

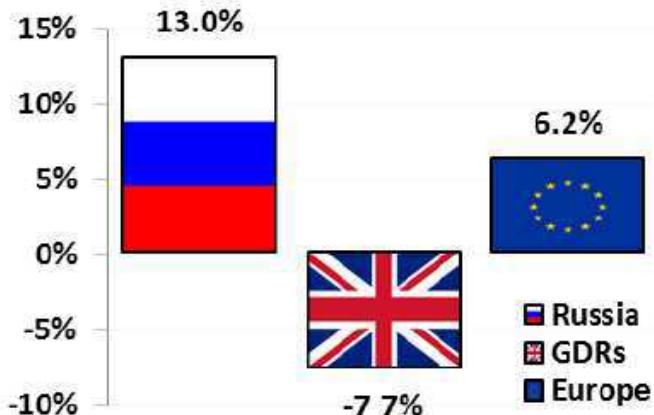
January 2014 Trends

Russia Restructures Equity Trading: The move to T+2 settlement may have contributed to increased volumes on the Moscow Exchange (MOEX). In the 5 months since it was introduced, average daily turnover (ADT) on MOEX has increased by 13.0% versus the average from January to September 2013 (see chart right). See [Russia Restructures Equity Trading](#) for further details.

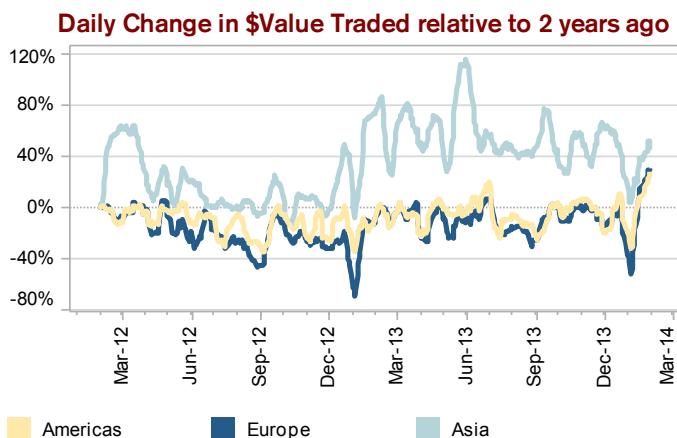
Europe Volumes Up Sharply: ADT in Europe was \$50bn in January, which is 33.6% higher than January 2013 and 25% higher than last year's average (see chart below). The US is also off to a good start at +26% relative to the 2013 average and +19% relative to January 2013. Asia, on the other hand, is 11% down versus 2013 and 15% down versus January 2013.

Increased Volumes Across the Board: The increased ADT in Europe is not confined to a particular sector or size segment. Financial (+33.9%), Cyclical (+24.2%), Defensive (+21.5%) and Beta (+17.1%) stocks have all experienced a significant pick-up in activity (see p. 2). Mid-caps (+34.5%) and Small Caps (+29.4%) have led the way over Large Caps (+23.2%), albeit from a much lower base.

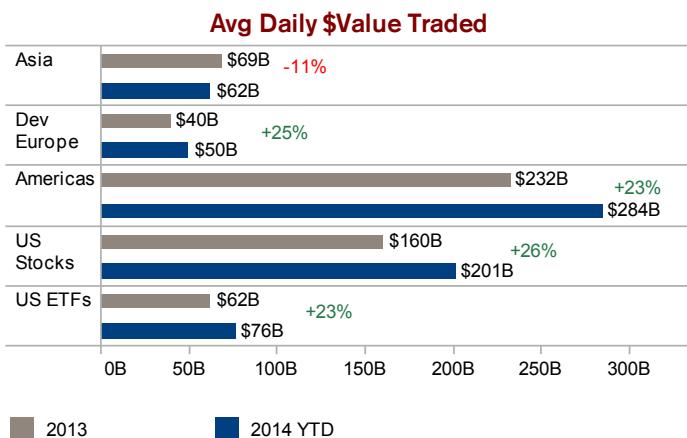
It's Not Just Emerging Markets under Pressure: Year to date, Emerging Markets have underperformed Developed Markets by around 2.8%. While all Developed Markets registered positive returns in 2013, only 7 out of 23 managed to do so in 2014 (see p. 9).

