

Multi-Asset Performance Summary – April 2023

This monthly note summarises performance trends across key asset classes and detailed segments of equities and fixed income.

The month of April provided a sense of calm to the global financial markets. Volatility in the financial markets stabilised amidst the ease in banking sector concerns, signs of disinflation and increasing confidence that global central bank tightening may be drawing closer to an end. Economic data pointed to some weakness in global activity, particularly on the manufacturing side but overall pointed to resilience. Suppliers' delivery times improved, input price pressures continue to ease, but job losses were noted across some markets. Services sector remained the bright spot with most economies registering improving momentum and posting better than expected final readings. On the inflation front, March releases of US CPI, US core CPI and US PPI showed signs of moderation. In the Eurozone, headline inflation dropped to the lowest level in a year while core inflation jumped to new highs. UK March inflation disappointed, remaining at double digit levels. In Japan, headline and core inflation both beat expectations and core inflation rose at the fastest level in four decades. In China, economic releases indicated re-opening driving the recovery. 1Q23 GDP surprised on the upside and March releases of retail sales, exports surprised on the upside. However, the month ended with downward surprise in April China official PMI releases.

In central bank actions, market expectations of a fed fund rate hike rebounded with markets now pricing in a 90% probability of 25bp rate hike. In the Eurozone, market expectations started to price in 25bp rate hike instead of a 50bp rate hike at the ECB May meeting on the back of inflation moderating. Elsewhere, Reserve Bank of Australia and Bank of Canada kept policy rates unchanged as expected. However, Reserve Bank of New Zealand raised rates more than expected while the BoJ surprised the markets by sticking to a dovish stance.

Fixed income: After a strong performance in March, fixed income markets recorded flat returns in April as markets revised their rate hike expectations upwards. Bloomberg Global Aggregate Bond Index ended the month unchanged. Global corporate bonds were the best performers, delivering gains of 1.2%. Global HY recorded marginal gains. Global Treasuries ended the month almost flat, dragged by the underperformance of EU sovereigns. Global Inflation-linked bonds were the worst performers as markets started to price in a rate hike at the Fed May meeting. US Treasuries recorded marginal gains of 0.5% with the UST 7-10yr segment being the best performer. EM bonds lacked appetite. EM LCY bonds underperformed EM USD sovereign and EM USD corporate bonds.

Equities: Global equities posted strong positive performance in April, outperforming global bonds. Risk-on sentiment returned with the ease in banking concerns fuelling a rally in equities. Early evidence of better-than-expected corporate earnings also supported the risk-on rally. Stock market volatility eased with the VIX Index declining to the lowest level since November 2021. The broad MSCI All Country World index of developed and emerging market equities gained 4.6% in April. DM equities outperformed EM equities. Within DM equities, UK and Europe were the best performers. In EM, EM LATAM and EM EMEA outperformed EM Asia. Amongst sectors, energy, real estate and utilities ranked as the top performers. On the other hand, materials, industrials and IT underperformed, but recorded positive gains.

Commodities: Commodities remained under pressure in April as optimism on China's strong recovery faded and global slowdown concerns failed to abate despite the banking sector concerns easing. Commodities Aggregate Index declined 1.1% in April, taking YTD loss to 7.5%. The underperformance was led by the decline in industrial metal prices. Oil prices ended the month mostly unchanged despite the OPEC supply cut announcement. On the other hand, gold prices rose 1% in April amidst the global slowdown concerns and weak dollar bias. In other precious metals, platinum prices rose 8.4% and silver prices jumped 4%.

FX: The USD continued to weaken but by smaller magnitude in April. EUR and GBP both strengthened against the USD with the latter being the best performer. On the other hand, JPY weakened versus the USD as the BoJ disappointed with a dovish stance under the leadership of new BoJ governor Ueda.

Others: Cryptocurrencies index gained 1.8% in April. Global REITs posted gains of 1.3%, partially recovering previous month's loss.

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Exhibit 1: Performance of major asset classes

Asset classes*	1Y	YTD	6M	3M	1M
Global Equities	0.2%	8.8%	12.2%	1.3%	4.6%
Cryptocurrencies index	-34.4%	62.6%	20.8%	14.4%	1.8%
Global REIT	-17.6%	1.8%	3.9%	-6.8%	1.3%
Global HY Credit	0.7%	3.8%	9.7%	-0.4%	0.6%
Global Aggregate Bonds	-2.3%	3.5%	8.9%	0.2%	0.4%
HF Fund weighted Composite	-0.7%	1.2%	2.1%	-1.4%	0.0%
Dollar Index spot	-1.3%	-1.8%	-8.8%	-0.4%	-0.8%
Commodity Aggregate	-19.4%	-7.5%	-8.0%	-6.7%	-1.1%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of April 28, 2023.

