

Monthly Market Review

Asia Pacific | April 2019

Global economy:

- The U.S. Federal Reserve (Fed) made a drastic pivot in its policy stance in the March Federal Open Market Committee meeting. Its forecast for the policy rate outlook for 2019 has changed from two hikes to no change for the rest of the year. It also announced to halve the pace of its balance sheet reduction to USD 15billion in May and end the process altogether in September. (GTMA P. 28, 29)
- Macroeconomic data continues to show a weakening global growth momentum ending in the first quarter. Europe's flash Purchasing Managers' Index (PMI) data deteriorated further. South Korea's flash export data for March, a bellwether indicator for the region's export performance, contracted by 8.2% versus a year ago. One bright spot is China's official PMI, which rebounded to above 50 for the first time in six months, reflecting business sentiment is gradually improving on the back of economic stimulus. (GTMA P. 7, 15)

Equities:

- Growth concerns have capped the upward momentum in equities but a number of markets still managed to post positive returns in March. The S&P 500 and Stoxx50 both gained more than 1% in the month. However, selected emerging markets (EM) had a more challenging month due to a stronger U.S. dollar and domestic issues. For example, Turkey was down almost 10% on the back of renewed pressure on its currency. (GTMA P. 32)
- A number of Asian markets fared better in March relative to developed markets. Onshore Chinese equities still enjoyed decent support due to renewed optimism on policy stimulus and ongoing negotiation between Beijing and Washington to resolve their trade disputes. The CSI300 was up 3.3% in March. India, after a slow start in 2019, saw the Sensex index up 7.2% in the month as investors rotate into growth style, despite the upcoming parliamentary elections. (GTMA P. 40)

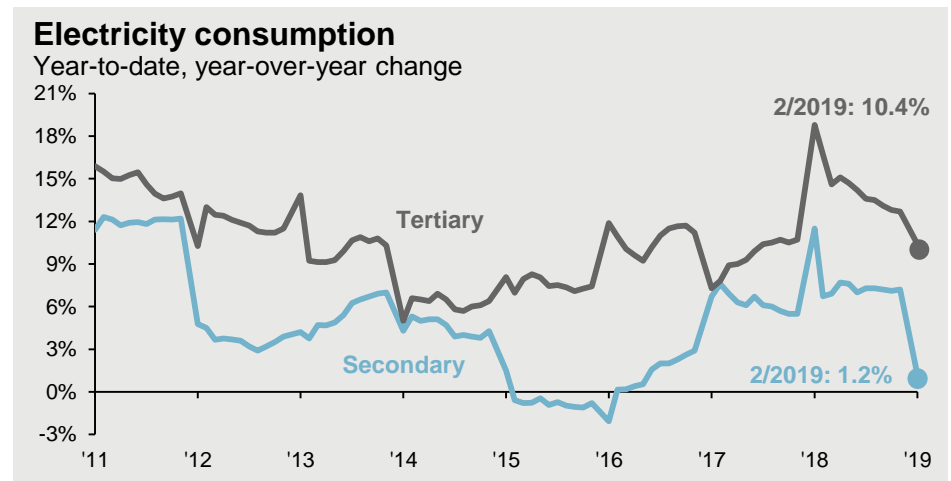
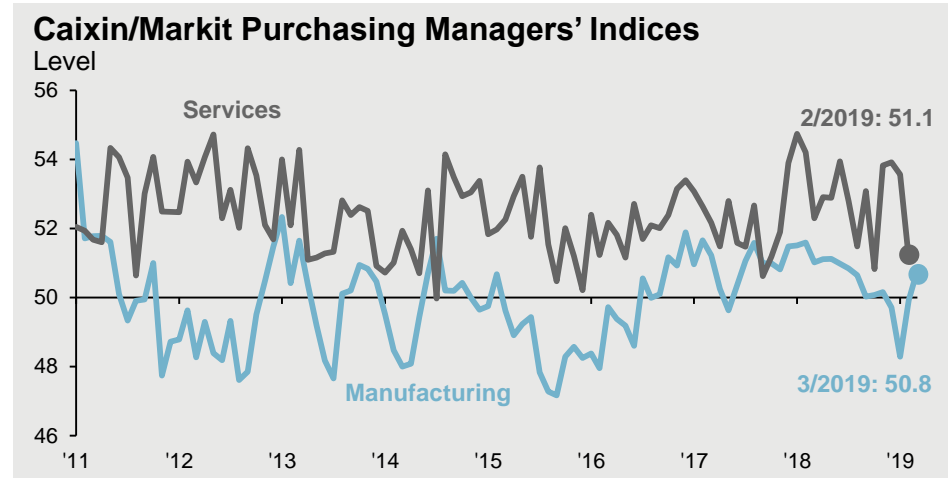
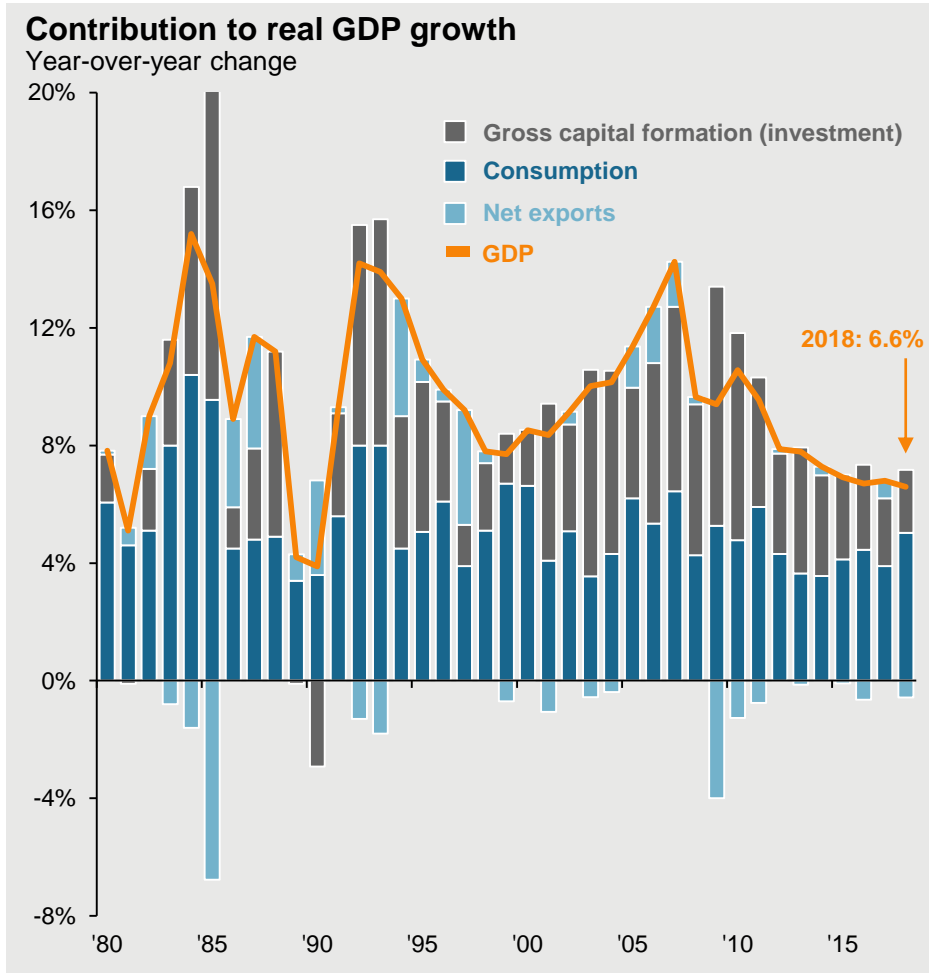
Fixed income:

- March was a big month for the U.S. Treasury (UST) market as an abrupt switch in policy stance by the Fed has pushed the 10-year UST yield lower, to 2.43%, the lowest since early 2018. This also flattened the yield curve. The 3-month Treasury bill yield rose above the 10-year UST yield for the first time since 2007, prompting fear of a U.S. recession, even though the slope for the 2- to 10-year UST remains positive at 14bps. (GTMA P. 44, 49)
- Despite concerns over the negative signal from an inverted yield curve, corporate credit and EM fixed income generated positive return in March as investors continue to look for carry. The U.S. high grade and high yield corporate credit spread tightened by 30bps and 4bps, respectively. For EM fixed income, hard currency EM debt outperformed its local currency counterpart due to a stronger U.S. dollar, despite credit spread compression in both categories. (GTMA P. 43, 47, 48)