Relative Value Traded Since Introduction of T+2 Settlement


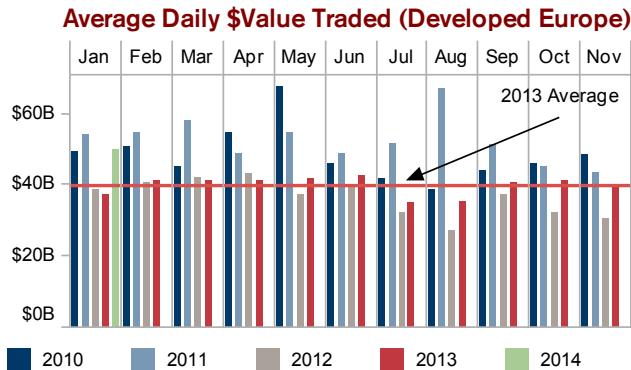
Source: Credit Suisse Trading Strategy

Regional Comparisons


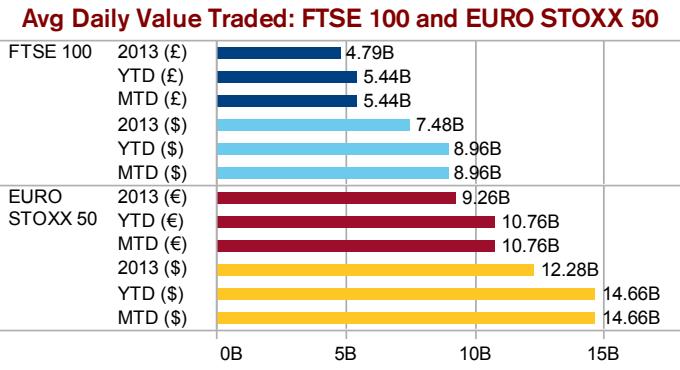
Source: Credit Suisse Trading Strategy



Source: Credit Suisse Trading Strategy



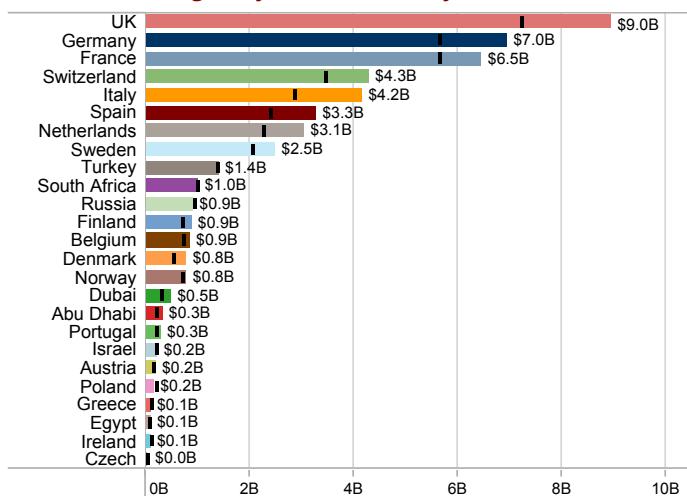
Source: Credit Suisse Trading Strategy



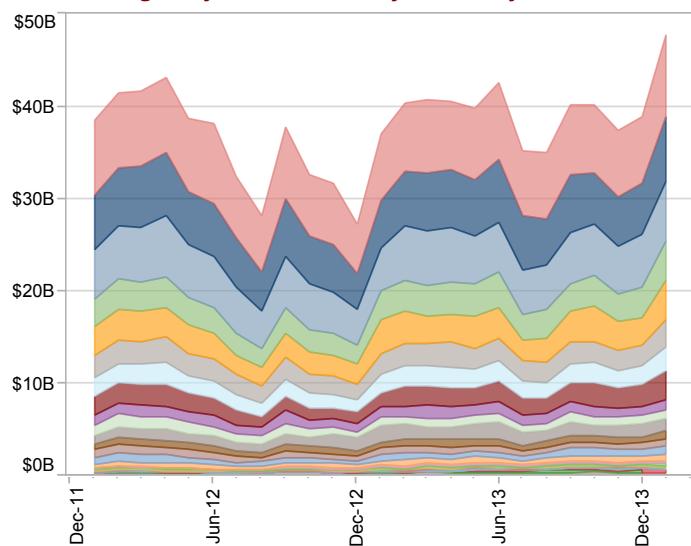
Source: Credit Suisse Trading Strategy

Average Daily Turnover Trends

Avg Daily Value Traded by Market



Avg Daily Value Traded by Market by Month

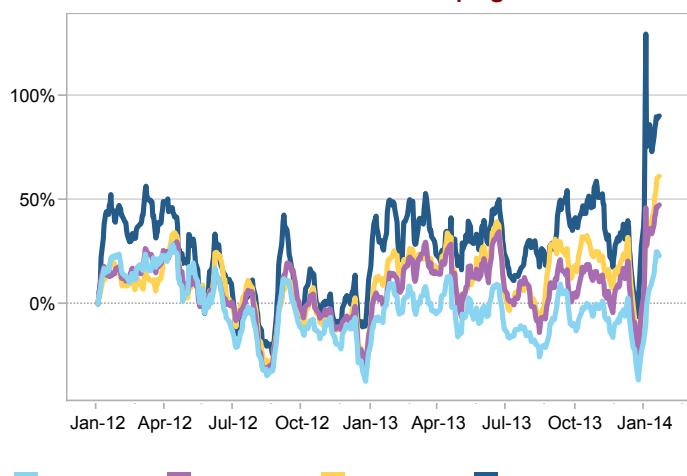


*Black lines show the avg daily value traded for the previous month.

