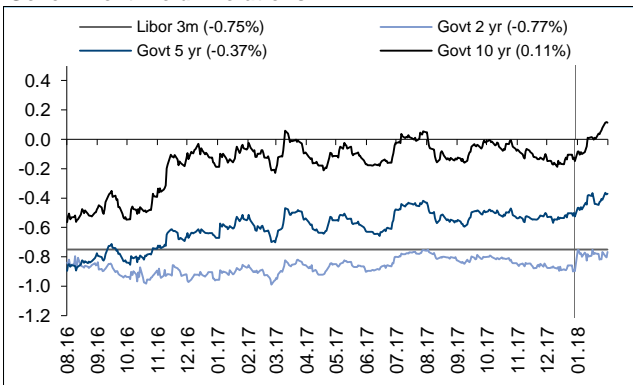
Government Yield Curves



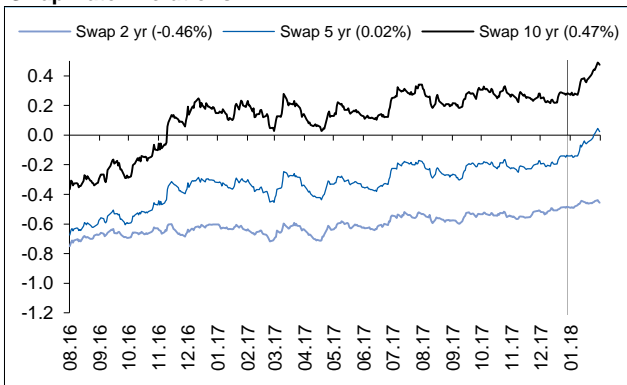
Swap Rates



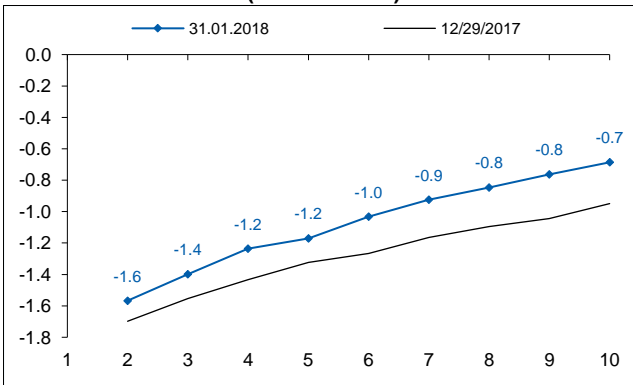
Government Yield Evolutions



Swap Rate Evolutions

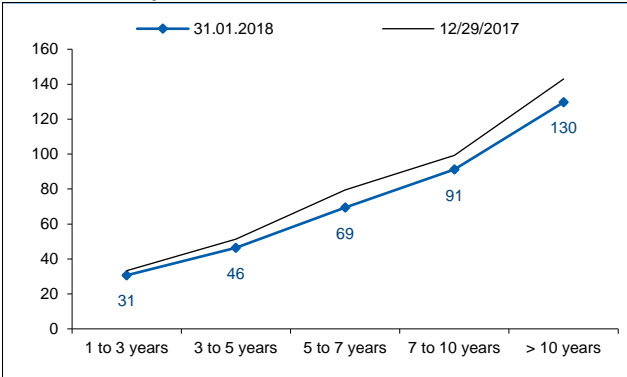


Real Rate Yield Curves (Nominal - CPI)