Exhibit 2: Performance of major global bond indices

Global bond indices*	1Y	YTD	6M	3M	1M
Global Corporate	0.0%	4.7%	10.7%	0.7%	1.2%
Global Aggregate Credit	-0.3%	4.5%	10.4%	0.8%	1.2%
US HY	1.2%	4.6%	6.2%	0.8%	1.0%
US IG	0.7%	4.3%	9.2%	0.3%	0.8%
EU IG	-4.3%	2.5%	3.5%	0.2%	0.7%
Global HY	0.7%	3.8%	9.7%	-0.4%	0.6%
EM USD Corp + Quasi-Sov	0.6%	2.8%	10.1%	-0.2%	0.6%
US Treasury	-0.9%	3.6%	5.8%	1.0%	0.5%
EU HY	-0.9%	3.2%	6.2%	0.1%	0.5%
Global Aggregate	-2.3%	3.5%	8.9%	0.2%	0.4%
EM USD sovereign	-0.6%	2.3%	10.5%	-1.1%	0.2%
Global Treasuries	-3.6%	3.1%	8.9%	0.1%	0.1%
EM LCY sovereign	1.0%	3.1%	10.6%	-1.0%	-0.1%
EU Treasury	-8.4%	2.4%	0.0%	-0.1%	-0.1%
Global Infl-Linked	-10.5%	4.2%	7.4%	0.9%	-0.3%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of April 28, 2023.

Exhibit 3: Performance of US Treasury index – by maturity

US Treasury Index by maturity*	1Y	YTD	6M	3M	1M
7-10 Year	-0.7%	4.4%	7.0%	1.2%	0.9%
5-7 Year	0.3%	3.7%	5.9%	1.3%	0.8%
10-20 Year	-4.9%	6.2%	11.9%	0.7%	0.7%
3-5 Year	0.8%	3.0%	4.7%	1.3%	0.7%
20+ Year	-8.5%	7.0%	12.6%	0.1%	0.4%
1-3 Year	1.0%	1.9%	2.7%	1.1%	0.3%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of April 28, 2023.

Exhibit 4: Performance of EU Treasury index – by maturity

EU Treasury Index by maturity*	1Y	YTD	6M	3M	1M
3-5 Year	-4.4%	1.6%	0.0%	0.5%	0.1%
5-7 Year	-6.1%	2.4%	0.2%	0.4%	0.1%
1-3 Year	-2.3%	0.9%	0.1%	0.5%	0.1%
7-10 Year	-8.0%	3.3%	0.4%	0.3%	0.0%
10+ Year	-16.3%	3.6%	-0.5%	-1.3%	-0.6%
20+ Year	-21.4%	3.2%	-1.8%	-2.9%	-1.1%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of April 28, 2023.

Exhibit 5: Performance of EM USD sovereign bonds – by grade and by region

EM USD sovereign bonds*	1Y	YTD	6M	3M	1M
EM USD sovereign IG	1.0%	4.1%	10.8%	1.5%	1.4%
EM USD sovereign	-0.6%	2.3%	10.5%	-1.1%	0.2%
EM USD sovereign HY	-2.2%	0.3%	10.1%	-3.3%	-0.9%
Region					
Asia	-0.1%	3.7%	11.2%	0.9%	1.0%
Philippines	2.4%	3.3%	11.1%	1.4%	1.5%
Indonesia	3.1%	3.8%	11.1%	1.5%	1.2%
South Korea	-1.1%	4.2%	7.1%	1.3%	0.7%
Malaysia	-0.1%	4.4%	7.4%	1.8%	0.7%
China	0.9%	3.5%	5.7%	1.3%	0.5%
EMEA	-1.0%	1.4%	9.2%	-0.6%	0.2%
Poland	3.4%	3.6%	5.5%	2.3%	1.7%
Hungary	0.7%	5.0%	11.2%	1.1%	1.6%
Saudi Arabia	-0.9%	3.0%	9.5%	1.2%	1.6%
Oman	6.4%	4.1%	9.8%	0.9%	1.6%
Qatar	-0.6%	3.6%	9.8%	0.9%	1.2%
UAE	-0.7%	3.0%	9.1%	1.1%	1.1%
Kuwait	0.9%	2.7%	5.0%	0.9%	0.7%
Bahrain	4.0%	2.7%	9.0%	0.2%	0.5%
Turkey	7.2%	2.8%	10.3%	3.2%	-0.2%
South Africa	1.2%	1.2%	8.5%	-1.7%	-0.5%
Egypt	-16.4%	-18.8%	-8.4%	-21.5%	-9.7%
LATAM	-0.4%	2.8%	12.2%	-2.8%	-0.3%
Peru	2.3%	5.6%	12.5%	3.0%	2.0%
Chile	2.8%	7.0%	15.2%	2.7%	2.0%
Mexico	4.7%	7.1%	13.8%	2.1%	1.7%
Brazil	4.2%	4.5%	8.1%	1.5%	0.3%
Colombia	-1.6%	1.1%	11.4%	-1.8%	-2.7%
Argentina	-19.9%	-10.6%	11.7%	-28.5%	-14.5%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of April 28, 2023.