Source: Credit Suisse Trading Strategy, 31 Jan 14

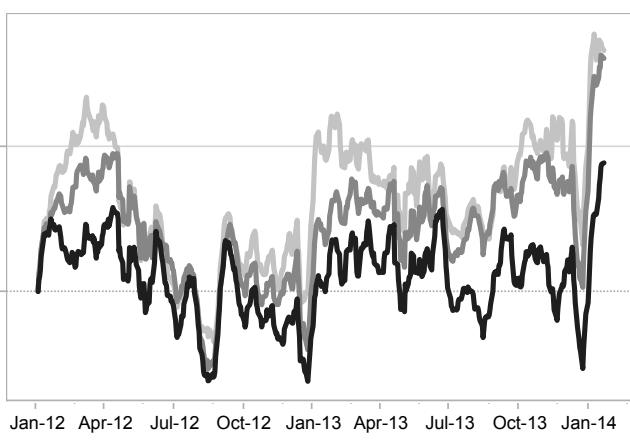
Source: Credit Suisse Trading Strategy, 31 Jan 14

STOXX 600 Sector Groupings



Beta Cyclicals Defensives Financials

STOXX 600 Size Indices

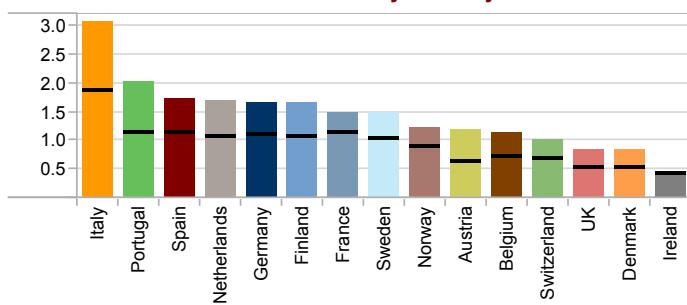


Source: Credit Suisse Trading Strategy, 31 Jan 14

Source: Credit Suisse Trading Strategy, 31 Jan 14

Annualised Ratio of Turnover to Free Float Market Cap

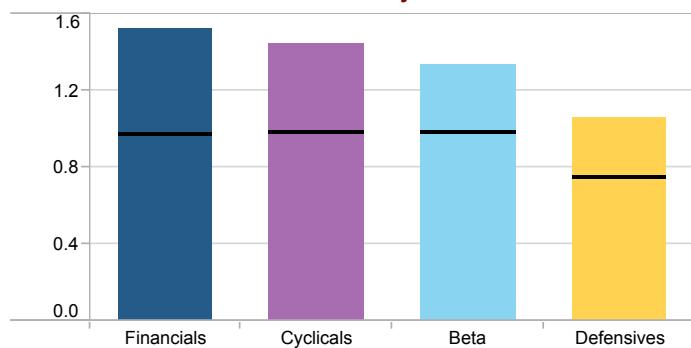
Turnover Ratio by Country



*Black lines show the turnover ratio for the previous month.

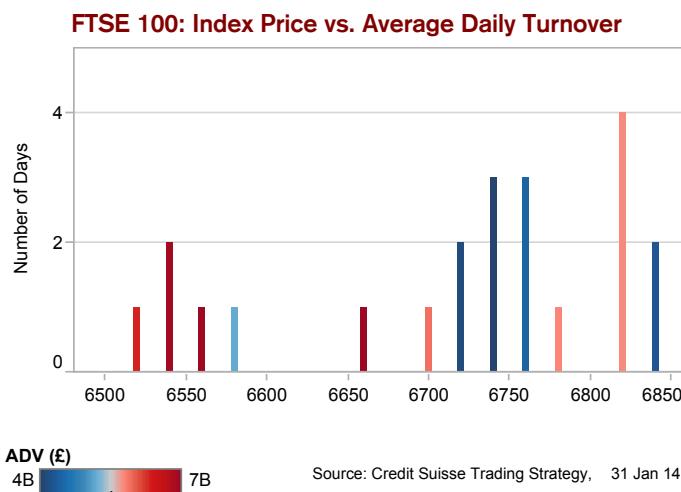
Source: Credit Suisse Trading Strategy, 31 Jan 14