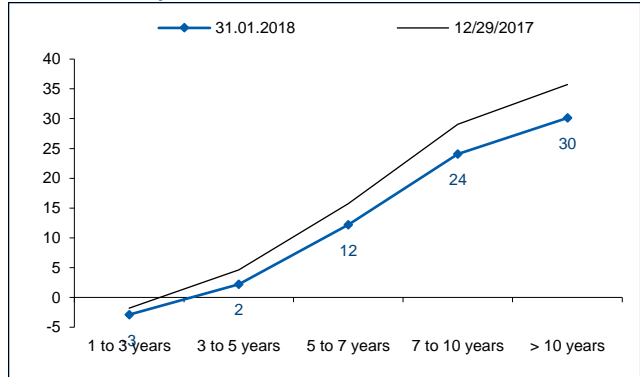


Credit Markets

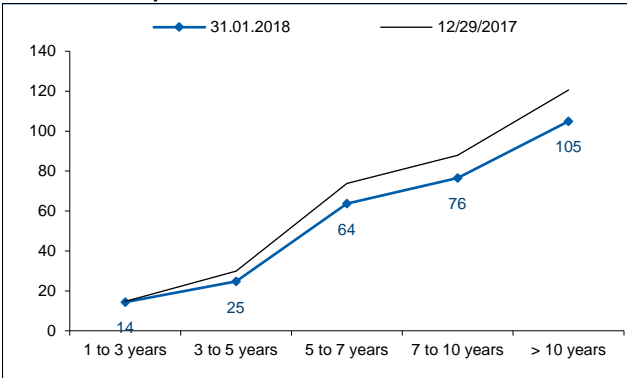
USD IG D/Swap Curves



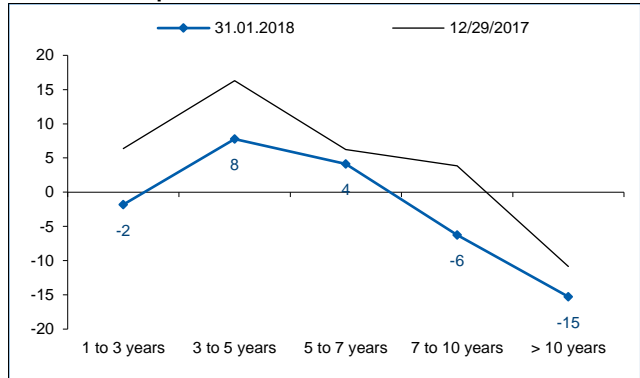
EUR IG D/Swap Curves



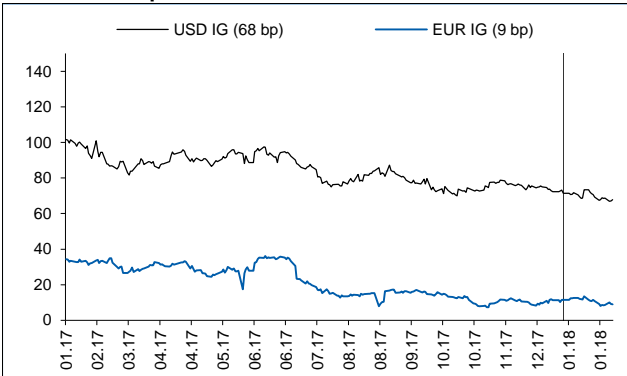
GBP IG D/Swap Curves



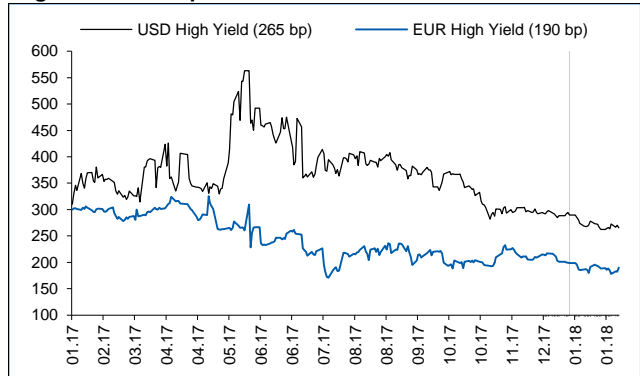
CHF IG D/Swap Curves



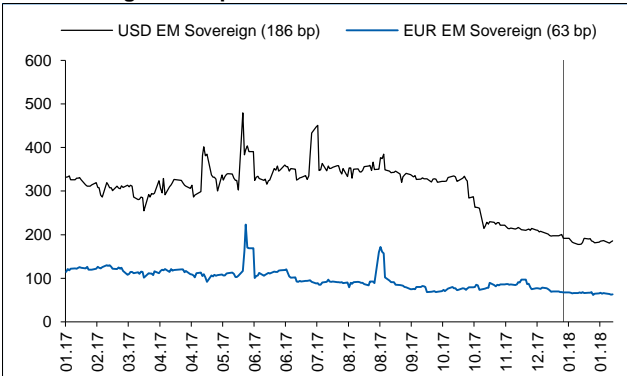
Low IG D/Swap



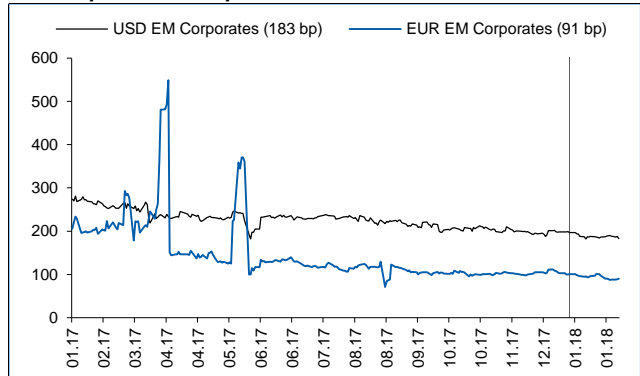
High-Yield D/Swap



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	-6	1	10	12	66
AA	14	30	37	77	94
A	30	43	52	78	117
BBB	56	74	95	128	159
BB	113	153	172	192	248
B	215	314	327	379	448

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	2.25	2.52	2.73	2.84	3.50
AA	2.46	2.82	2.98	3.48	3.78
A	2.63	2.94	3.15	3.45	4.01
BBB	2.91	3.26	3.58	3.97	4.42
BB	3.45	4.08	4.32	4.60	5.32
B	4.45	5.64	5.90	6.48	7.30

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	-22	-18	-20	-19	-16
AA	-18	-14	-16	-17	-1
A	1	2	6	14	21
BBB	8	14	30	48	64
BB	70	103	137	146	207
B	205	331	404	377	284

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	-0.35	0.07	0.42	0.75	1.22
AA	-0.27	0.13	0.46	0.78	1.37
A	-0.06	0.30	0.67	1.01	1.43
BBB	-0.04	0.40	0.92	1.38	1.94
BB	0.55	1.27	1.96	2.26	3.47
B	1.92	3.74	4.75	4.74	4.39

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	-11	-2	-1	30	33