Other assets:

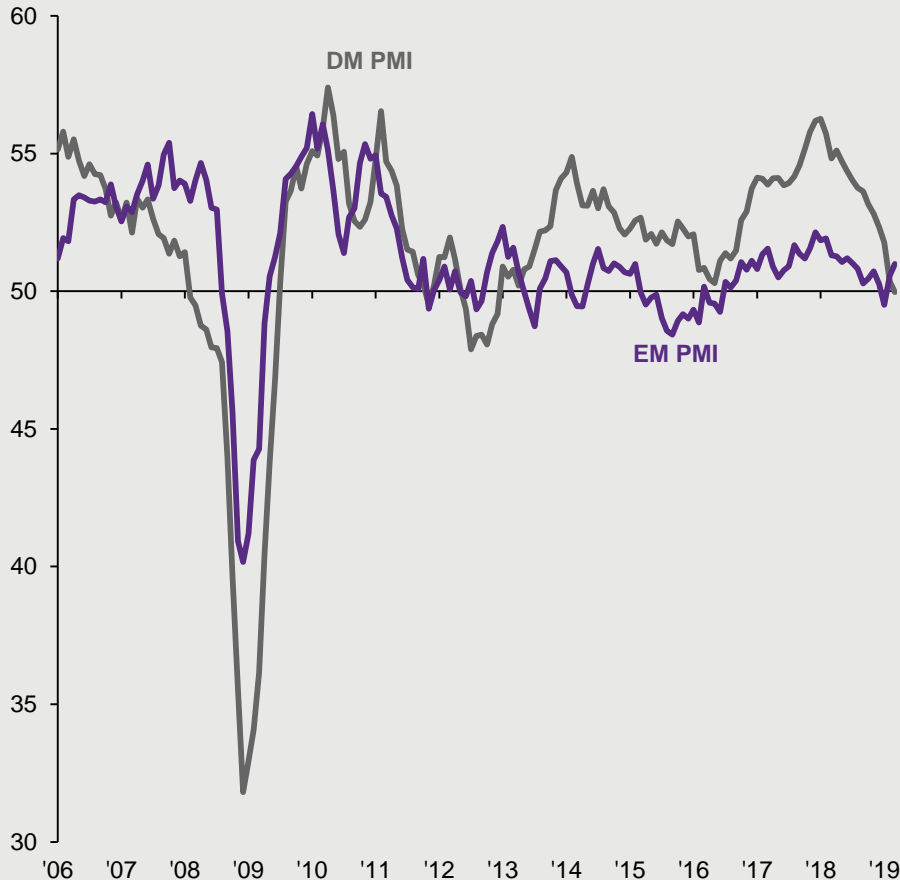
- The U.S. dollar strengthened in March on the back of global growth worries. The USD index was up 1.1% in the month, but it posted mixed performance against different currencies. The U.S. dollar weakened against the Japanese yen, Australian dollar and Swiss franc, but gained against the British pound on the back of the Brexit stalemate. Most EM currencies depreciated against the USD, except for the Indian rupee. (GTMA P. 58, 59)
- Recovery in the price of crude oil continued in March with U.S. West Texas Intermediate up 3.6% in the month, to USD 59pb. Despite a drop in bond yields, the price of gold came under modest pressure in March and fell back to below USD1300/oz. (GTMA P. 61, 62)

Regional and local economy



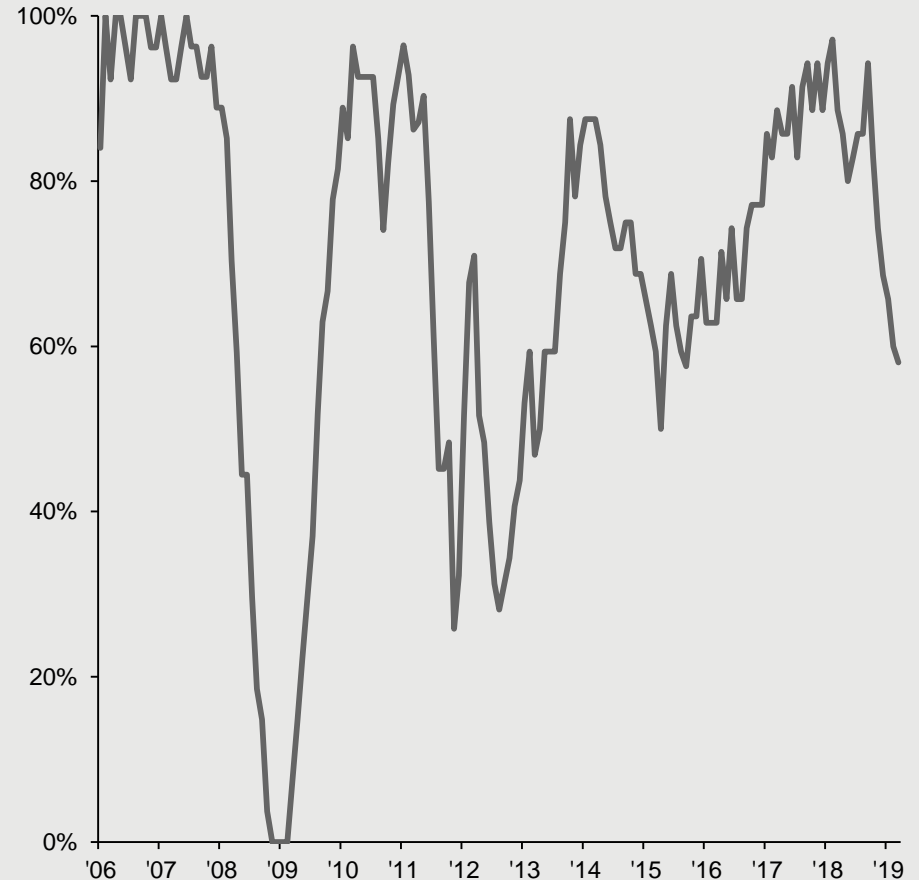
Source: J.P. Morgan Asset Management; (Left) CEIC, National Bureau of Statistics of China; (Top right) Caixin/Markit, J.P. Morgan Economic Research; (Bottom right) CEIC, China Electricity Council.
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Developed and emerging market manufacturing PMI*



