



Global Macro Report

GLOBAL ECONOMIC ANALYSIS:

US RETAIL SALES IN LINE WITH EXPECTATIONS; ECONOMIC SENTIMENT IN EUROPE IMPROVES

US

- The advance estimate of September retail sales was \$459.8 billion, up 0.6% month over month and 2.7% year over year, supported by a 1.1% increase in auto sales and a 2.4% increase in sales at gas stations.
- Retail sales excluding autos and gas were up 0.3% month over month in September, in line with the consensus estimate. Control group sales, which are used to estimate personal consumption expenditure, were weak, growing by only 0.1% month over month.

Europe

- In the UK, the Rightmove national average asking price for houses increased by 0.9% month over month and by 4.2% year over year in October. The northern part of the country has shown more resiliency than the southern part following the typical summer slowdown in the housing market.
- The ZEW index of investor and analyst expectations for Germany jumped 5.7 points in October, to 6.2, signaling relatively robust economic activity in the country.
- The ZEW index for the eurozone increased by 6.9 points in October, to 12.3, reflecting improved sentiment among financial market experts.

Latin America

- In Mexico, industrial production increased by 0.3% year over year in August, but decreased by 0.4% month over month, as gains from manufacturing production were offset by declines in oil and gas production and mining output.

Figure 1. Macro Indicators

Country	Indicator	Period	Actual	Survey	Prior	Impact on Consumption
US	Retail Sales Advance (MoM)	Sep	0.6%	0.6%	(0.2)%	+
US	Retail Sales ex Autos (MoM)	Sep	0.5%	0.5%	(0.2)%	+
US	Retail Sales ex Autos and Gas (MoM)	Sep	0.3%	0.3%	0.0%	+
US	Retail Sales Control Group (MoM)	Sep	0.1%	0.4%	(0.1)%	-
UK	Rightmove House Prices (MoM)	Oct	0.9%	-	0.7%	+
UK	Rightmove House Prices (YoY)	Oct	4.2%	-	4.0%	+
GE	ZEW Survey: Current Situation	Oct	59.5	55.5	55.1	+
GE	ZEW Survey: Expectations	Oct	6.2	4.0	0.5	+
MX	Industrial Output (YoY)	Aug	0.3%	0.7%	1.3%	-

Source: US Census Bureau/US Bureau of Labor Statistics/Rightmove/Zentrum für Europäische Wirtschaftsforschung (ZEW)/Instituto Nacional de Estadística y Geografía (INEGI)/Fung Global Retail & Technology

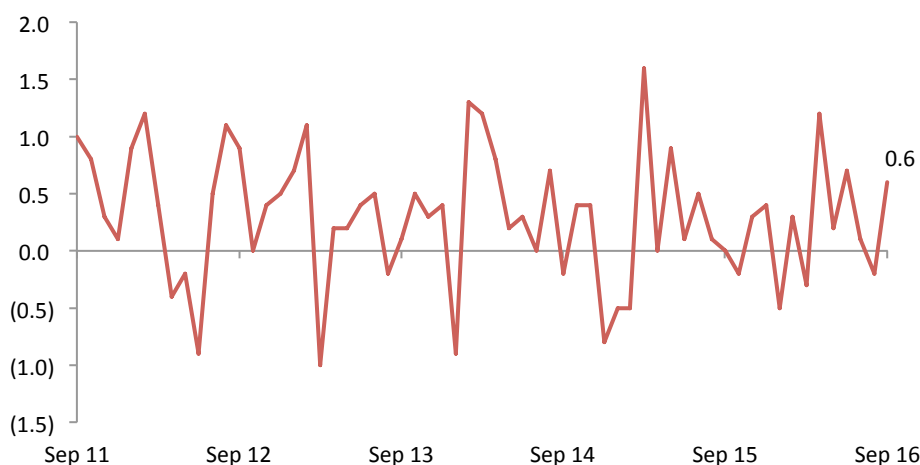
US: Retail Sales in Line with Expectations

Advance estimates of September retail sales in the US were \$459.8 billion, up 0.6% month over month.