AA	-4	15	-4	29	48
A	14	18	52	63	112
BBB	25	45	82	90	123
BB	89	162	225	279	250
B	225	473	457	382	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	0.82	1.22	1.36	1.73	2.02
AA	0.90	1.35	1.30	1.72	2.11
A	1.12	1.38	1.86	2.12	2.81
BBB	1.20	1.69	2.17	2.43	2.90
BB	1.87	2.71	3.58	4.25	4.20
B	3.02	5.89	5.94	5.24	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	-16	-8	-8	-7	-5
AA	-13	-12	-11	-8	-7
A	4	10	15	18	0
BBB	38	68	29	51	n.a.
BB	112	106	n.a.	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	-0.65	-0.24	0.03	0.27	0.56
AA	-0.52	-0.22	0.03	0.32	0.56
A	-0.46	-0.01	0.27	0.50	0.51
BBB	-0.15	0.66	0.47	0.81	n.a.
BB	0.58	0.93	n.a.	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	-2	-4	-4	-6	-8
AA	-1	-2	-23	-5	-10
A	+0	-4	-2	-3	-5
BBB	-1	-3	-14	-11	-16
BB	-2	-20	-15	-33	-30
B	-25	-20	-48	-3	-7

USD Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+0.19	+0.24	+0.27	+0.27	+0.19
AA	+0.23	+0.27	+0.10	+0.27	+0.17
A	+0.22	+0.25	+0.30	+0.26	+0.22
BBB	+0.24	+0.24	+0.17	+0.18	+0.11
BB	+0.22	+0.12	+0.14	-0.03	-0.03
B	-0.09	+0.05	-0.18	+0.28	+0.18

EUR D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-1	+0	+2	+3	+10
AA	+3	+1	+5	+3	+4
A	-1	-3	-3	-3	-5
BBB	-3	-4	-3	-5	-15
BB	+3	-15	+2	-15	-14
B	-33	-36	+54	+41	-37

