



Global Macro Report

GLOBAL ECONOMIC ANALYSIS:

US REAL PERSONAL SPENDING EDGES UP WHILE INFLATION STAYS FLAT; CHINA'S PMI INDICATES BROAD ECONOMIC STABILIZATION

US

- In the US, the University of Michigan Index of Consumer Sentiment hit 91.6 in November. The reading was better than both the 87.5 the market expected and the prior month's reading of 87.2.
- However, the November consumer sentiment data were collected prior to the US presidential election, and further evidence will be needed to confirm if consumer sentiment has indeed picked up.

Europe

- In the UK, the Halifax House Price Index rose by 1.4% month over month in October. House price growth has softened year over year, mainly due to mounting affordability pressures.
- Industrial production in Germany decreased by 1.8% month over month in September; the reading was weaker than the consensus estimate, which called for a 0.5% decline.

Asia-Pacific

- Chinese exports fell by 7.3% in October year over year. Global demand has been weak, and Chinese exports have now fallen for seven consecutive months.
- In Malaysia, real GDP grew by 4.3% in the third quarter; the result was higher than economists' consensus estimate of 4.1%.
- Exports from China and Malaysia were both affected by weak global demand, and the election of Donald Trump as US President may further increase uncertainty regarding global trade.
- In Hong Kong, real GDP grew by 1.9% year over year in the third quarter, mainly driven by robust domestic demand.

Latin America

- In Brazil, the IBGE IPCA Index, which measures inflation, increased by 0.3% month over month and by 7.9% year over year in October.
- In Mexico, the Consumer Price Index (CPI) increased by 0.6% month over month in October and by 3.1% year over year.

Figure 1. Macro Indicators

Country/ Region	Indicator	Period	Actual	Survey	Prior	Interpretation*
US	University of Michigan Index of Consumer Sentiment (Prelim.)	Nov	91.6	87.5	87.2	+
UK	Halifax House Price Index (MoM)	Oct	1.4%	0.2%	0.3%	+
UK	Halifax House Price Index (3 Mos., YoY)	Oct	5.2%	4.9%	5.8%	+
GE	Industrial Production (SA, MoM)	Sep	(1.8)%	(0.5)%	2.5%	-
CH	Exports (YoY)	Oct	(7.3)%	(6.0)%	(10.0)%	-
MY	GDP (YoY)	3Q	4.3%	4.1%	4.0%	+
HK	GDP (YoY)	3Q	1.9%	1.5%	1.7%	+
BZ	IBGE Inflation IPCA (MoM)	Oct	0.3%	0.3%	0.1%	-
BZ	IBGE Inflation IPCA (YoY)	Oct	7.9%	7.9%	8.5%	-
BZ	Retail Sales (SA, MoM)	Sep	(1.0)%	(1.0)%	(0.6)%	-
MX	CPI (MoM)	Oct	0.6%	0.7%	0.6%	+
MX	Core CPI (MoM)	Oct	0.3%	0.3%	0.5%	+
MX	CPI (YoY)	Oct	3.1%	3.1%	3.0%	+

*+ indicates a positive signal for the country's economy and - indicates a negative signal.

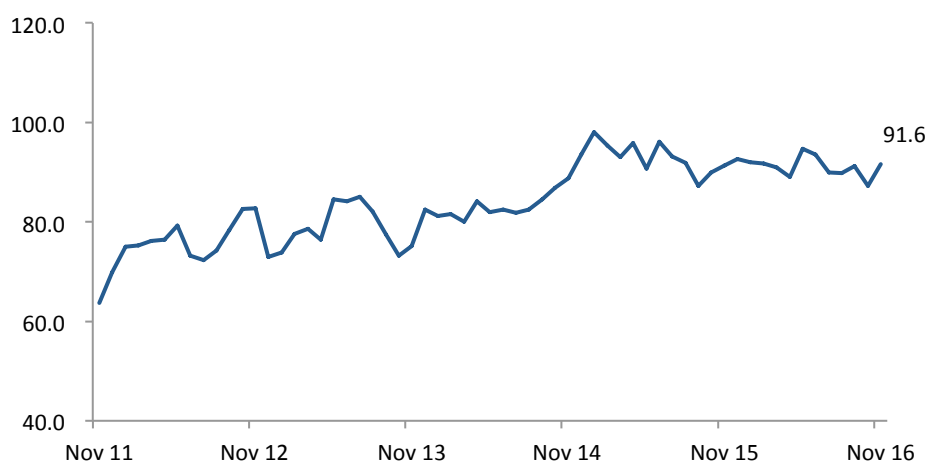
Source: University of Michigan/Halifax/Destatis/General Administration of Customs of the People's Republic of China/Department of Statistics Malaysia/Hong Kong Census and Statistics Department/Instituto Brasileiro de Geografia e Estatística (IBGE)/Instituto Nacional de Estadística y Geografía (INEGI)/Fung Global Retail & Technology

In November, US consumer sentiment hit 91.6, which was better than the market's expectation of 87.5 and the prior month's reading of 87.2.