Turnover Ratio by Sector



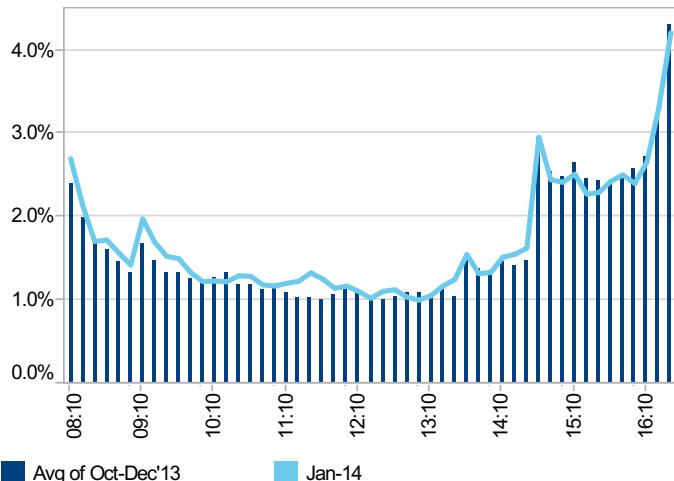
Source: Credit Suisse Trading Strategy, 31 Jan 14

Index Price vs Turnover (YTD)



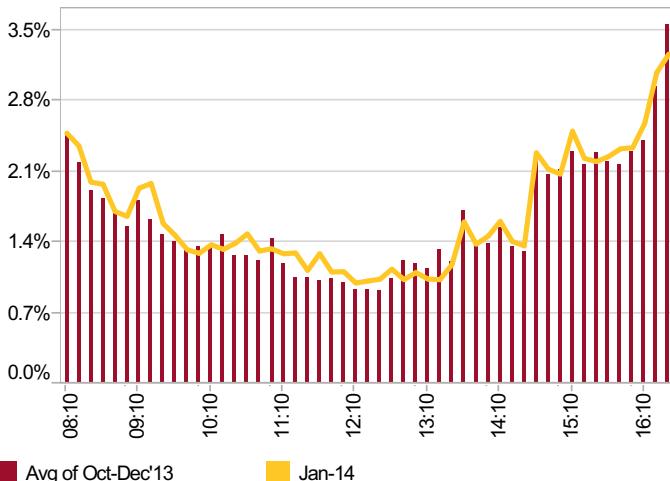
Intra-Day Volumes

Avg Intraday Volume FTSE 100 (ex Auctions)



Source: Credit Suisse AES® Analysis

Avg Intraday Volume EURO STOXX 50 (ex Auctions)