Exhibit 6: Performance of EM USD corporate bonds – by grade and by region

EM USD corporate bonds*	1Y	YTD	6M	3M	1M
EM USD Corp + Quasi-Sov IG	1.1%	3.4%	9.6%	0.8%	1.0%
EM USD Corp + Quasi-Sov	0.6%	2.8%	10.1%	-0.2%	0.6%
EM USD Corp + Quasi-Sov HY	-0.7%	1.1%	11.2%	-2.9%	-0.4%
Region					
Asia	0.6%	3.4%	11.4%	0.3%	0.6%
Thailand	0.4%	5.6%	15.0%	0.7%	2.0%
India	0.8%	3.3%	10.5%	1.3%	1.8%
Indonesia	3.2%	4.8%	15.1%	0.8%	1.4%
Philippines	-2.1%	7.5%	13.2%	0.2%	1.0%
Malaysia	0.9%	5.4%	12.4%	1.6%	0.9%
South Korea	0.5%	3.1%	5.2%	1.5%	0.6%
China	0.3%	2.8%	12.0%	-0.4%	0.2%
EMEA	1.7%	3.2%	8.2%	0.8%	1.0%
Saudi Arabia	1.1%	3.6%	9.4%	1.2%	1.4%
UAE	1.1%	2.9%	7.9%	1.0%	1.2%
Qatar	0.3%	2.9%	6.7%	0.9%	0.9%
Kuwait	0.3%	2.5%	5.3%	0.0%	0.8%
Bahrain	2.1%	1.7%	5.4%	0.1%	0.5%
South Africa	2.2%	3.6%	9.2%	-0.8%	0.3%
Turkey	6.1%	2.2%	9.9%	1.5%	-0.3%
Poland	-1.6%	3.4%	3.9%	-1.7%	-1.1%
LATAM	-0.2%	1.3%	9.4%	-2.1%	0.1%
Chile	1.2%	2.3%	11.9%	-0.3%	1.2%
Peru	0.8%	1.6%	8.4%	-0.4%	1.0%
Brazil	-0.5%	0.1%	6.3%	-1.6%	0.5%
Mexico	-1.0%	2.0%	9.9%	-2.8%	-0.1%
Colombia	-0.7%	0.6%	11.2%	-2.6%	-0.5%
Argentina	3.8%	0.7%	14.7%	-8.5%	-4.1%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of April 28, 2023.

Exhibit 7: Performance of equities – by region

Equities: Regions*	1Y	YTD	6M	3M	1M
UK	9.9%	11.7%	23.2%	4.6%	7.7%
Europe ex UK	14.2%	16.2%	29.3%	6.1%	7.6%
Canada	-4.6%	7.4%	7.9%	-1.3%	6.2%
GCC	-19.1%	3.5%	-5.5%	2.3%	6.1%
EM LatAm	4.2%	6.7%	5.0%	-2.4%	5.3%
EM EMEA	-11.2%	2.9%	4.4%	-0.8%	5.2%
DM	0.8%	9.6%	11.7%	2.4%	5.1%
US	-2.3%	8.9%	7.2%	2.4%	4.9%
ACWI	0.2%	8.8%	12.2%	1.3%	4.6%
Japan	5.5%	6.6%	18.2%	-0.3%	1.6%
EM	-4.5%	2.8%	16.7%	-6.5%	0.9%
APac ex Japan	-3.3%	2.3%	20.1%	-7.6%	0.3%

Source: MSCI, Refinitiv, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of April 28, 2023.