In the US, the advance estimate of September retail sales was \$459.8 billion, up 0.6% month over month and 2.7% year over year, buoyed by stronger auto sales and higher gasoline prices. Retail sales excluding autos and gas were up 0.3% month over month, in line with the consensus estimate.

Auto retail sales increased by 1.1% month over month and retail sales at gas stations increased by 2.4% month over month. Control group sales, which are used to estimate personal consumption expenditure, were weak, up only 0.1% month over month.

Figure 2. US: Retail Sales (Seasonally Adjusted), MoM % Change



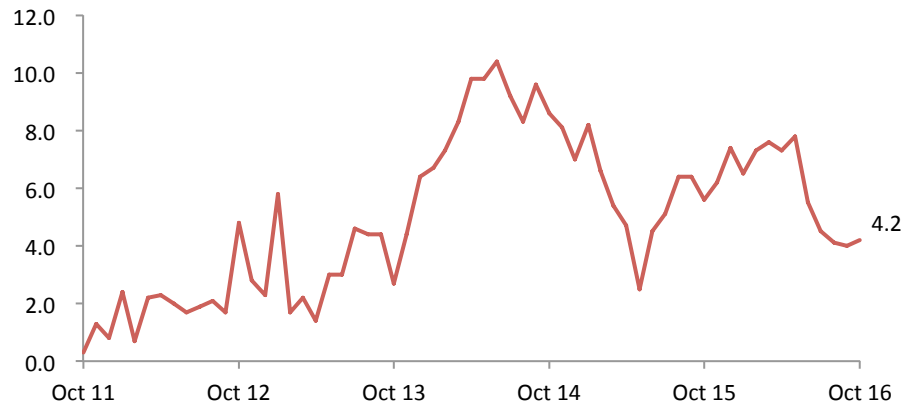
Source: US Census Bureau

Europe: UK Housing Improves After Summer Slowdown; Germany's Economic Sentiment Jumps

In the UK, the Rightmove national average asking price increased by 0.9% month over month and by 4.2% year over year in October.

In the UK, the Rightmove national average asking price for houses increased by 0.9% month over month and by 4.2% year over year in October. After the usual summer slowdown, the northern part of the country saw buyers' inquiries and sales rebound, while the southern part of the country saw prolonged hesitancy among buyers.

Figure 3. UK: Rightmove National Average Asking Price (Nonseasonally Adjusted), YoY % Change

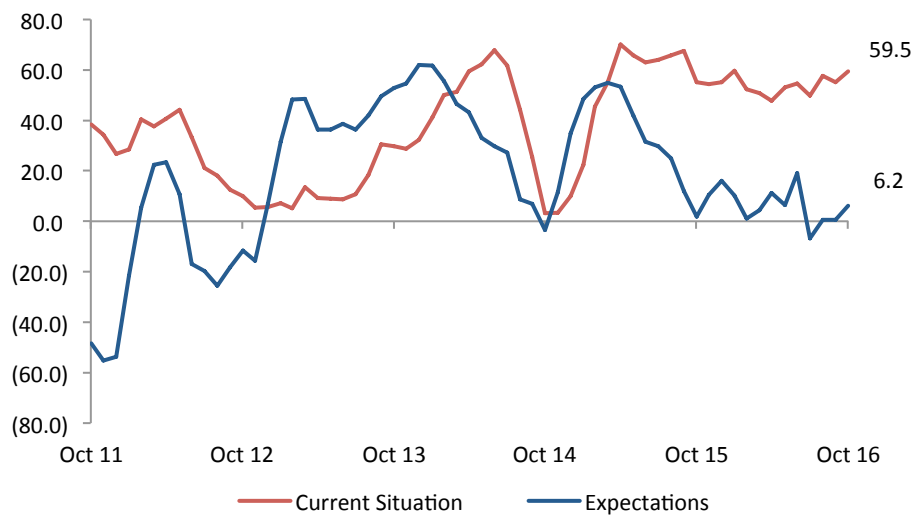


Source: Rightmove

The ZEW indicator of the current situation in Germany stood at 59.5 in October, gaining 4.4 points from September. The ZEW index of investor and analyst expectations for Germany, which measures economic sentiment, jumped 5.7 points in October, to 6.2, signaling relatively robust economic activity in the country.