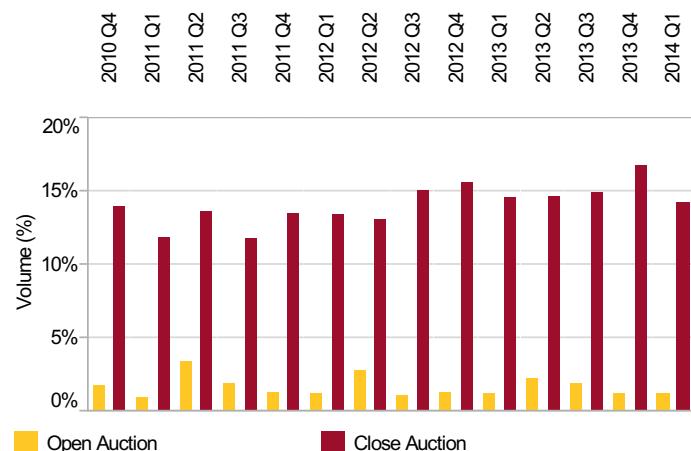
Source: Credit Suisse AES® Analysis

Average Auction Volume FTSE 100



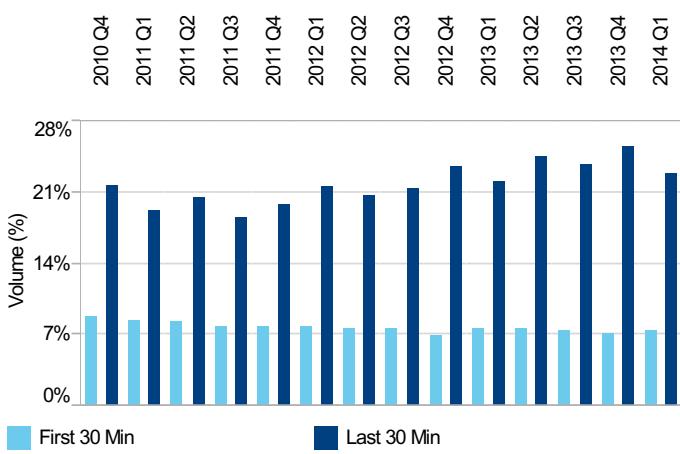
Source: Credit Suisse AES® Analysis

Average Auction Volume EURO STOXX 50



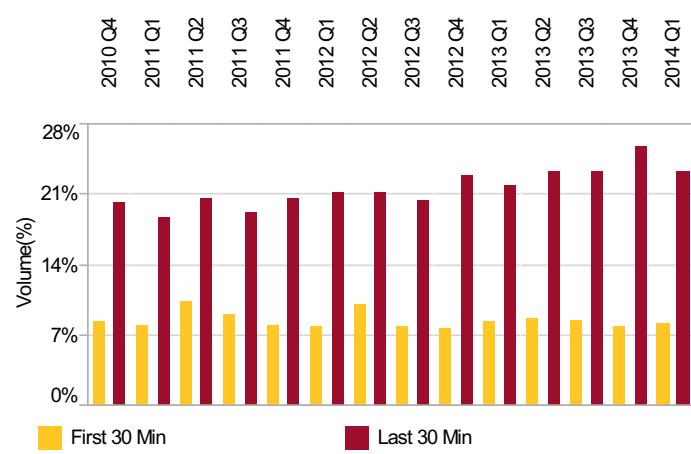
Source: Credit Suisse AES® Analysis

%ADV in First/Last 30min FTSE 100



Source: Credit Suisse AES® Analysis

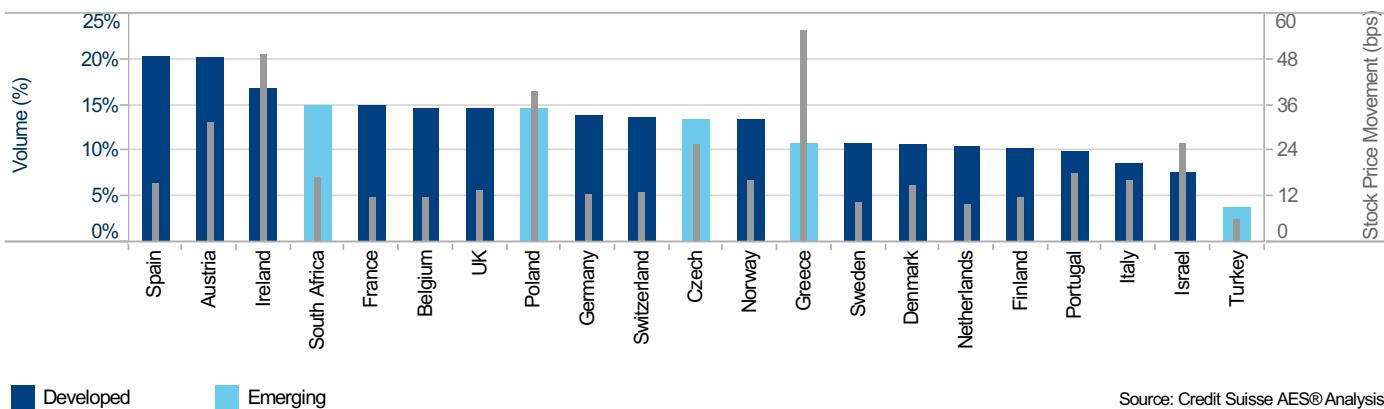
