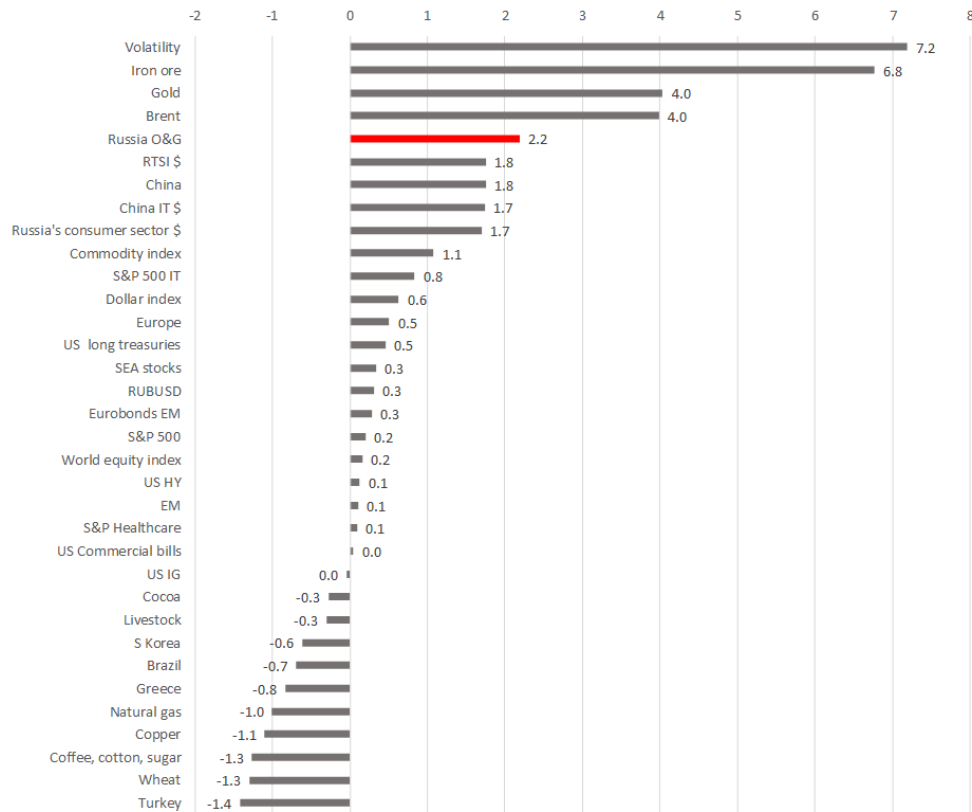


Global Investment Review of 2019

- **The equity market was been the best-performing asset of 2019**, yielding on average more than 40%, while CBOE-traded volatility futures (-51%) and NYMEX natural gas futures (-26%) were the top losers
- Country-wise, **the best stock markets in dollar terms** were Greece (+41.4%), **Russia (+40%)**, Taiwan (+37%) and the U.S. (+32%). Switzerland (+29%) and China (+26%) also advanced. Overall, global indices rose by more than 29%, pushing global capitalization up to \$51 trln, out of which \$30 trln accounted for the capitalization of the US market
- **IT was the best sector of the stock market**, in particular S&P 500 IT (+48%) (its capitalization rose to \$6.5 trln) and Chinese IT (+45%), followed by the Russian oil and gas sector (+40%) and software application producers (+37%)
- Iron ore (+28%), oil (+20%), gold (+19%) and grain (+10%) **were the best-performing commodities in 2019**
- EM bonds were the best-performing assets **in the bond market**, yielding 15% on average. Country-wise, sovereign bonds of Costa Rica (BB-) (+31%), Ukraine (+30%), Senegal (+22%), Oman (+18%), Bolivia and Gazprom 2047 (+17%) were the best-performing assets in 2019. **Russian sovereign bonds grew in line with Gazprom 2047, followed by Uzbekistan (+15%). Argentina (-35%) and Tajikistan (-6%) were the biggest losers**
- **In the FX-market**, the top gainers were RUBUSD (>12%), the Thai baht (+9%), the Mexican peso (+4.3%) and the British pound (+4%). The Euro lost about 2%. The Argentine peso (-37%) and the Turkish lira (-12%) were the biggest losers
- **In the Russian stock market, IDGC of Siberia** (+200%), Petropavlovsk (+95%), AFC Sistema (+89%), Surgutneftegaz ord (+88%), Transcontainer (+87%), MOESK (+80%), OGK-2 (+78%), Rossetti (+76%) and Gazprom (+65%) were the top gainers. Sollers (-35%) and Globaltruck (-31%) were the biggest losers
- **Among other U.S. stocks**, AMD (+167%), LAM Research (+122%), Apple (+105%), Skyworks and Applied Materials (+93%) were the top gainers. IT-sector was among the best gainers, certain utility providers such as PG&E (-55%), oil and gas EQT (-45%) and Abiomed, Macy, TripAdvisor (-40%) were the top losers. Sector-wise, oil and gas, industrial companies and consumer discretionary were the top losers