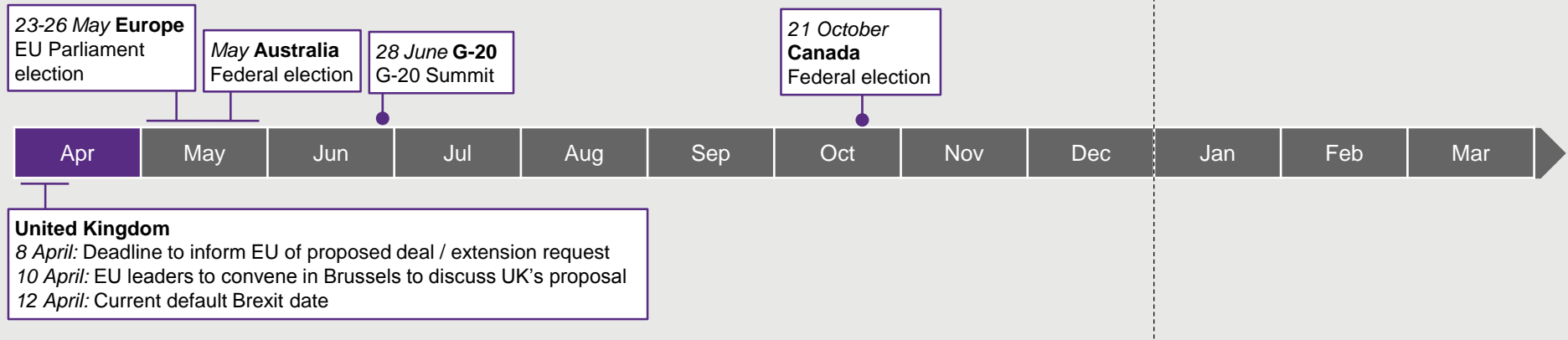
Global manufacturing activity

% of markets in expansionary territory**

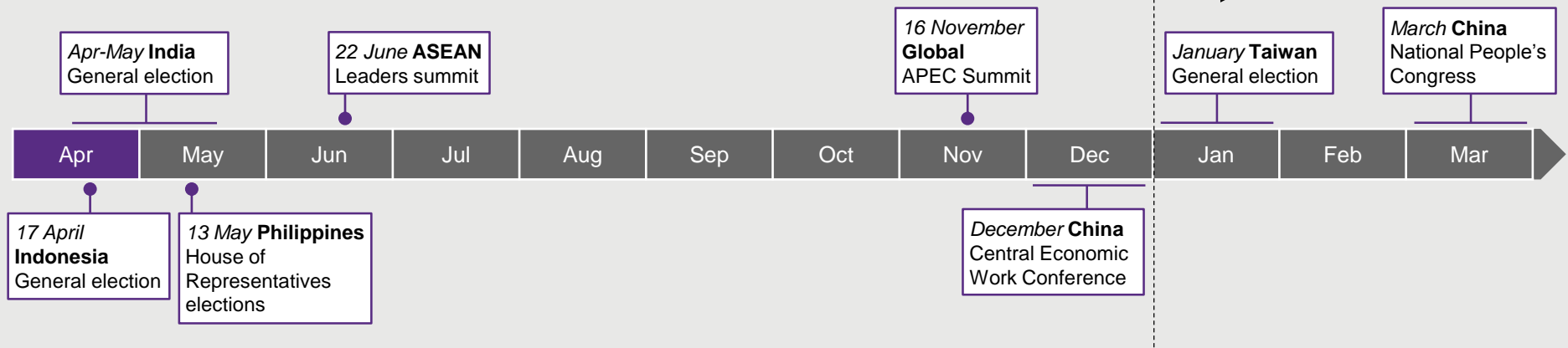


Source: Australian Industry Group, J.P. Morgan Economic Research, Markit, J.P. Morgan Asset Management. PMIs are relative to 50, which indicates contraction (below 50) or expansion (above 50) of the sector. *Developed market includes Australia, Canada, Denmark, Euro area, Japan, New Zealand, Norway, Sweden, Switzerland, UK and U.S. Emerging market includes Brazil, Chile, China, Colombia, Croatia, Czech Republic, Hong Kong SAR, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Taiwan, Thailand, Turkey and Vietnam. **% of countries available with a manufacturing PMI above 50. *Guide to the Markets – Asia*. Data reflect most recently available as of 31/03/19.

Developed markets political timeline



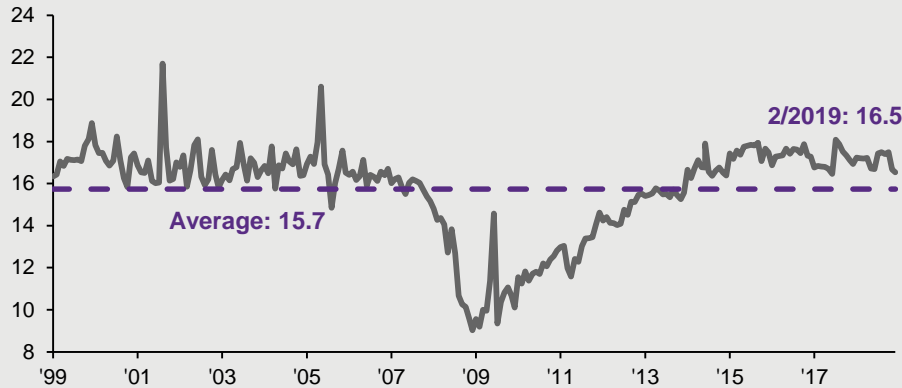
Emerging markets political timeline



Source: Bloomberg Finance L.P., J.P. Morgan Asset Management. Guide to the Markets – Asia. Data reflect most recently available as of 31/03/19.