US: Consumer Sentiment Surges

US consumer sentiment, as measured by the University of Michigan Index of Consumer Sentiment, hit 91.6 in November, above the market's expectation of 87.5 and the prior month's reading of 87.2. The gain was driven by an improved outlook for the economy. However, the November data were collected prior to the November 8 US presidential election, so further evidence may be needed from coming months in order to confirm that consumer sentiment has indeed picked up.

Figure 2. US: University of Michigan Index of Consumer Sentiment



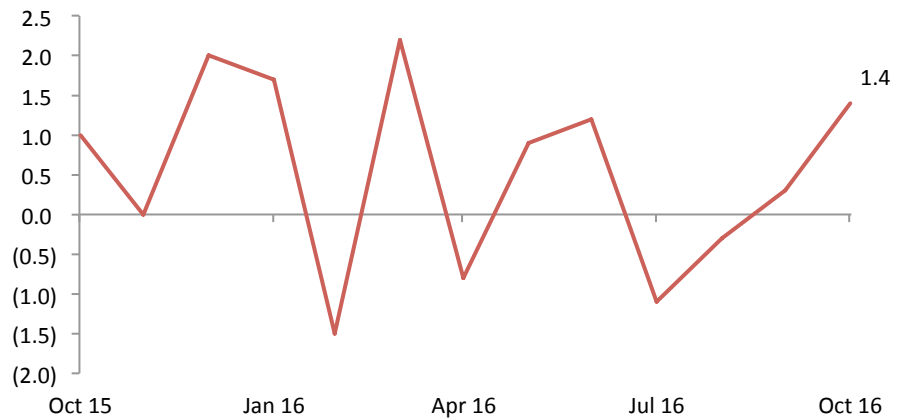
Source: University of Michigan

Europe: UK House Prices Grow at a Slower Pace; Germany's Industrial Production Falls

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In the UK, the Halifax House Price Index rose by 1.4% month over month in October. Regarding the underlying trend of the housing market, house prices in the three months ended August were 0.1% higher than in the preceding three months and 5.2% higher than in the same period last year. Martin Ellis, Halifax's housing economist, pointed out that house price growth has softened year over year, mainly due to mounting affordability pressures, while home sales appear to have stabilized following the distortions due to stamp duty changes in April.

Figure 3. UK: Halifax House Price Index (Seasonally Adjusted), MoM % Change

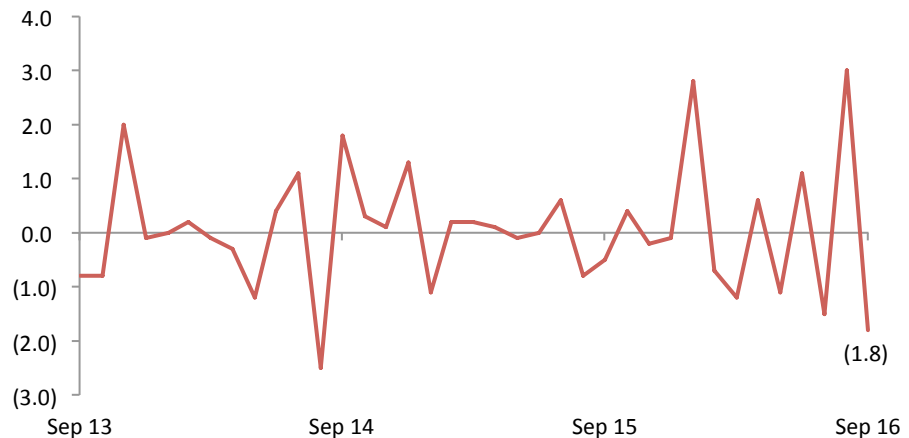


Source: Halifax

Industrial production in Germany decreased by 1.8% month over month in September; the reading was weaker than the consensus estimate, which called for a 0.5% decline.