EUR Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+0.04	+0.12	+0.21	+0.27	+0.17
AA	+0.08	+0.12	+0.21	+0.21	+0.16
A	+0.06	+0.11	+0.16	+0.15	+0.09
BBB	+0.01	+0.08	+0.14	+0.12	+0.05
BB	+0.04	-0.02	+0.17	+0.02	-0.02
B	-0.33	-0.13	+0.93	+0.68	-0.15

GBP D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+3	+1	-3	-2	-12
AA	+2	+1	-4	-3	-10
A	-2	-7	-4	-6	-14
BBB	-5	-8	-11	-13	-18
BB	+52	-54	+8	-12	-36
B	-33	+49	-352	-52	

GBP Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	+0.16	+0.31	+0.23	+0.24	+0.15
AA	+0.11	+0.21	+0.19	+0.23	+0.16
A	+0.15	+0.14	+0.23	+0.17	+0.09
BBB	+0.08	+0.16	+0.14	+0.14	+0.06
BB	+0.78	-0.36	+0.35	+0.15	-0.12
B	-0.33	+0.68	-3.26	-0.26	

CHF D/Swap Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-5	-3	-3	-1	+0
AA	-6	-12	-3	-4	+0
A	-6	-5	+1	+4	-1
BBB	+0	-6	-10	-5	
BB	-5	-65			
B					

CHF Yield Monthly Variation

	1-3 yrs	3-5 yrs	5-7 yrs	7-10 yrs	+10 yrs
AAA	-0.04	+0.08	+0.15	+0.19	+0.20
AA	-0.01	+0.00	+0.12	+0.17	+0.18
A	-0.06	+0.16	+0.19	+0.18	+0.03
BBB	-0.11	+0.08	+0.17	+0.15	
BB	-0.06	-0.53			
B					

Fixed Income Markets Profitability

USD Market

	MTD	QTD	YTD
Libor (3mo)	0.1%	0.1%	0.1%
Government 1 - 10 yr	-1.4%	-1.4%	-1.4%
<i>Government 1 - 3 yr</i>	<i>-0.3%</i>	<i>-0.3%</i>	<i>-0.3%</i>
<i>Government 3 - 5 yr</i>	<i>-1.0%</i>	<i>-1.0%</i>	<i>-1.0%</i>
<i>Government 5 - 7 yr</i>	<i>-1.6%</i>	<i>-1.6%</i>	<i>-1.6%</i>
<i>Government 7 - 10 yr</i>	<i>-2.2%</i>	<i>-2.2%</i>	<i>-2.2%</i>
<i>Government >10 yr</i>	<i>-2.7%</i>	<i>-2.7%</i>	<i>-2.7%</i>
Inflation Linked	-0.9%	-0.9%	-0.9%
IG Corporate	-0.9%	-0.9%	-0.9%
<i>Corporates AAA</i>	<i>-1.9%</i>	<i>-1.9%</i>	<i>-1.9%</i>
<i>Corporates AA</i>	<i>-0.9%</i>	<i>-0.9%</i>	<i>-0.9%</i>
<i>Corporates A</i>	<i>-1.0%</i>	<i>-1.0%</i>	<i>-1.0%</i>
<i>Corporates BBB</i>	<i>-0.9%</i>	<i>-0.9%</i>	<i>-0.9%</i>
<i>Financial</i>	<i>-0.8%</i>	<i>-0.8%</i>	<i>-0.8%</i>
<i>Industrial</i>	<i>-1.0%</i>	<i>-1.0%</i>	<i>-1.0%</i>
EM Sovereigns	0.3%	0.3%	0.3%
High Yield	0.6%	0.6%	0.6%
Tier 1	0.0%	0.0%	0.0%