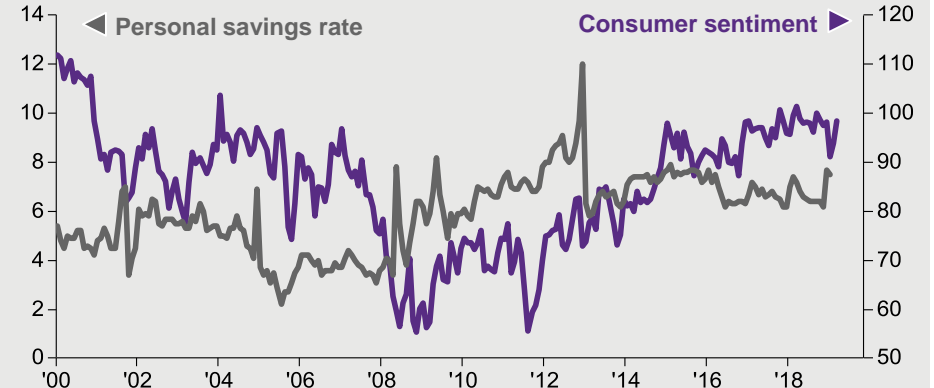
Light vehicle sales

Millions, seasonally adjusted annualized rate



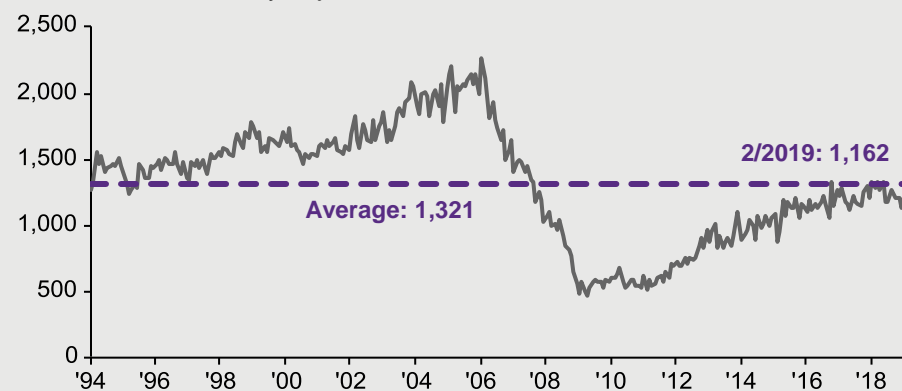
Savings and sentiment

Savings rate



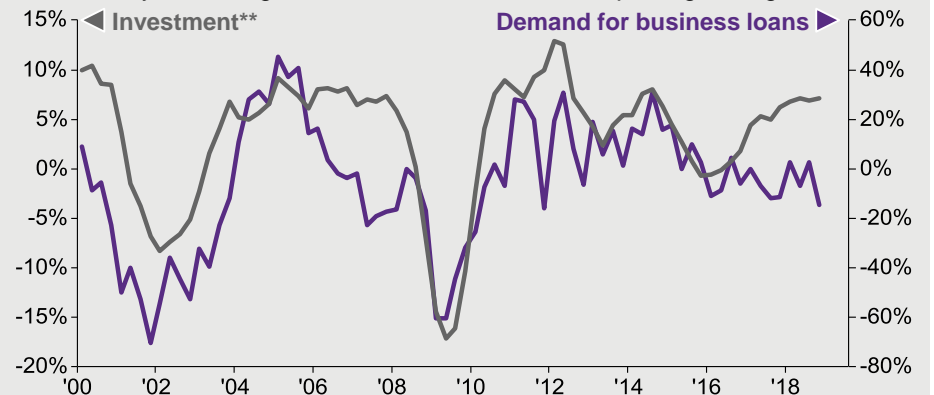
Housing starts

Thousands, seasonally adjusted annualized rate



Investment and demand for credit

Year-over-year change



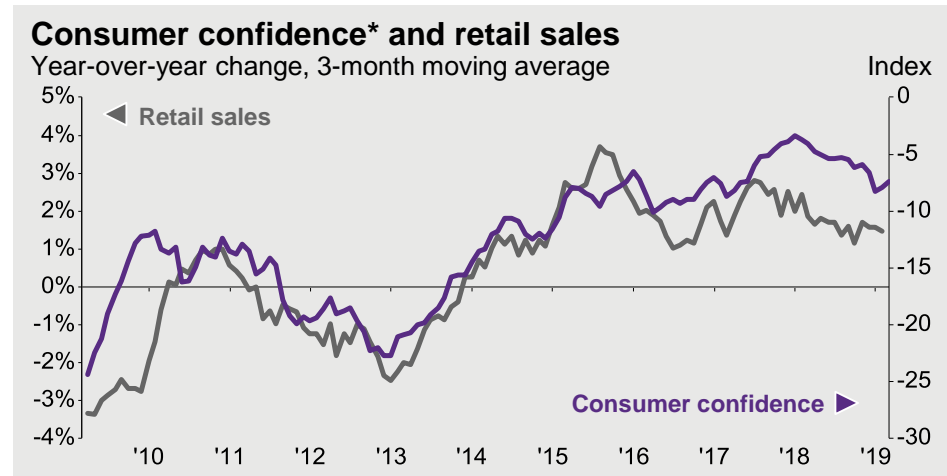
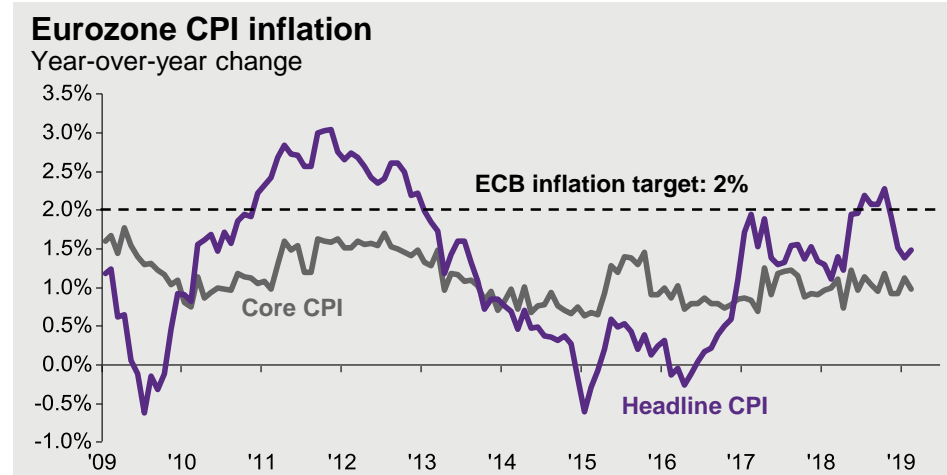
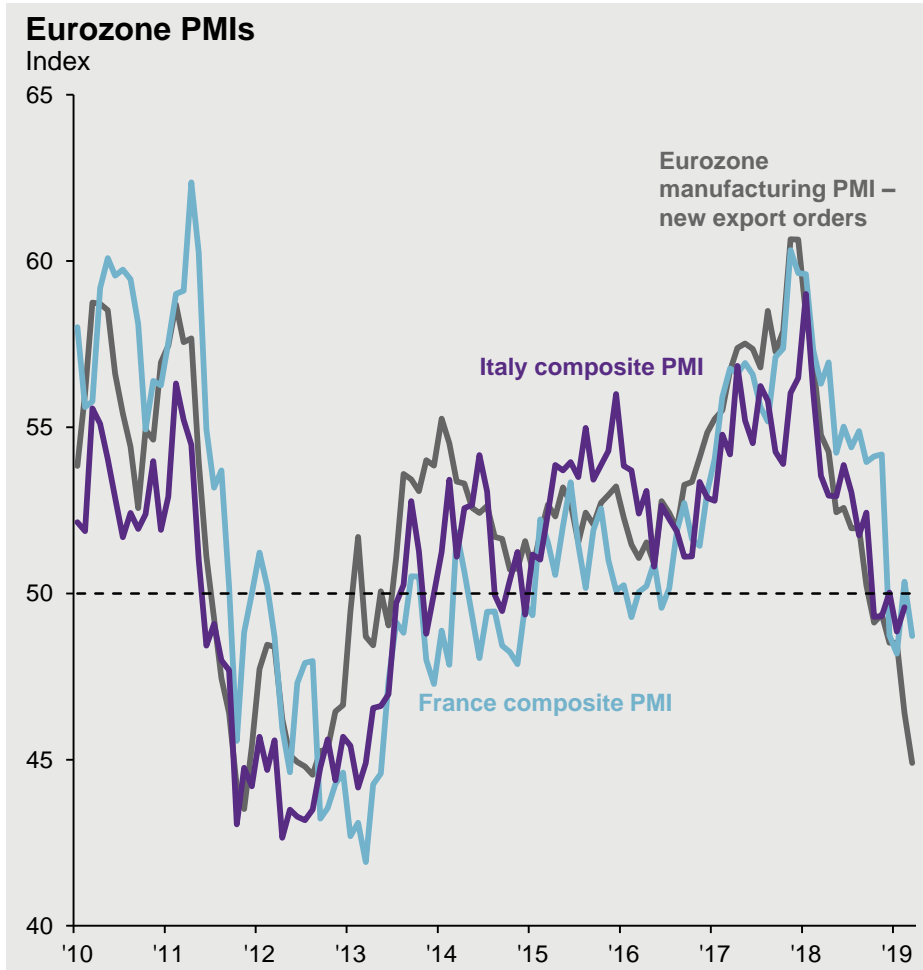
Source: J.P. Morgan Asset Management; (Top left) U.S. Bureau of Economic Analysis; (Top right, bottom left and right) FactSet; (Bottom left and right) U.S. Census Bureau. *Net percent of participants in the Senior Loan Officer Survey. **Private investment in non-residential fixed assets in real terms. *Guide to the Markets – Asia*. Data reflect most recently available as of 31/03/19.

U.S. business cycle indicators

	Recent recessions			2018												2019	
	1990	2001	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
	Jul	Apr	Dec														
Real consumer spending SAAR (y/y)	2.6%	2.7%	1.2%	2.5%	2.4%	2.2%	2.5%	2.6%	2.7%	3.0%	3.1%	2.7%	2.8%	2.8%	2.0%	2.3%	-
Light vehicle sales SAAR (mil.)	13.8	16.5	15.7	17.1	16.9	17.2	17.2	17.2	17.2	16.7	16.7	17.4	17.6	17.4	17.5	16.7	16.5
Housing starts SAAR (mil.)	1.17	1.65	1.04	1.33	1.29	1.33	1.28	1.33	1.18	1.18	1.28	1.24	1.21	1.21	1.14	1.27	1.16
ISM Mfg.	46.6	42.7	49.0	59.1	60.7	59.3	57.9	58.7	60.0	58.4	60.8	59.5	57.5	58.8	54.3	56.6	54.2
ISM Non-mfg.	-	48.2	53.2	59.9	59.1	58.7	57.2	58.9	58.7	56.7	58.8	60.8	60.0	60.4	58.0	56.7	59.7
Durable goods orders (y/y)	-	-11.9%	5.8%	5.6%	11.3%	11.2%	8.5%	9.5%	3.1%	10.0%	12.1%	7.1%	6.8%	5.4%	3.5%	8.4%	-
Change in nonfarm payrolls (000s)	-33	-286	110	171	330	182	196	270	262	178	282	108	277	196	227	311	20
Avg. hourly earnings (y/y)	4.0%	4.0%	3.8%	2.5%	2.5%	2.7%	2.8%	2.9%	2.9%	2.9%	3.1%	3.0%	3.2%	3.4%	3.5%	3.3%	3.5%
S&P 500 net margin (%)	-	8.5%	9.7%	9.7%	9.8%	9.8%	9.8%	10.0%	10.1%	10.1%	10.3%	10.3%	10.4%	10.7%	10.7%	10.7%	11.1%
Monetary policy gauge (%)*	1.5%	0.3%	0.5%	-1.0%	-1.0%	-1.3%	-1.0%	-1.1%	-0.9%	-0.9%	-0.8%	-0.8%	-0.5%	-0.5%	-0.5%	-0.2%	-0.2%
Yield curve spread (bps)**	45	105	99	58	62	47	46	43	33	29	24	24	28	21	21	18	21
High yield credit spread (bps)***	718	779	597	372	389	410	387	403	406	383	387	365	418	464	567	473	437

Source: BEA, BLS, Department of Labor, FactSet, Institute for Supply Management, Standard & Poor's, U.S. Census Bureau, J.P. Morgan Asset Management. SAAR stands for seasonally adjusted annualized rate. *Monetary policy gauge is the spread between the effective federal funds rate deflated by core Personal Consumption Expenditure price index and the Laubach Williams 2-sided estimate of the natural rate of interest. **Yield curve spread is the spread between the 2-year and 10-year U.S. Treasury yields. ***High yield credit spread is the J.P. Morgan Domestic High Yield index spread-to-worst. Heatmap colors are based on each indicator's deviation from its average value during the start of the last 3 recessions (6/90 – 8/90, 3/01 – 5/01 and 11/07 – 1/08) using data where available. The exception to this is the yield curve spread, which is scored around 0. Colors closer to green denote early or mid-cycle behavior while colors closer to red denote late cycle or recessionary behavior.