Industrial production in Germany decreased by 1.8% month over month in September; the reading came in weaker than the consensus estimate, which called for a 0.5% decline. Production excluding energy and construction fell by 1.7% in the month, while output of capital goods dropped by 2.4% and output of consumer goods dropped by 1.9%.

Figure 4. Germany: Industrial Production (Seasonally Adjusted), MoM % Change



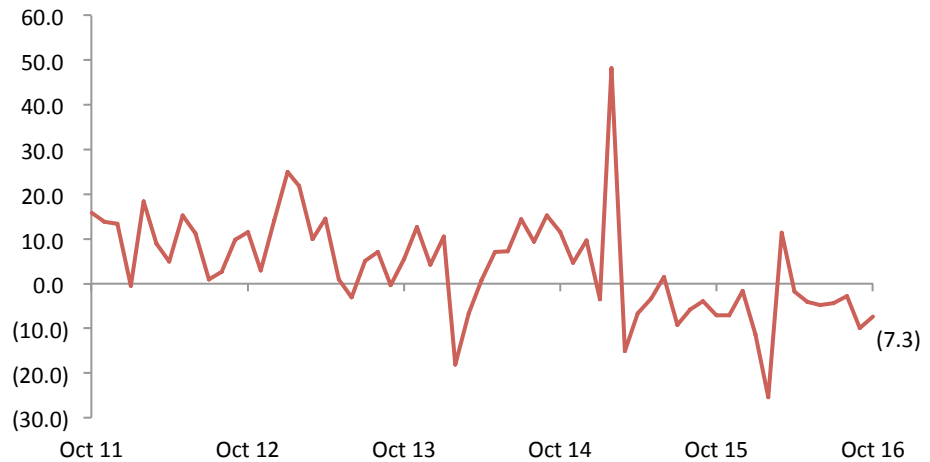
Source: Destatis

Asia-Pacific: Falling Exports Dampen Chinese and Malaysian Economies

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Chinese exports fell by 7.3% in October year over year. The setback was greater than the 6.0% decline the market expected. Global demand has been weak, and Chinese exports have fallen for seven consecutive months, resulting in pressure on the Chinese government to arrest falling economic growth. Uncertainty regarding Chinese exports has grown since Donald Trump’s election as the next President of the US, as he has promised to impose an import tax of 45% against China.

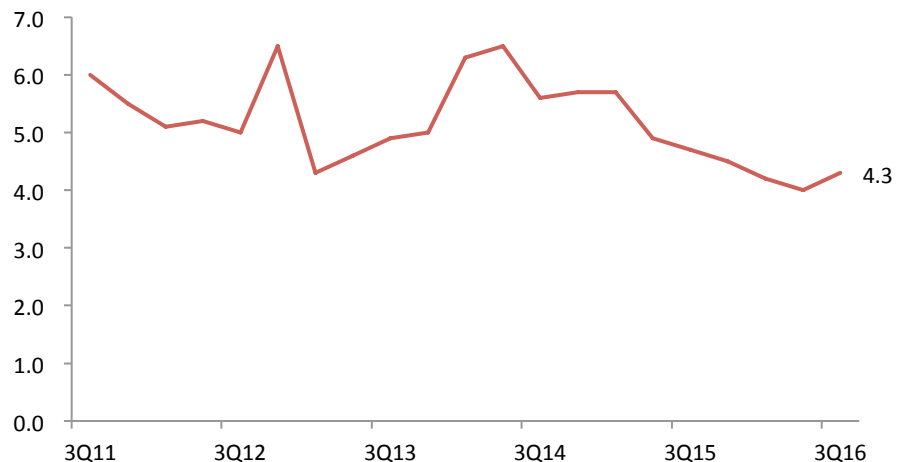
Figure 5. China: Exports (in USD), YoY % Change



Source: General Administration of Customs of the People’s Republic of China

In the third quarter, Malaysia’s real GDP grew by 4.3% year over year; the result was higher than the 4.1% economists expected. Amid a challenging global environment, exports remained suppressed, while domestic demand became the growth pillar of the economy. Increased uncertainty due to the election of Donald Trump as US President may further dampen exports of Asian countries.