%ADV in First/Last 30min EURO STOXX 50



Source: Credit Suisse AES® Analysis

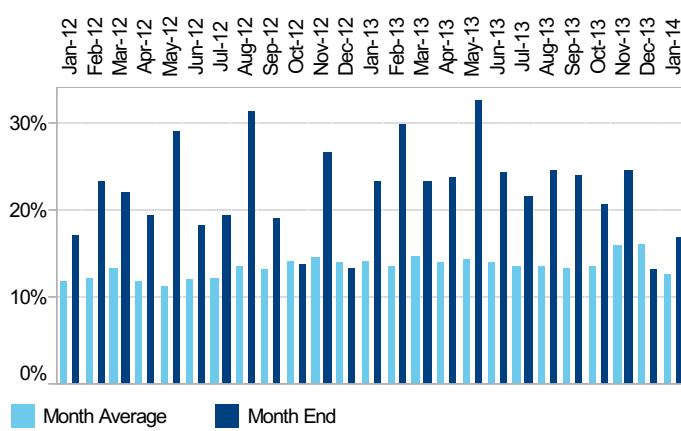
Market-on-Close

Close Auction Volume vs Stock Price Movement*

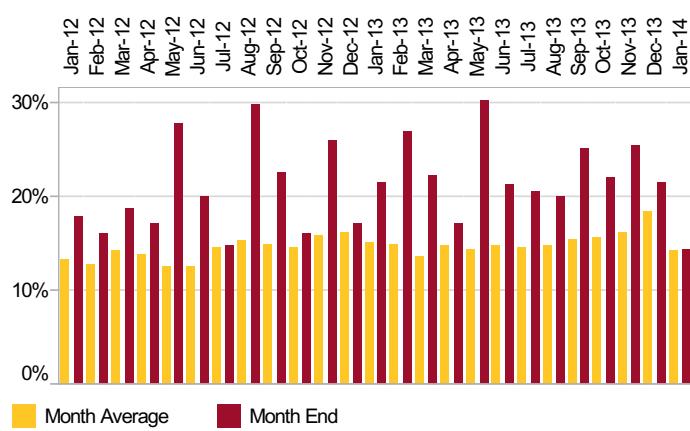


*For each stock we calculate the absolute difference between the official closing price and the last price from continuous trading. Each stock is weighted according to its index weighting.