EUR Market

	MTD	QTD	YTD
Libor (3mo)	0.0%	0.0%	0.0%
Government 1 - 10 yr	-0.4%	-0.4%	-0.4%
<i>Government 1 - 3 yr</i>	<i>-0.1%</i>	<i>-0.1%</i>	<i>-0.1%</i>
<i>Government 3 - 5 yr</i>	<i>-0.4%</i>	<i>-0.4%</i>	<i>-0.4%</i>
<i>Government 5 - 7 yr</i>	<i>-0.7%</i>	<i>-0.7%</i>	<i>-0.7%</i>
<i>Government 7 - 10 yr</i>	<i>-0.9%</i>	<i>-0.9%</i>	<i>-0.9%</i>
<i>Government >10 yr</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Inflation Linked	-0.5%	-0.5%	-0.5%
IG Corporate	-0.3%	-0.3%	-0.3%
<i>Corporates AAA</i>	<i>-0.5%</i>	<i>-0.5%</i>	<i>-0.5%</i>
<i>Corporates AA</i>	<i>-0.4%</i>	<i>-0.4%</i>	<i>-0.4%</i>
<i>Corporates A</i>	<i>-0.5%</i>	<i>-0.5%</i>	<i>-0.5%</i>
<i>Corporates BBB</i>	<i>-0.2%</i>	<i>-0.2%</i>	<i>-0.2%</i>
<i>Financial</i>	<i>-0.3%</i>	<i>-0.3%</i>	<i>-0.3%</i>
<i>Industrial</i>	<i>-0.3%</i>	<i>-0.3%</i>	<i>-0.3%</i>
EM Sovereigns	-3.3%	-3.3%	-3.3%
High Yield	0.4%	0.4%	0.4%
Tier 1	0.0%	0.0%	0.0%

GBP Market

	MTD	QTD	YTD
Libor (3mo)	0.0%	0.0%	0.0%
Government 1 - 10 yr	-2.2%	-2.2%	-2.2%
<i>Government 1 - 4 yr</i>	<i>-0.3%</i>	<i>-0.3%</i>	<i>-0.3%</i>
<i>Government 4 - 7 yr</i>	<i>-0.6%</i>	<i>-0.6%</i>	<i>-0.6%</i>
<i>Government 7 - 10 yr</i>	<i>-1.1%</i>	<i>-1.1%</i>	<i>-1.1%</i>
<i>Government >10 yr</i>	<i>-1.2%</i>	<i>-1.2%</i>	<i>-1.2%</i>
Inflation Linked	-2.9%	-2.9%	-2.9%
IG Corporate	-0.9%	-0.9%	-0.9%
<i>Corporates AAA</i>	<i>-2.6%</i>	<i>-2.6%</i>	<i>-2.6%</i>
<i>Corporates AA</i>	<i>-1.2%</i>	<i>-1.2%</i>	<i>-1.2%</i>
<i>Corporates A</i>	<i>-1.1%</i>	<i>-1.1%</i>	<i>-1.1%</i>
<i>Corporates BBB</i>	<i>-0.7%</i>	<i>-0.7%</i>	<i>-0.7%</i>
<i>Financial</i>	<i>-0.9%</i>	<i>-0.9%</i>	<i>-0.9%</i>
<i>Industrial</i>	<i>-0.9%</i>	<i>-0.9%</i>	<i>-0.9%</i>

CHF Market

	MTD	QTD	YTD
Libor (3mo)	-0.1%	-0.1%	-0.1%
Government 1 - 10 yr	-2.2%	-2.2%	-2.2%
<i>Government 1 - 4 yr</i>	<i>-0.1%</i>	<i>-0.1%</i>	<i>-0.1%</i>
<i>Government 4 - 7 yr</i>	<i>-0.7%</i>	<i>-0.7%</i>	<i>-0.7%</i>
<i>Government 7 - 10 yr</i>	<i>-1.4%</i>	<i>-1.4%</i>	<i>-1.4%</i>
<i>Government >10 yr</i>	<i>-2.9%</i>	<i>-2.9%</i>	<i>-2.9%</i>
IG Corporate	-1.3%	-1.3%	-1.3%
<i>Corporates AAA</i>	<i>-1.6%</i>	<i>-1.6%</i>	<i>-1.6%</i>
<i>Corporates AA</i>	<i>-0.9%</i>	<i>-0.9%</i>	<i>-0.9%</i>
<i>Corporates A</i>	<i>-0.6%</i>	<i>-0.6%</i>	<i>-0.6%</i>
<i>Corporates BBB</i>	<i>-0.2%</i>	<i>-0.2%</i>	<i>-0.2%</i>
<i>Financial</i>	<i>-0.5%</i>	<i>-0.5%</i>	<i>-0.5%</i>
<i>Industrial</i>	<i>-0.5%</i>	<i>-0.5%</i>	<i>-0.5%</i>