Figure 6. Malaysia: Real GDP, YoY % Change

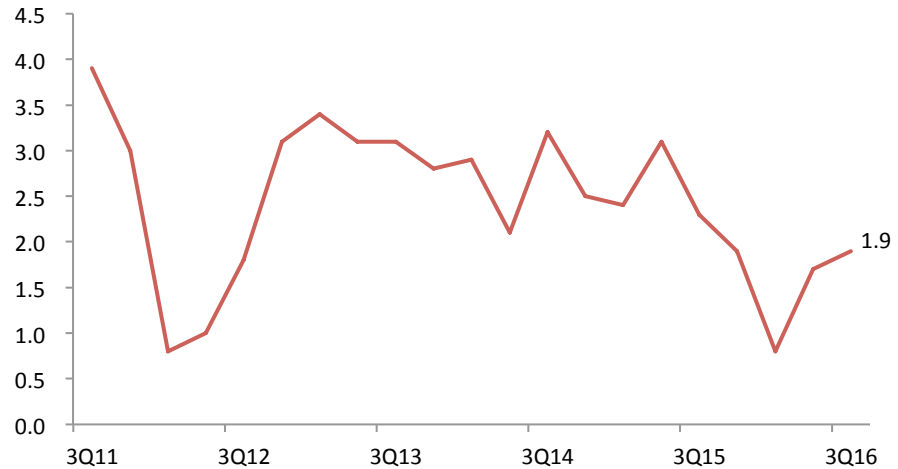


Source: Department of Statistics Malaysia

Hong Kong's real GDP grew by 1.9% year over year in the third quarter, mainly driven by robust domestic demand.

Hong Kong's real GDP grew by 1.9% year over year in the third quarter; the figure was higher than both the market's expectation of 1.5% growth and the second quarter's 1.7% growth. The better-than-expected result was mainly driven by robust domestic demand. However, recent cooling measures for the property market are likely to dampen growth in the coming quarters.

Figure 7. Hong Kong: Real GDP, YoY % Change



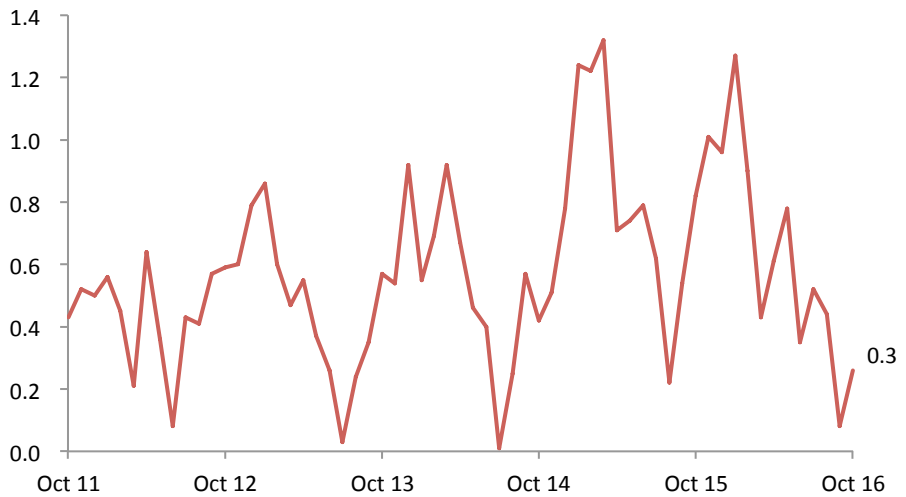
Source: Hong Kong Census and Statistics Department

Latin America: Brazil's High Inflation Persists, While Mexico's CPI Moderates

In Brazil, the IBGE IPCA Index, which measures inflation, increased by 0.3% month over month and by 7.9% year over year in October.

In Brazil, the IBGE IPCA Index, which measures inflation, increased by 0.3% month over month in October, in line with the consensus estimate but above September's increase. Year over year, the index rose by 7.9%, which was higher than the central bank's official target of 4.5%.