Exhibit 8: Performance of equities – by sector

Equities: Sectors*	1Y	YTD	6M	3M	1M
Energy	10.8%	0.9%	0.8%	-3.3%	6.5%
Real Estate	-17.8%	2.1%	7.9%	-6.6%	6.0%
Utilities	-2.5%	2.2%	9.5%	2.0%	5.7%
Financials	-0.8%	1.8%	7.6%	-5.7%	5.7%
Consumer Staples	2.8%	7.3%	13.6%	6.9%	5.5%
Health Care	2.8%	1.7%	6.4%	2.1%	5.4%
Communication Services	-3.5%	19.2%	22.2%	4.2%	4.7%
Consumer Discretionary	-4.7%	13.2%	12.4%	-1.3%	4.3%
IT	1.0%	19.6%	17.2%	7.8%	3.7%
Industrials	7.2%	7.5%	14.7%	1.8%	3.5%
Materials	-3.8%	4.9%	15.7%	-4.4%	2.7%

Source: MSCI, Refinitiv, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of April 28, 2023.

Exhibit 9: Performance of equities – by factors and themes

Equities: Factors and themes*	1Y	YTD	6M	3M	1M
US Large Cap Growth	-2.4%	21.5%	14.3%	9.2%	6.1%
NYSE FANG+**	11.0%	37.6%	36.8%	14.3%	5.1%
Nasdaq-100**	-0.9%	21.3%	15.1%	9.1%	5.1%
Quality	1.2%	12.5%	16.3%	5.5%	4.9%
Large cap	0.8%	9.6%	12.6%	2.1%	4.8%
Growth	0.3%	15.1%	16.4%	4.6%	4.8%
Momentum	-2.8%	1.8%	4.9%	0.3%	4.6%
Value	-0.3%	3.0%	8.1%	-1.9%	4.5%
Dividend yield	0.4%	3.5%	9.8%	1.0%	4.3%
Mid cap	-2.8%	4.8%	9.9%	-3.0%	3.5%
Small cap	-3.3%	4.2%	7.6%	-3.7%	2.9%
HK Tech**	-4.1%	-6.1%	38.2%	-19.2%	-5.9%

Source: MSCI, NYSE, Hang Seng, Nasdaq, Refinitiv, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of April 28, 2023; **price return indices in USD terms as at close of April 28, 2023.

Exhibit 10: Performance of select country equity indices

Equities: Select countries*	1Y	YTD	6M	3M	1M
Switzerland	4.6%	13.4%	21.5%	6.9%	9.8%
France	22.4%	20.0%	32.9%	7.7%	8.4%
UAE	-19.8%	1.8%	-2.3%	6.5%	7.8%
UK	9.9%	11.7%	23.2%	4.6%	7.7%
Saudi Arabia	-17.1%	7.5%	-3.6%	4.3%	7.5%
Germany	16.0%	18.6%	34.3%	5.5%	7.1%
India	-7.9%	-2.4%	-2.2%	0.0%	6.7%
Brazil	-2.9%	0.1%	-3.2%	-5.4%	6.3%
Spain	19.7%	18.9%	33.3%	6.9%	6.3%
Canada	-4.6%	7.4%	7.9%	-1.3%	6.2%
US	-2.3%	8.9%	7.2%	2.4%	4.9%
Mexico	23.2%	23.4%	24.0%	4.9%	4.7%
Netherlands	13.1%	15.1%	31.2%	-0.9%	3.5%
Kuwait	-10.8%	-0.5%	1.1%	-1.0%	3.3%
South Africa	-6.1%	0.3%	13.8%	-6.9%	2.7%
Australia	-1.9%	3.0%	14.1%	-7.6%	2.4%
Hong Kong	0.2%	-1.8%	31.4%	-7.2%	1.9%
Japan	5.5%	6.6%	18.2%	-0.3%	1.6%
South Korea	-6.9%	8.6%	20.2%	-6.9%	0.9%
China A	1.2%	2.5%	16.4%	-6.7%	-0.7%
China	-0.3%	-0.7%	33.6%	-15.3%	-2.3%
Qatar	-23.9%	-2.7%	-13.9%	-6.3%	-2.4%
Taiwan	-7.2%	9.9%	28.4%	1.0%	-3.3%
Russia	-	0.0%	-19.2%	-18.8%	-6.5%

Source: MSCI, Refinitiv, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of April 28, 2023.

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