

**STOXX**

# MONTHLY INDEX NEWS

April 2015



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## Performance: Top 5 STOXX Indices – China Is Front Runner

### 1-Mth Performance (March 2015)

STOXX CHINA A-SHARES TOTAL MARKET USD – TOTAL RETURN INDEX	17.78 %
STOXX CHINA B-SHARES TOTAL MARKET USD – TOTAL RETURN INDEX	4.59 %
STOXX JAPAN 600 MINIMUM VARIANCE USD – TOTAL RETURN INDEX	3.74 %
STOXX JAPAN 600 MINIMUM VARIANCE UNCONSTRAINED USD – TOTAL RETURN INDEX	3.15 %
EURO STOXX 50 – TOTAL RETURN INDEX	2.85 %

Source: STOXX Limited

### 1-Yr Performance (YTD Mar. 31, 2015)

STOXX CHINA A-SHARES TOTAL MARKET USD – TOTAL RETURN INDEX	92.01 %
STOXX CHINA B-SHARES TOTAL MARKET USD – TOTAL RETURN INDEX	35.12 %
STOXX EUROPE STRONG BALANCE SHEET – TOTAL RETURN INDEX	32.54 %
STOXX GLOBAL SELECT DIVIDEND 100 USD – TOTAL RETURN INDEX	30.31 %
STOXX INDIA TOTAL MARKET USD – TOTAL RETURN INDEX	29.40 %

Source: STOXX Limited

(Top 5 STOXX indices, performance as of Mar. 31, 2015; all performance figures are in USD whenever specified in the index name, in euro in the remaining cases)

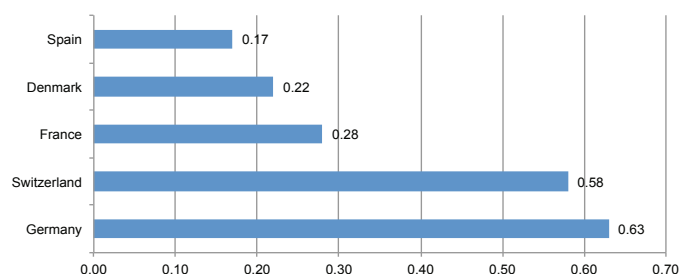
- Markets in China rallied before the end of the last quarter on the “One Belt, One Road” infrastructure initiative and comments from People’s Bank of China Governor Zhou Xiaochuan. Beijing plans to build a modern “Silk Road” to Europe and Africa, and new measures aim to revamp a real estate market that is expected to decelerate further in 2015. Those two raised expectations of additional monetary-policy easing.
- Fueled by the ECB asset purchase program, the EURO STOXX 50 continues to edge higher. European stocks climbed to fresh multi-year record highs in March and are estimated by the market to trend higher.
- The global economy continues to feature a diverging pattern of macroeconomic growth, although the rationale for solid U.S. growth is eroding.

## Market Comment by Aureliano Gentilini, Head of Research, STOXX Ltd.

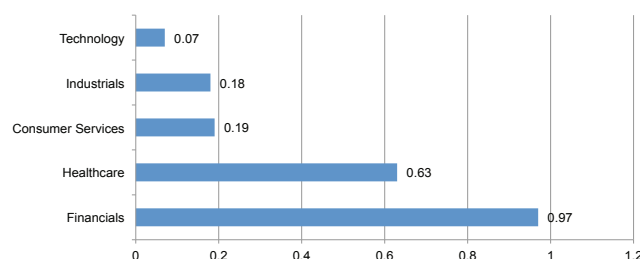
“The Association of Southeast Asian Nations (ASEAN) offers attractive investment perspectives. In particular, the case for investing in high-dividend stocks in the ASEAN region is strong. Extensive research shows that superior and consistent dividend-yielding stocks tend to generate above-market risk-adjusted returns over longer-term time horizons.”

“Since the divergence in the central banks’ monetary policy drives interest-rate differentials, international investors should be wary of the strengthening cycle of the US dollar and hedge their currency exposure in their global portfolio.”

## STOXX Europe 600 Index: Domicile Country/Industry Sector Contribution – Germany Drives Index Performance (March)



Source: STOXX Limited



Source: STOXX Limited

(Top 5 domicile country and industry sector contribution to STOXX EUROPE 600 index in March; all performance figures in EUR)

- At country level, Germany held the top spot in the performance contribution league table, with Switzerland ranking second place.
- German firms showed a higher degree of satisfaction with their current business situation, also feeling more optimistic about future business developments. The euro's decline is a boon for German exports and one of the key factors driving international business within the manufacturing sector.
- In performance attribution terms, positive returns of the STOXX Europe 600 for March were sustained mostly by the financial sector. The healthcare sector was the runner-up.
- Oil and Gas (-0.26 %), which was outperformed by Utilities (-0.09 %), showed the worst performance of the month.