Month End Closing Auction Volume FTSE 100



Month End Closing Auction Volume EURO STOXX 50

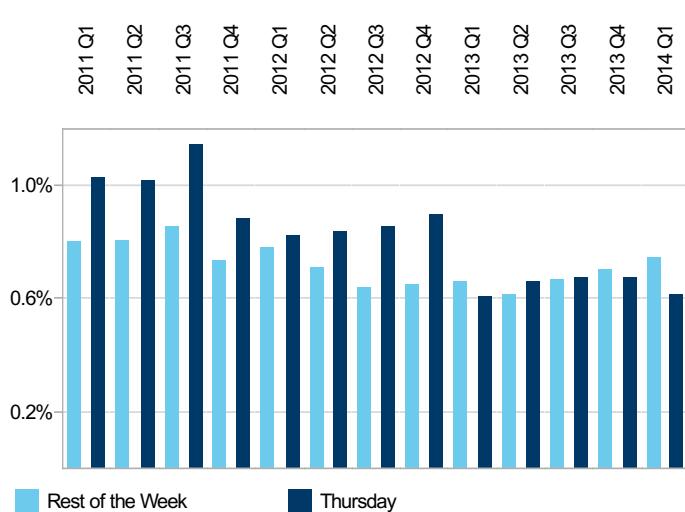


Source: Credit Suisse AES® Analysis

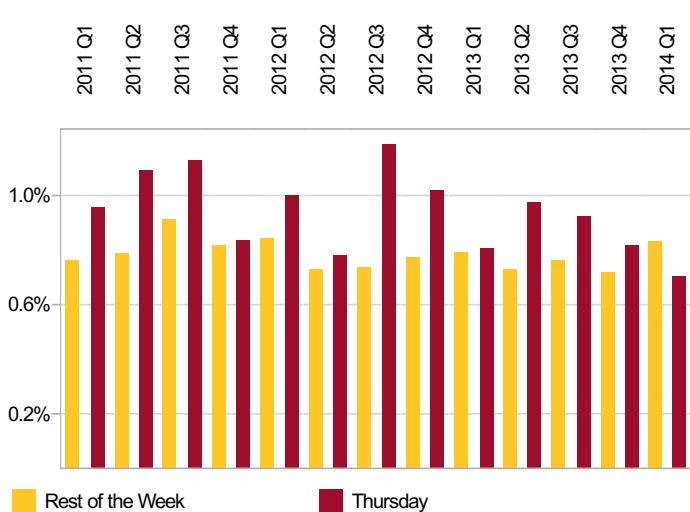
Source: Credit Suisse AES® Analysis

Market Volumes following Economic Releases

FTSE 100: % ADV from 13:30 - 13:35



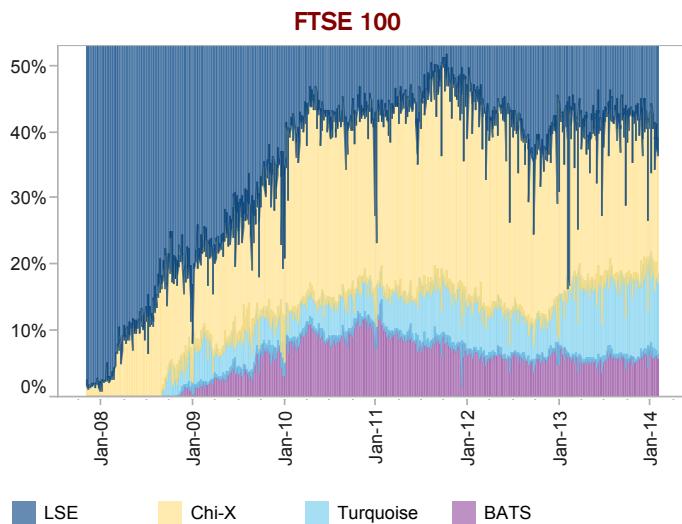
EURO STOXX 50: % ADV from 13:30 - 13:35



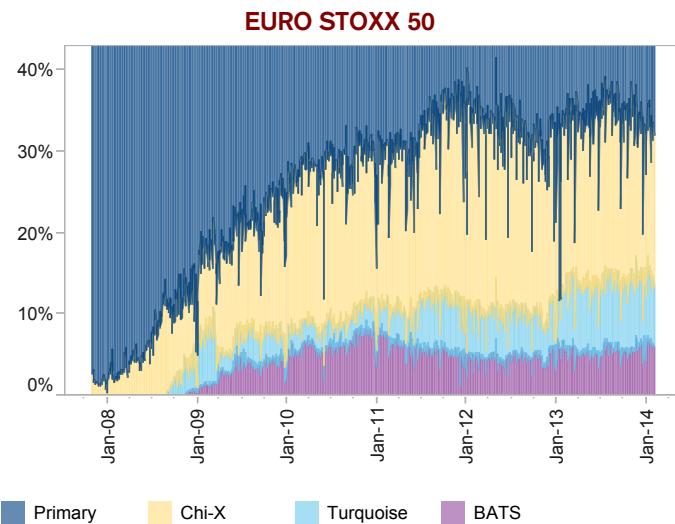
Source: Credit Suisse AES® Analysis

Source: Credit Suisse AES® Analysis

MTF Market Share Breakdown

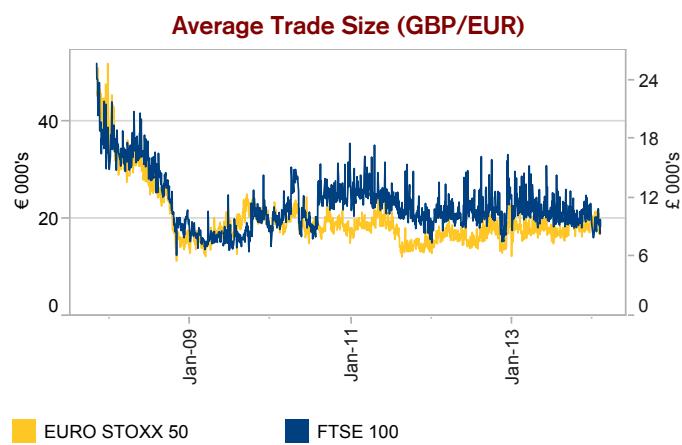


Source: Credit Suisse AES® Analysis, BATS

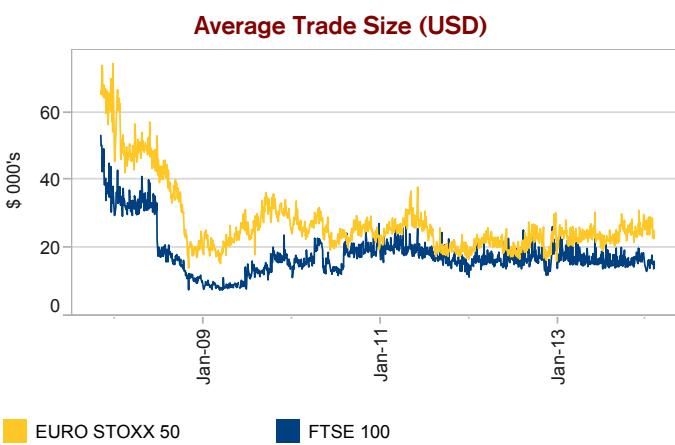