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Source: FactSet, J.P. Morgan Asset Management; (Left) J.P. Morgan Economic Research, Markit; (Top and bottom right) Eurostat; (Bottom right) European Commission. PMIs are relative to 50, which indicates contraction (below 50) or expansion (above 50) of the sector. Core CPI is defined as CPI excluding food and energy prices. *Eurozone consumer confidence as reported by the European Commission, which measures the level of optimism that consumers have about the economy.

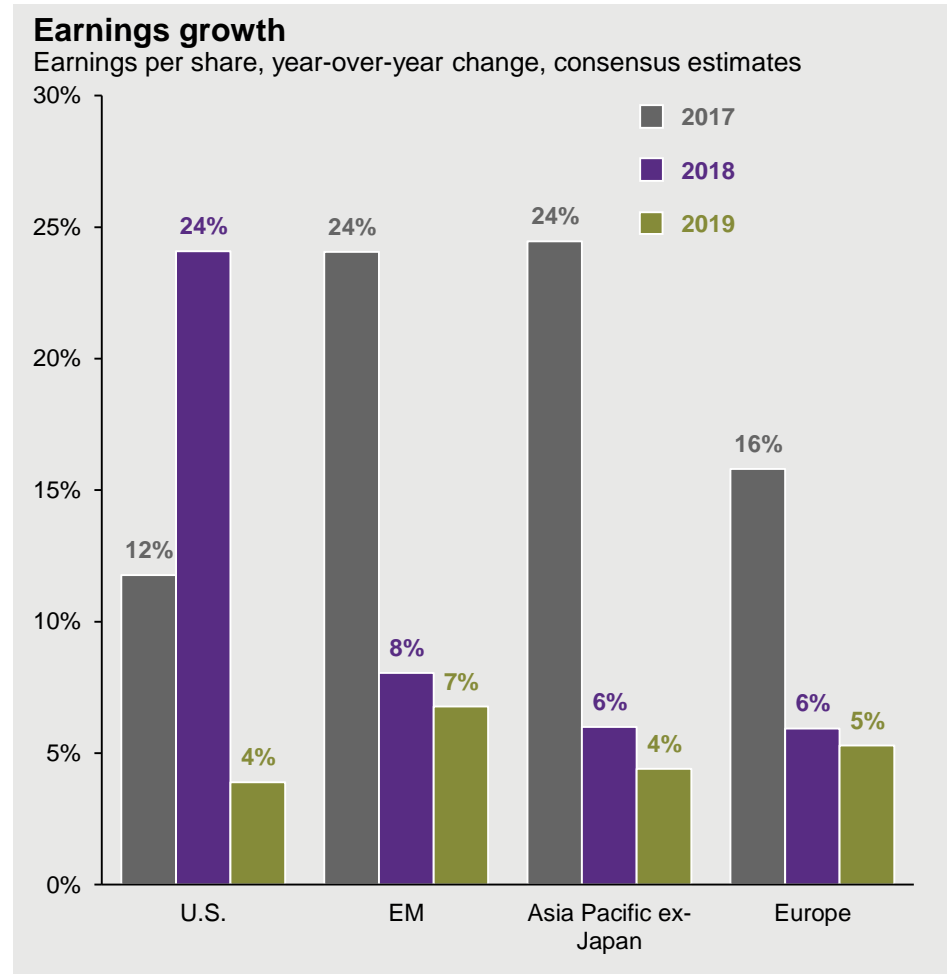
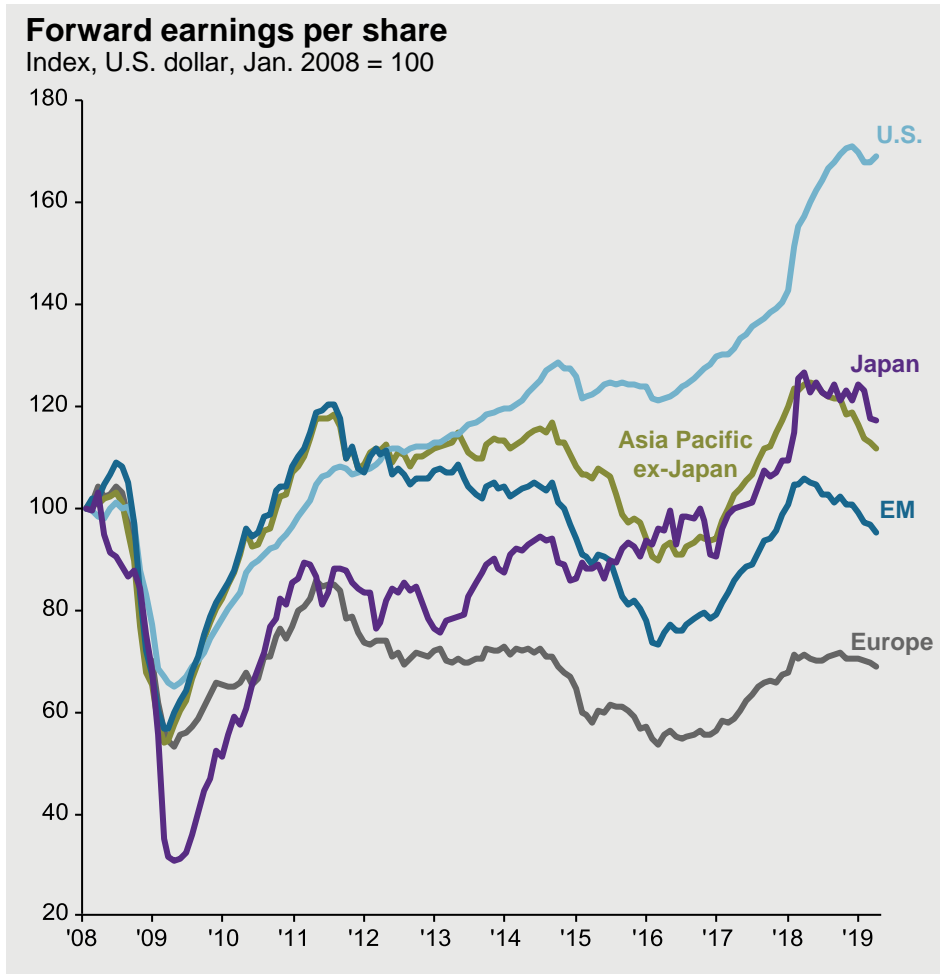
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Equities

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1Q '19	10-yrs ('09 - '19)	
													Ann. Ret.	Ann. Vol.
Japan	-29.1%	India	ASEAN	U.S.	India	U.S.	China A	Japan	Taiwan	China	U.S.	China A	U.S.	China A
		102.8%	32.4%	2.1%	26.0%	32.4%	52.1%	9.9%	19.6%	54.3%	-4.4%	31.4%	15.7%	26.7%
U.S.	-37.0%	China A	Korea	ASEAN	China	Japan	India	China A	U.S.	Korea	India	China	Taiwan	India
		98.5%	27.2%	-6.1%	23.1%	27.3%	23.9%	2.4%	12.0%	47.8%	-7.3%	17.7%	11.8%	25.4%
Taiwan	-45.9%	Taiwan	Taiwan	Europe	ASEAN	Europe	U.S.	U.S.	Korea	India	Taiwan	U.S.	ASEAN	Korea
		80.2%	22.7%	-10.5%	22.8%	26.0%	13.7%	1.4%	9.2%	38.8%	-8.2%	13.6%	11.6%	21.7%
Europe	-46.1%	ASEAN	India	Korea	APAC ex- JP	Taiwan	Taiwan	Europe	APAC ex- JP	APAC ex- JP	ASEAN	APAC ex- JP	India	China
		75.0%	20.9%	-11.8%	22.6%	9.8%	10.1%	-2.3%	7.1%	37.3%	-8.4%	11.5%	11.2%	21.0%
ASEAN	-47.6%	APAC ex- JP	APAC ex- JP	Japan	Korea	Korea	China	India	ASEAN	China A	Japan	Europe	APAC ex- JP	Taiwan
		73.7%	18.4%	-14.2%	21.5%	4.2%	8.3%	-6.1%	6.2%	32.6%	-12.6%	11.0%	10.9%	18.4%
China	-50.8%	Korea	Japan	APAC ex- JP	Europe	China	ASEAN	Korea	Japan	ASEAN	APAC ex- JP	Taiwan	Korea	APAC ex- JP
		72.1%	15.6%	-15.4%	19.9%	4.0%	6.4%	-6.3%	2.7%	30.1%	-13.7%	9.0%	10.1%	17.8%
APAC ex- JP	-51.6%	China	U.S.	China	Taiwan	APAC ex- JP	APAC ex- JP	China	China	Taiwan	Europe	India	China	Europe
		62.6%	15.1%	-18.2%	17.7%	3.7%	3.1%	-7.6%	1.1%	28.5%	-14.3%	7.2%	9.7%	17.4%
Korea	-55.1%	Europe	China	Taiwan	U.S.	China A	Japan	APAC ex- JP	Europe	Europe	China	Japan	Europe	ASEAN
		36.8%	4.8%	-20.2%	16.0%	-2.6%	-3.7%	-9.1%	0.2%	26.2%	-18.7%	6.8%	9.5%	17.0%
China A	-63.2%	U.S.	Europe	China A	China A	India	Europe	Taiwan	India	Japan	Korea	ASEAN	Japan	Japan
		26.5%	4.5%	-20.5%	10.9%	-3.8%	-5.7%	-11.0%	-1.4%	24.4%	-20.5%	5.1%	7.4%	13.5%
India	-64.6%	Japan	China A	India	Japan	ASEAN	Korea	ASEAN	China A	U.S.	China A	Korea	China A	U.S.
		6.4%	-8.4%	-37.2%	8.4%	-4.5%	-10.7%	-18.4%	-15.2%	21.8%	-27.6%	5.0%	6.6%	13.4%

Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
 Returns are total returns based on MSCI indices, except the U.S., which is the S&P 500 and China A, which are based on the CSI 300 index in U.S. dollar terms.
 China return is based on the MSCI China index. 10-yr total (gross) return data is used to calculate annualized returns (Ann. Ret.) and annualized volatility (Ann. Vol.)
 and reflect the period 31/03/09 – 31/03/19. Past performance is not a reliable indicator of current and future results.
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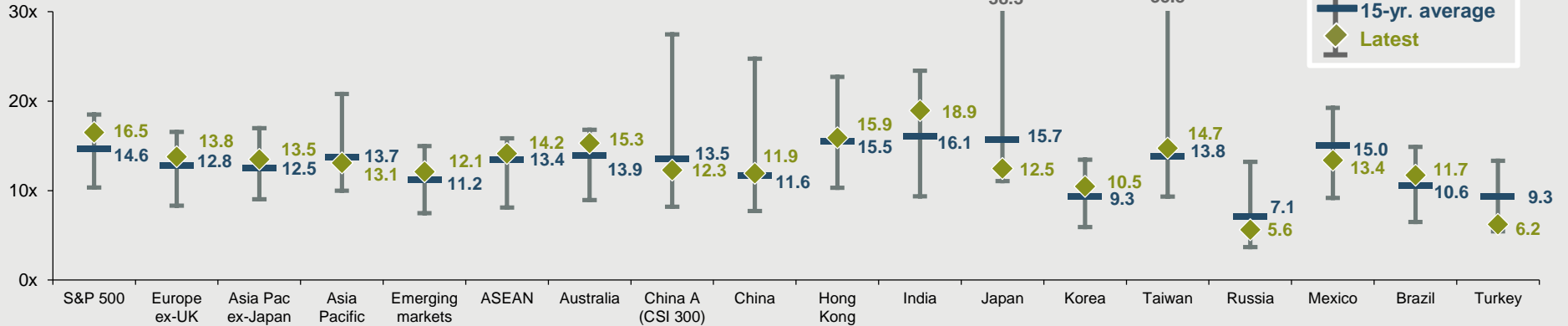
Equities



Source: FactSet, J.P. Morgan Asset Management. (Left) MSCI, Standard & Poor's; (Right) IBES. Asia Pacific ex-Japan, EM, Europe and U.S. equity indices used are the MSCI Asia Pacific ex-Japan, MSCI Emerging Markets, MSCI Europe and S&P 500, respectively. Consensus estimates used are calendar year estimates from IBES. Past performance is not a reliable indicator of current and future results. *Guide to the Markets – Asia*. Data reflect most recently available as of 31/03/19.

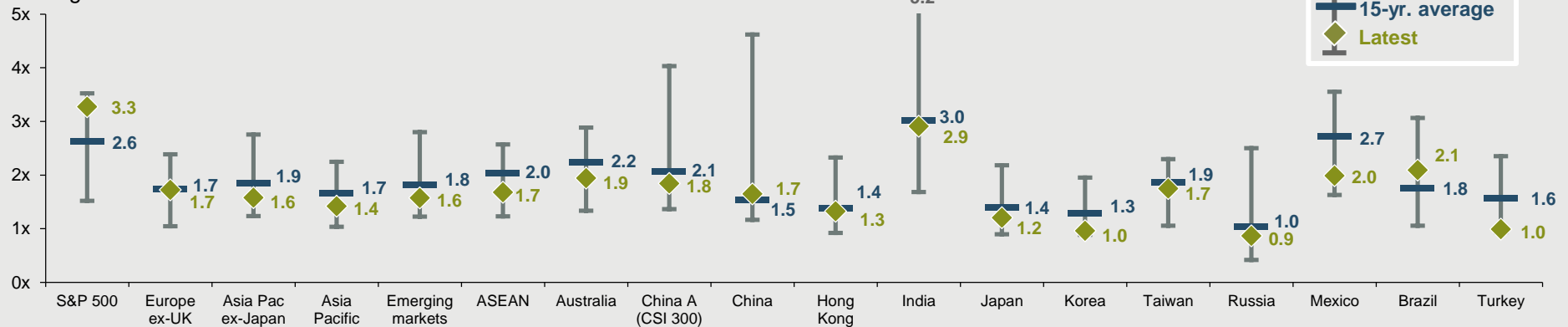
Equity market valuations – Price to earnings

Forward P/E ratios



Equity market valuations – Price to book

Trailing P/B ratios



Source: Bloomberg Finance L.P., China Securities Index, FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Price-to-earnings (P/E) and price-to-book (P/B) ratios are in local currency terms. China A valuations based on the CSI 300 Index and use 10 years of data due to availability. China valuation is based on the MSCI China. 15-year range for P/E and P/B ratios are cut off to maintain a more reasonable scale for some indices. Past performance is not a reliable indicator of current and future results. *Guide to the Markets – Asia*. Data reflect most recently available as of 31/03/19.

Global bond opportunities

Sector	YTM	Duration* (years)	Correl. to MSCI AC World**	Correl. to 10-year UST
Asia HY	7.6%	4.5	0.73	-0.23
Local EMD	6.9%	4.6	0.67	-0.05
U.S. HY	6.7%	3.4	0.80	-0.27
USD EMD	6.2%	7.0	0.61	0.17
USD Asian	4.9%	5.3	0.60	0.20
Europe HY	4.2%	3.3	0.79	-0.32
U.S. IG	3.6%	7.4	0.34	0.49
Cash	2.4%	0.2	-0.03	0.02
U.S. Treasury	2.4%	6.2	-0.40	0.99
DM Gov't	1.4%	8.2	0.20	0.54