## Investment Outlook – 5 Key Developments To Consider, By Aureliano Gentilini, Head of Research, STOXX Ltd.

1. "We believe a case for a significant and swift **increase in interest rates in the US will materialize only in late 2015.**"
2. "**Europe continues to fly high on investors' radar**, driven by the ECB's asset-purchase program. Market participants appeared to shrug off the potential implications arising from the long standoff between Greece and European creditors."
3. "Financial **market volatility remains anchored to expectations about central banks' forward guidance** and any changes in the stance of monetary policy across key economies and regions."
4. "In the UK economy, **jittery about forthcoming elections took its toll on market sentiment** at the beginning of the second quarter despite robust macro readings. Early projections showed a hung parliament."
5. "Improved external demand for the ASEAN region's output should contribute to **sustaining an expected pickup in most members of ASEAN**, offsetting the gradual easing in the GDP pace of growth of China."

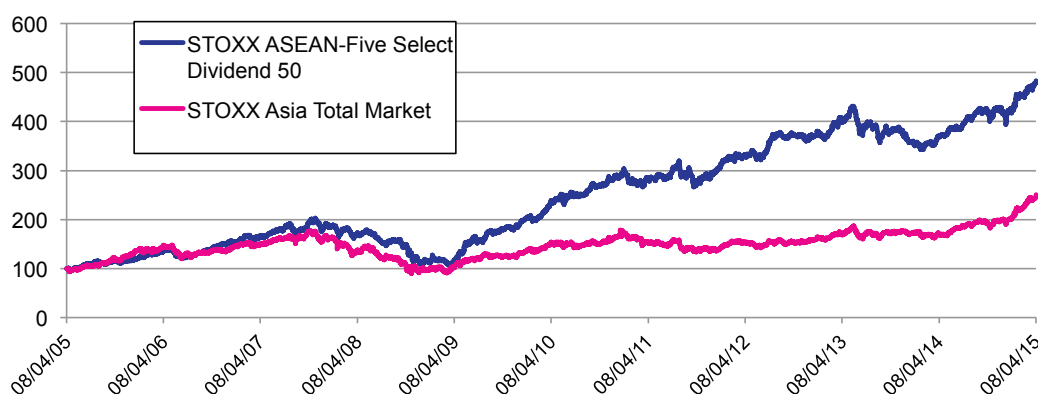
## Fact of the Month:

### 15 years of European Exchange Traded Funds

On Apr. 11, 2000, the two first European Exchange Traded Funds (ETFs) were launched. The ETFs were based on the European EURO STOXX 50 and STOXX Europe 50 indices. At the same time Deutsche Börse AG started its XTF segment for trading passive investment funds. The EURO STOXX 50 index is on the second place of underlyings for ETFs tradable on Xetra, measured by trading volumes in 2014. As of Feb. 28, US\$491 bn have been invested in European ETFs.

## Index of the Month – STOXX ASEAN-Five Select Dividend 50

### 10-yr Performance



Source: STOXX Limited

(10-year performance of STOXX ASEAN-Five Select Dividend 50 and STOXX Asia Total Market as of Apr. 8, 2015; all performance figures are indexed and in EUR)

- The STOXX ASEAN-Five Select Dividend 50 Index is the first dividend concept covering the ASEAN region. The index offers investors the ideal tool to track high dividend-yielding companies from Indonesia, Malaysia, the Philippines, Singapore and Thailand.
- These five countries offer a good mix of the know-how of a developed country (Singapore) with the competitive costs, abundant resources and labor of the less-developed countries.
- The index is derived from the STOXX Asia Total Market Index. Only companies from Indonesia, Malaysia, Philippines, Singapore and Thailand are selected. To be included in the index, a company must have a minimum three-month average daily trading volume of 1.5 million US dollars. Stocks with a payout ratio higher than 80% and stocks of real estate investment trusts are excluded. All remaining stocks are ranked by their twelve-month historical dividend yield and the top 50 stocks are selected. A cap of 15 companies per country prevents any one country from dominating the index.
- The STOXX ASEAN-Five Select Dividend 50 Index achieved a dividend yield of 4.6% for the last 12 month as of Feb. 27, 2015, i.e. dividend returns more than two times higher than the STOXX Asia Total Market, while decreasing price/earnings ratio by 40 bps and remaining at the same level of volatility. Its annualized return over the last five years is at 16.9% while the total market achieved 10.3%.

Further information: [www.stoxx.com/news/research/articles.html](http://www.stoxx.com/news/research/articles.html)

## Meet us

- European ETF Awards – London, UK, April 16
- CFA Annual Conference – Frankfurt, Germany, April 26-29
- Salon PPS, Lausanne, Switzerland, April 29-30
- Global ETF Awards, New York, USA, April 30

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