Best and worst global assets, YTD, \$, %



Sources: Bloomberg, ITI Capital

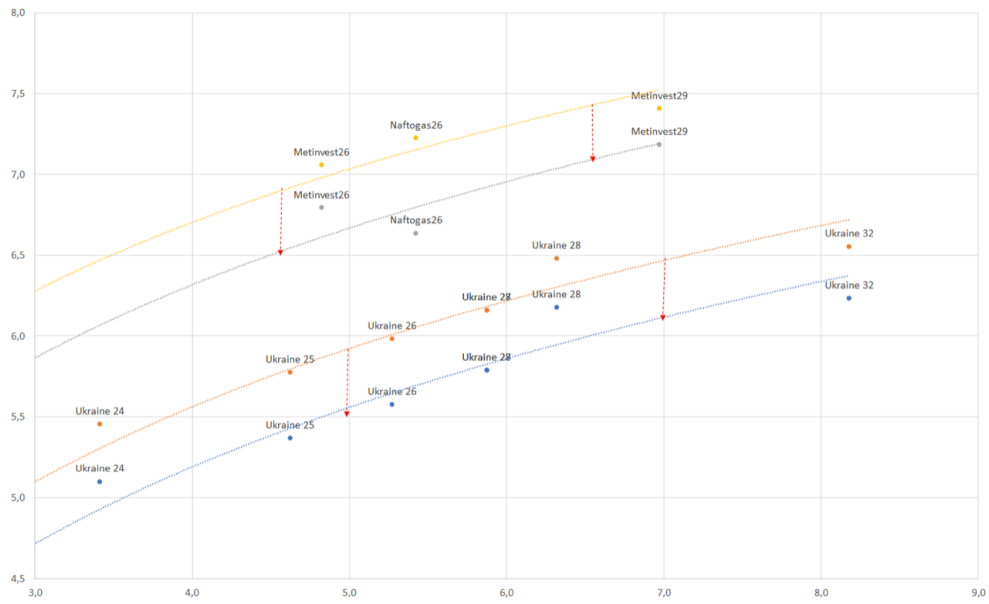
YTD global performance

- Trading ahead of Friday, January 3, looked more than positive, in line with our expectations. However, one of Iran's top commander and the country's most powerful figure after Ayatollah Ali Khamenei was killed later in the day. The murder of Qassem Soleimani has reversed the appetite for risk and pushed price of oil closer to \$70/bbl or by 4.5% and prices of gold by over 3% to \$1575/oz. However the negative dynamic did not last long and since Tuesday there was turn around, on Monday futures on volatility were the best performing, now one of the worst despite Iran's late military response
- Thus, iron ore (>7%), gold (>3,3%), oil (around 3%), RTS (>2%) and the Russian oil and gas sector (around 2%) have been the top gainers year-to-date. Coffee (-2%) and other soft commodities have been declining. Volatility (US VIX) down by 1%
- In the Russian market, Mechel (+36%), Kamaz (+22%), Inter RAO (+9%), Polyus (+6%), Obuv Rossii (+6%), Lukoil (+5,3%), Novatek (+5%) and MOESK (+5%) were the best-performers. IDGC of Siberia (-6.5%), X5 Retail Group (-3%) and Globaltruck (-3%) were the top losers
- Globally besides strong performance in Russian second tier stocks, Chinese telecoms such as Bilibili (+18%), consumer sector - Weibo, Baidu (+6%), JD.com and Momo (+7%) as well as U.S. companies such as AMD (around 6%) have been performing well
- Naftogas 2026, sovereign Ukrainian bonds and securities of certain issuers, such as Metinvest, have been outperforming other securities in the bond market.
- Naftogas bonds' price increased over 2%, yields were down 60 bps
- Nearly all Ukrainian bonds advanced 1.5-2% (the bonds' yield curve declined by 35-40 bps) after Gazprom paid \$2.9 bln to Ukraine at the end of 2019, and new

gas supply contracts will be signed soon

- We maintain a positive outlook on the Ukrainian bonds
- Mexico’s financial organizations, such as Unifin 2028, are also advancing
- Among our latest ideas, Vedanta 24 has grown 1.8% year-to-date. [The idea](#) was released on December 19, 2019

Ukrainian yield curve, YTD



Sources: Bloomberg, ITI Capital

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