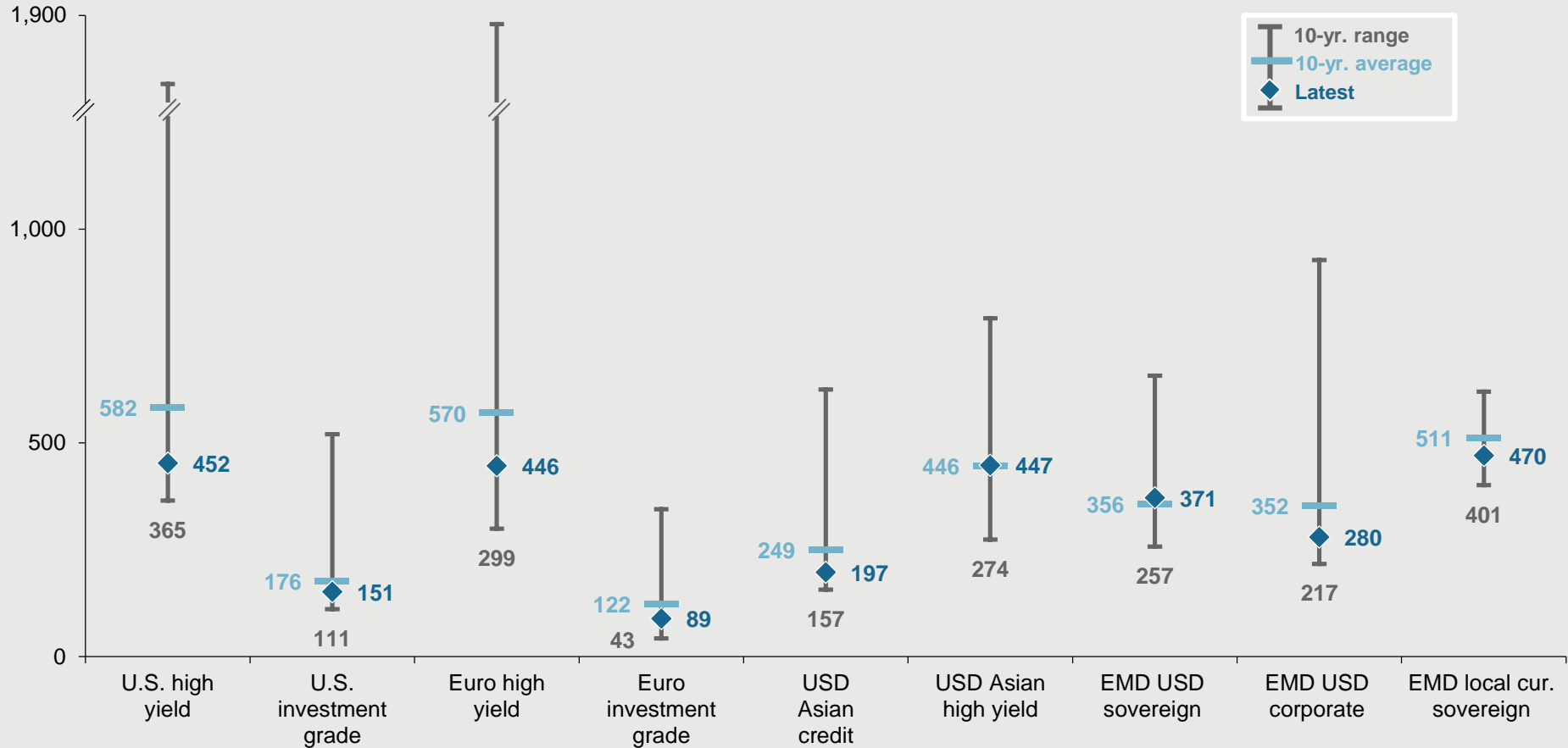
Fixed income sector returns

2013	2014	2015	2016	2017	2018	1Q '19	5-yrs Ann. Ret.
Europe HY 14.9%	USD Asian 8.3%	Asia HY 5.8%	U.S. HY 17.1%	Europe HY 21.0%	Cash 1.8%	Asia HY 7.9%	Asia HY 6.3%
U.S. HY 7.4%	U.S. IG 7.5%	USD Asian 2.8%	Local EMD 11.4%	Local EMD 15.4%	U.S. Treas 0.9%	U.S. HY 7.3%	USD EMD 4.8%
Asia HY 4.3%	Asia HY 5.5%	USD EMD 1.2%	Asia HY 11.4%	USD EMD 9.3%	DM Gov't -0.7%	USD EMD 6.6%	USD Asian 4.8%
Cash 0.0%	USD EMD 5.5%	U.S. Treas 0.8%	USD EMD 10.2%	U.S. HY 7.5%	USD Asian -0.8%	U.S. IG 5.1%	U.S. HY 4.7%
USD Asian -1.4%	U.S. Treas 5.1%	Cash 0.0%	U.S. IG 6.1%	DM Gov't 6.8%	U.S. HY -2.1%	USD Asian 4.9%	U.S. IG 3.7%
U.S. IG -1.5%	U.S. HY 2.5%	U.S. IG -0.7%	USD Asian 5.8%	U.S. IG 6.4%	U.S. IG -2.5%	Europe HY 3.8%	U.S. Treas 2.2%
U.S. Treas -2.7%	DM Gov't 0.7%	DM Gov't -2.6%	Europe HY 3.4%	Asia HY 6.2%	Asia HY -3.2%	Local EMD 2.4%	DM Gov't 0.9%
DM Gov't -4.5%	Cash 0.0%	U.S. HY -4.5%	DM Gov't 1.6%	USD Asian 5.8%	USD EMD -4.6%	U.S. Treas 2.1%	Cash 0.7%
Local EMD -5.5%	Europe HY -6.0%	Europe HY -7.6%	U.S. Treas 1.0%	U.S. Treas 2.3%	Local EMD -6.7%	DM Gov't 1.8%	Europe HY 0.0%
USD EMD -6.6%	Local EMD -6.1%	Local EMD -18.0%	Cash 0.3%	Cash 0.8%	Europe HY -8.2%	Cash 0.6%	Local EMD -1.5%

Source: Bloomberg Finance L.P., FactSet, J.P. Morgan Economic Research, J.P. Morgan Asset Management. Based on Bloomberg Barclays U.S. Aggregate Credit – Corporate High Yield Index (U.S. Corporate HY), Bloomberg Barclays U.S. Aggregate Credit – Corporate Investment Grade Index (U.S. Corporate IG), J.P. Morgan Government Bond Index – EM Global (GBI-EM) (Local EMD), J.P. Morgan Emerging Market Bond Index Global (EMBIG) (USD EMD), J.P. Morgan Asia Credit Index (JACI) (USD Asian Bond), Bloomberg Barclays Pan European High Yield (Europe HY), J.P. Morgan Government Bond Index – Global Traded (DM Government Bond), J.P. Morgan Asia Credit Non-investment Grade Corporate Index (Asia Corporate HY), Bloomberg Barclays Global U.S. Treasury – Bills (3-5 years) (U.S. Treasury) and Bloomberg Barclays U.S. Treasury – Bills (1-3 months) (Cash). 5-year data is used to calculate annualized returns (Ann. Ret.). Returns are in U.S. dollar and reflect the period from 31/03/14 – 31/03/19. *Duration is a measure of the sensitivity of the price (the value of the principal) of a fixed-income investment to a change in interest rates and is expressed as number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. **Correlation to the MSCI AC World Index is a measure over 10 years of data. Positive yield does not imply positive return. Past performance is not a reliable indicator of current and future results. Guide to the Markets – Asia. Data reflect most recently available as of 31/03/19.