Figure 8. Brazil: IBGE IPCA Index, MoM % Change

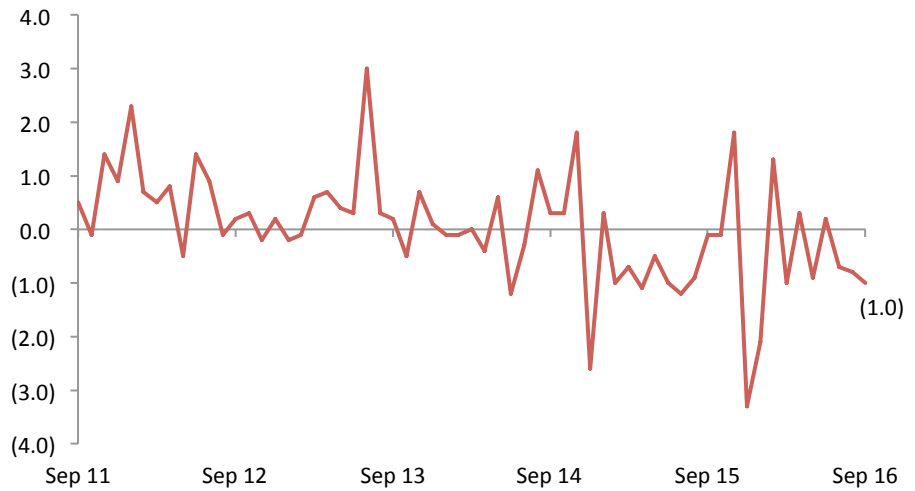


Source: IBGE

Brazil's retail sales excluding autos and building materials fell by 1.0% month over month in September, in line with the consensus estimate.

Brazil's retail sales excluding autos and building materials fell by 1.0% month over month in September, in line with the consensus estimate. Sales have now sagged for three straight months as rising unemployment has continued to hurt consumption.

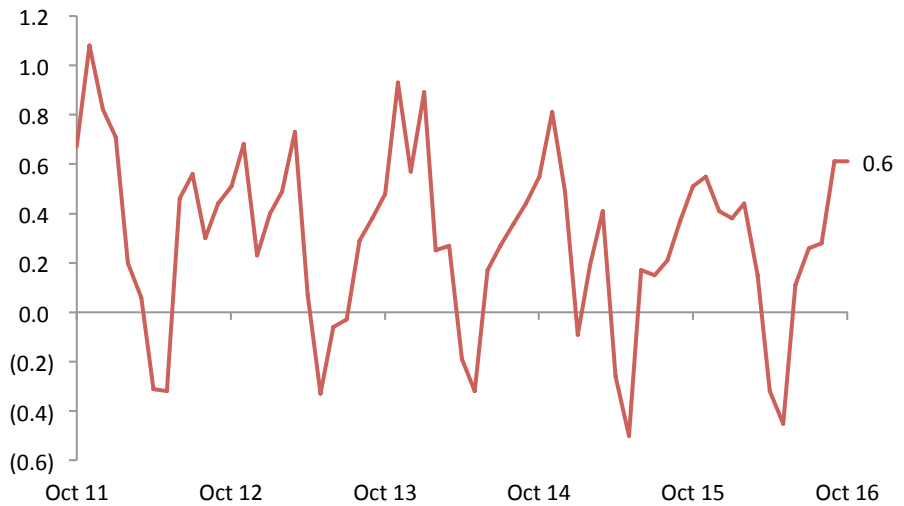
Figure 9. Brazil: Retail Sales (Seasonally Adjusted), MoM % Change



Source: IBGE

In Mexico, the CPI increased by 0.6% month over month in October and by 3.1% year over year. The core CPI, which excludes energy and food prices, increased by 0.3% month over month.

Figure 10. Mexico: CPI, MoM % Change



Source: INEGI

Figure 11. Upcoming Economic Data Releases

Date	Country	Indicator	Period Covered
Nov 20	JP	Trade Balance	Oct
Nov 20	UK	Rightmove House Prices	Nov
Nov 20	JP	Supermarket Sales	Oct
Nov 21	JP	Convenience Store Sales	Oct
Nov 21	TW	Export Orders	Oct
Nov 21	TW	Balance of Payments Current Account Balance	3Q
Nov 21	TW	Unemployment Rate	Oct
Nov 22	HK	CPI Composite	Oct
Nov 22	BZ	Current Account Balance	Oct
Nov 22	BZ	Foreign Direct Investment	Oct
Nov 22	US	Existing Home Sales	Oct
Nov 22	MY	CPI	Oct
Nov 23	FR	Markit France Manufacturing PMI (Prelim.)	Nov
Nov 23	FR	Markit France Services PMI (Prelim.)	Nov
Nov 23	FR	Markit France Composite PMI (Prelim.)	Nov
Nov 23	TW	Industrial Production	Oct
Nov 23	GE	Markit/BME Germany Manufacturing PMI (Prelim.)	Nov
Nov 23	GE	Markit Germany Services PMI (Prelim.)	Nov
Nov 23	GE	Markit/BME Germany Composite PMI (Prelim.)	Nov

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