The ZEW index of expectations for the eurozone increased by 6.9 points, to 12.3, in October, pointing to an improvement in sentiment among investors.

Figure 4. Germany: ZEW Survey, Current Situation and Expectations



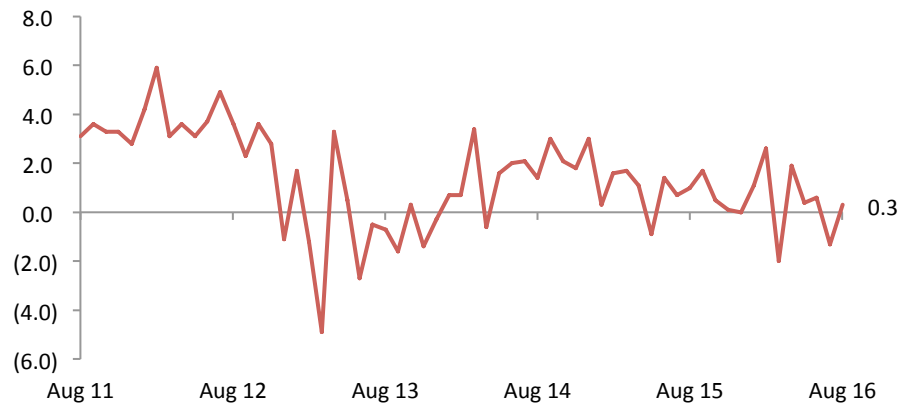
Source: ZEW

Latin America: Weak Industrial Production in Mexico

In Mexico, industrial production decreased by 0.4% month over month in August due to declines in oil and gas production and mining output.

In Mexico, industrial production increased by 0.3% year over year in August, but decreased by 0.4% month over month, as gains from manufacturing production were offset by declines in oil and gas production and mining output. Manufacturing production, curtailed by weak export demand from the US, was up 3.7% year over year and up 0.2% month over month. Oil and gas production dropped by 6.4% year over year and mining output fell by 6.5% year over year.

Figure 5. Mexico: Industrial Production (Nonseasonally Adjusted), YoY % Change



Source: INEGI

Figure 6. Upcoming Economic Data Releases

Date	Country/Region	Indicator	Period Covered
Oct 24	EZ	Markit Eurozone Manufacturing PMI (Prelim.)	Oct
Oct 24	MX	Unemployment Rate	Sep
Oct 25	GE	Ifo Business Climate	Oct
Oct 25	GE	Ifo Expectations	Oct
Oct 25	US	S&P CoreLogic Case-Shiller 20-City NSA Index	Aug
Oct 25	MX	Retail Sales	Aug
Oct 26	GE	GfK Consumer Confidence	Nov
Oct 26	BZ	FGV Consumer Confidence	Oct
Oct 26	US	New Home Sales	Sep
Oct 27	UK	GDP	3Q
Oct 27	BZ	National Unemployment Rate	Sep
Oct 27	US	Initial Jobless Claims	Oct 22
Oct 27	GE	Retail Sales	Sep
Oct 28	FR	GDP	3Q
Oct 28	FR	CPI (Prelim.)	Oct
Oct 28	GE	CPI (Prelim.)	Oct
Oct 28	US	GDP (Annualized)	3Q
Oct 30	UK	GfK Consumer Confidence	Oct
Oct 31	US	Real Personal Spending	Sep
Oct 31	US	Personal Consumption Expenditure Deflator	Sep
Oct 31	MX	GDP (Prelim.)	3Q

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