Spread to worst across fixed income sub-sectors

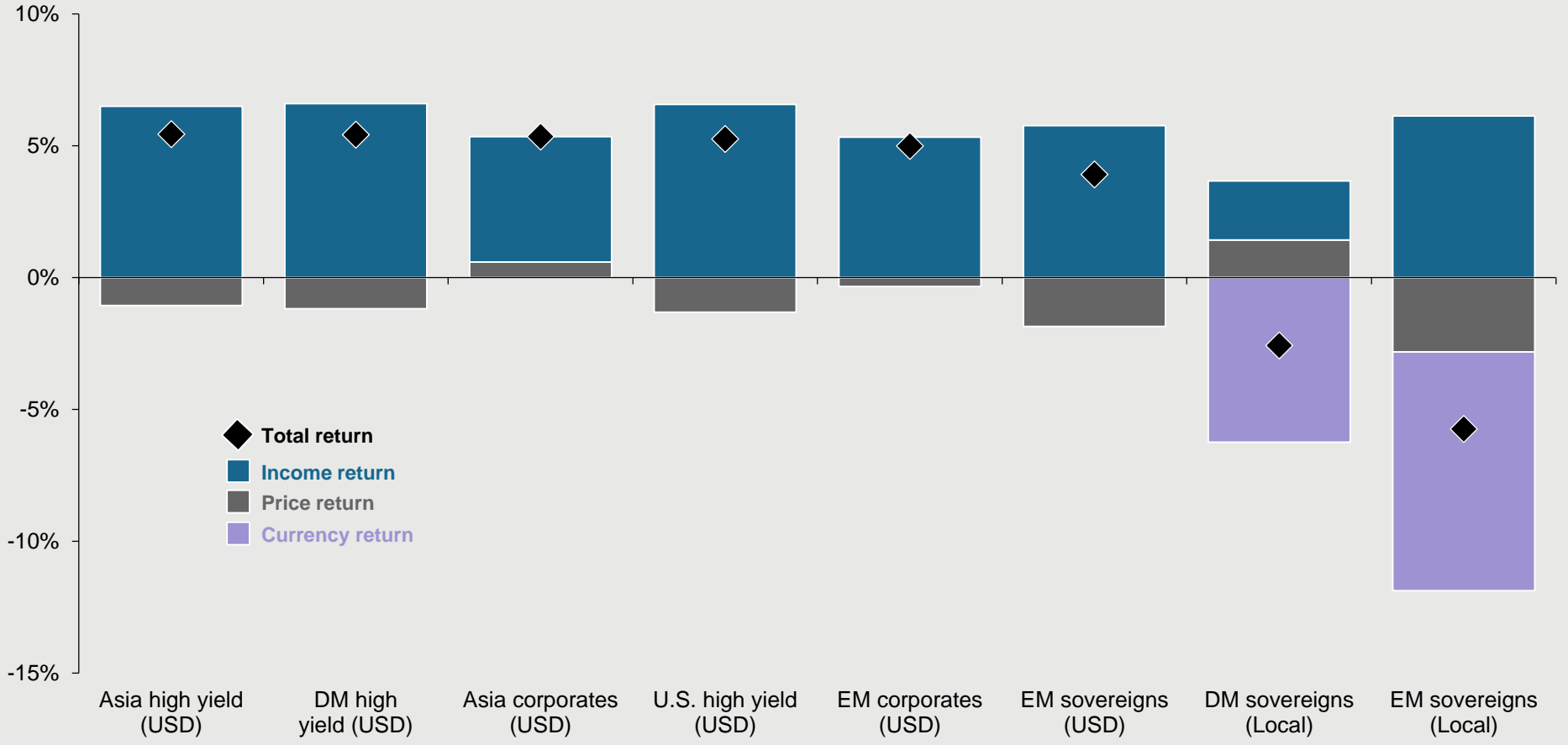
Basis points



Source: BofA/Merrill Lynch, iBoxx, J.P. Morgan Economic Research, J.P. Morgan Asset Management. Based on J.P. Morgan Domestic High Yield Index (U.S. High Yield), J.P. Morgan U.S. Liquid Index (JULI) (U.S. Investment Grade), BofA/Merrill Lynch Euro Non-Financial High Yield Constrained Index (Euro High Yield), iBoxx EUR corporates (Euro Investment Grade), J.P. Morgan Asia Credit Index (JACI) (USD Asian Credit), J.P. Morgan Asia Credit High Yield Index (USD Asian High Yield), J.P. Morgan EMBI Global (EMD USD Sovereign), J.P. Morgan Corporate Emerging Markets Bond Index – CEMBI (EMD USD Corporate), J.P. Morgan GBI-EM (EMD Local Cur. Sovereign). Positive yield does not imply positive return. Past performance is not a reliable indicator of current and future results. Guide to the Markets – Asia. Data reflect most recently available as of 31/03/19.

Debt return composition

Last 12 months



Source: J.P. Morgan Economic Research, J.P. Morgan Asset Management.
 Based on J.P. Morgan Developed Market HY Index (DM USD high yield), J.P. Morgan Domestic High Yield Index (U.S. USD high yield), J.P. Morgan EMBIG (EM USD sovereigns), J.P. Morgan CEMBI (EM USD corporates), J.P. Morgan Asia Credit High Yield Index (Asian USD high yield), J.P. Morgan GBI-EM (EM local cur. sovereigns), J.P. Morgan Asia Credit Corporates Index (Asian USD corporates), J.P. Morgan GBI-DM (DM local cur. sovereigns). Past performance is not a reliable indicator of current and future results.
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2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	1Q '19	10-yrs ('09 - '19)	
											Ann. Ret.	Ann. Vol.
EM ex-Asia 91.3%	U.S. REITs 28.5%	U.S. REITs 8.7%	APAC ex-JP 22.6%	DM Equities 27.4%	U.S. REITs 30.4%	Asian Bonds 2.8%	EM ex-Asia 27.1%	APAC ex-JP 37.3%	Cash 1.8%	U.S. REITs 16.3%	U.S. REITs 18.5%	EM ex-Asia 23.1%
APAC ex-JP 73.7%	APAC ex-JP 18.4%	EMD 8.5%	Global Corp HY 18.9%	Global Corp HY 8.4%	Asian Bonds 8.3%	U.S. REITs 2.5%	Global Corp HY 14.0%	DM Equities 23.1%	Asian Bonds -0.8%	DM Equities 12.6%	DM Equities 13.0%	U.S. REITs 19.1%
Global Corp HY 63.9%	EM ex-Asia 16.6%	Global Bonds 5.6%	EMD 18.5%	Diversified 5.6%	EMD 5.5%	EMD 1.2%	EMD 10.2%	EM ex-Asia 20.3%	Global Bonds -1.2%	APAC ex-JP 11.5%	APAC ex-JP 11.4%	APAC ex-JP 17.8%
Diversified 41.0%	Global Corp HY 13.8%	Asian Bonds 4.1%	U.S. REITs 17.8%	APAC ex-JP 3.7%	DM Equities 5.5%	Cash 0.0%	U.S. REITs 8.6%	Diversified 17.0%	Global Corp HY -3.5%	Diversified 8.3%	Global Corp HY 11.1%	DM Equities 13.6%
DM Equities 30.8%	Diversified 13.1%	Global Corp HY 2.6%	EM ex-Asia 17.0%	U.S. REITs 2.5%	Diversified 4.1%	DM Equities -0.3%	Diversified 8.3%	Global Corp HY 10.3%	U.S. REITs -4.6%	EM ex-Asia 7.1%	Diversified 10.1%	Diversified 9.8%
U.S. REITs 28.6%	DM Equities 12.3%	Cash 0.1%	DM Equities 16.5%	Cash 0.0%	APAC ex-JP 3.1%	Global Bonds -3.2%	DM Equities 8.2%	EMD 9.3%	EMD -4.6%	EMD 6.6%	EMD 8.1%	Global Corp HY 8.6%
Asian Bonds 28.3%	EMD 12.0%	Diversified -2.4%	Diversified 15.9%	Asian Bonds -1.4%	Global Bonds 0.6%	Diversified -3.2%	APAC ex-JP 7.1%	Global Bonds 7.4%	Diversified -5.9%	Global Corp HY 6.4%	Asian Bonds 7.5%	EMD 6.8%
EMD 28.2%	Asian Bonds 10.6%	DM Equities -5.0%	Asian Bonds 14.3%	Global Bonds -2.6%	Global Corp HY 0.2%	Global Corp HY -4.9%	Asian Bonds 5.8%	Asian Bonds 5.8%	EM ex-Asia -6.8%	Asian Bonds 4.9%	EM ex-Asia 5.6%	Global Bonds 4.9%
Global Bonds 6.9%	Global Bonds 5.5%	APAC ex-JP -15.4%	Global Bonds 4.3%	EMD -6.6%	Cash 0.0%	APAC ex-JP -9.1%	Global Bonds 2.1%	U.S. REITs 5.1%	DM Equities -8.2%	Global Bonds 2.2%	Global Bonds 3.0%	Asian Bonds 4.7%
Cash 0.1%	Cash 0.1%	EM ex-Asia -21.2%	Cash 0.1%	EM ex-Asia -8.5%	EM ex-Asia -20.2%	EM ex-Asia -22.7%	Cash 0.3%	Cash 0.8%	APAC ex-JP -13.7%	Cash 0.6%	Cash 0.4%	Cash 0.2%

Other asset classes

Source: Bloomberg Finance L.P., Dow Jones, FactSet, J.P. Morgan Economic Research, MSCI, J.P. Morgan Asset Management. The "Diversified" portfolio assumes the following weights: 20% in the MSCI The World Index (*DM Equities*), 20% in the MSCI AC Asia Pacific ex-Japan (*APAC ex-JP*), 5% in the average of the MSCI EM Latin America and MSCI EM EMEA Indices (*EM ex-Asia*), 10% in the J.P. Morgan EMBIG Index (*EMD*), 10% in the Bloomberg Barclays Aggregate (*Global Bonds*), 10% in the Bloomberg Barclays Global Corporate High Yield Index (*Global Corporate High Yield*), 15% in J.P. Morgan Asia Credit Index (*Asian Bonds*), 5% in MSCI U.S. REITs Index (*U.S. REITs*) and 5% in Bloomberg Barclays U.S. Treasury – Bills (1-3 months) (*Cash*). Diversified portfolio assumes annual rebalancing. All data represent total return in U.S. dollar terms for the stated period. 10-year total return data is used to calculate annualized returns (Ann. Ret.) and 10-year price return data is used to calculate annualized volatility (Ann. Vol.) and reflects the period 31/03/09 – 31/03/19. Please see disclosure page at end for index definitions. Past performance is not a reliable indicator of current and future results.
Guide to the Markets – Asia. Data reflect most recently available as of 31/03/19.

Monthly Market Review

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