Other Markets Profitability

Major Cross Rates

	MTD	QTD	YTD
USD vs. EUR	-3.3%	-3.3%	-3.3%
USD vs. GBP	-4.8%	-4.8%	-4.8%
USD vs. CHF	-4.4%	-4.4%	-4.4%
USD vs. JPY	-3.1%	-3.1%	-3.1%
EUR vs. USD	3.4%	3.4%	3.4%
EUR vs. GBP	-1.5%	-1.5%	-1.5%
EUR vs. CHF	-1.2%	-1.2%	-1.2%
EUR vs. JPY	0.2%	0.2%	0.2%
GBP vs. USD	5.0%	5.0%	5.0%
GBP vs. EUR	1.5%	1.5%	1.5%
GBP vs. CHF	0.4%	0.4%	0.4%
GBP vs. JPY	1.8%	1.8%	1.8%
CHF vs. USD	4.6%	4.6%	4.6%
CHF vs. EUR	1.2%	1.2%	1.2%
CHF vs. GBP	-0.4%	-0.4%	-0.4%
CHF vs. JPY	1.4%	1.4%	1.4%

Other Cross Rates

	MTD	QTD	YTD
USD vs. AUD	-3.1%	-3.1%	-3.1%
USD vs. BRL	-3.8%	-3.8%	-3.8%
USD vs. CAD	-2.0%	-2.0%	-2.0%
USD vs. CNY	-3.4%	-3.4%	-3.4%
USD vs. MXN	-5.4%	-5.4%	-5.4%
USD vs. NZD	-3.6%	-3.6%	-3.6%
USD vs. RUB	-2.6%	-2.6%	-2.6%
EUR vs. BRL	-0.6%	-0.6%	-0.6%
EUR vs. CNY	0.5%	0.5%	0.5%
EUR vs. HUF	-0.2%	-0.2%	-0.2%
EUR vs. NOK	-2.8%	-2.8%	-2.8%
EUR vs. PLN	-0.6%	-0.6%	-0.6%
EUR vs. RUB	0.7%	0.7%	0.7%
EUR vs. SEK	-0.5%	-0.5%	-0.5%

Equities

	MTD	QTD	YTD
Americas			
Dow Jones	5.8%	5.8%	5.8%
S&P 500	5.6%	5.6%	5.6%
Nasdaq	7.4%	7.4%	7.4%
Mexico IPC	2.2%	2.2%	2.2%
Brazil Bovespa	11.6%	11.1%	11.1%
Europe			
Euro Stoxx 50	3.0%	3.0%	3.0%
FTSE 100	-2.0%	-2.0%	-2.0%
CAC 40	3.2%	3.2%	3.2%
DAX	2.1%	2.1%	2.1%
IBEX	4.1%	4.1%	4.1%
FTSE MIB	7.6%	7.6%	7.6%
AEX	2.9%	2.9%	2.9%
OMX	1.0%	1.0%	1.0%
SMI	-0.5%	-0.5%	-0.5%
Asia			
NIKKEI 225	1.5%	1.5%	1.5%
Hang Seng	9.9%	9.9%	9.9%
S&P/ASX 200	-0.5%	-0.5%	-0.5%

Commodities

	MTD	QTD	YTD
CRB All Commodities	2.6%	2.6%	2.6%
CRB Food	3.0%	3.0%	3.0%
CRB Raw Industrials	2.3%	2.3%	2.3%
CRB Metals	5.8%	5.8%	5.8%
Oil	7.1%	7.1%	7.1%
Gold	3.2%	3.2%	3.2%
Copper	-1.8%	-1.8%	-1.8%