Source: Credit Suisse AES® Analysis, BATS

Trade Size

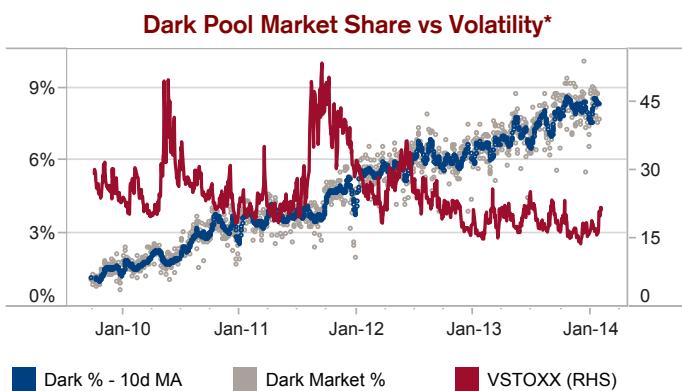


Source: Credit Suisse AES® Analysis



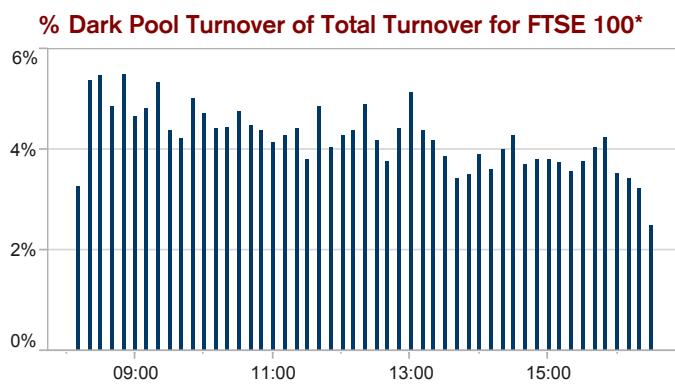
Source: Credit Suisse AES® Analysis

Dark Pools



*Dark Market Share includes volumes from MTF dark pools and Credit Suisse Crossfinder

Source: Credit Suisse AES® Analysis, BATS

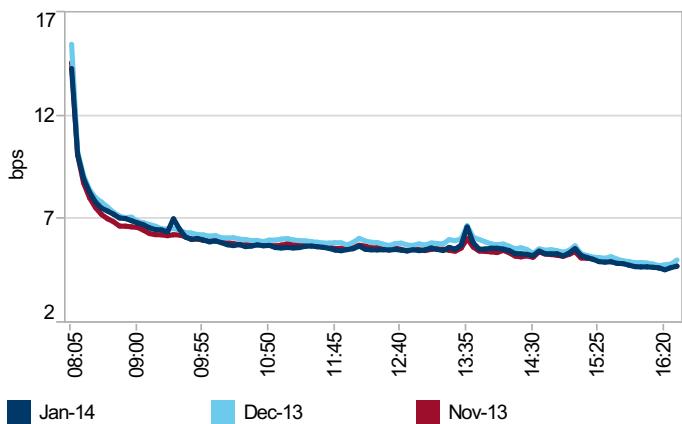


*Dark Pool Turnover includes Chi-X, BATS and Turquoise dark pools and total turnover includes LSE, Chi-X, BATS and Turquoise lit + dark.

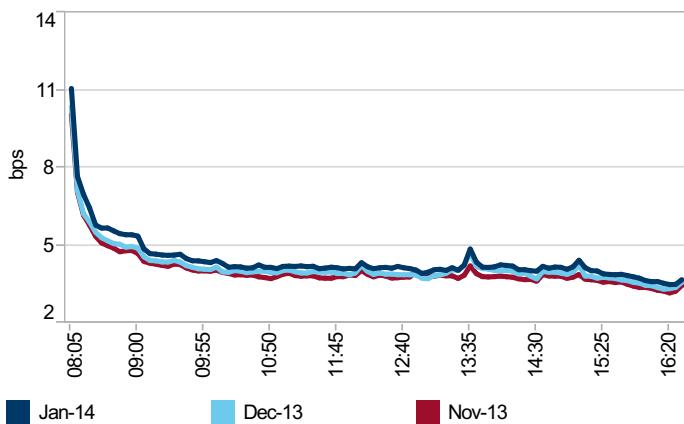
Source: Credit Suisse AES® Analysis

Intraday Bid-Ask Spreads

FTSE 100



EURO STOXX 50

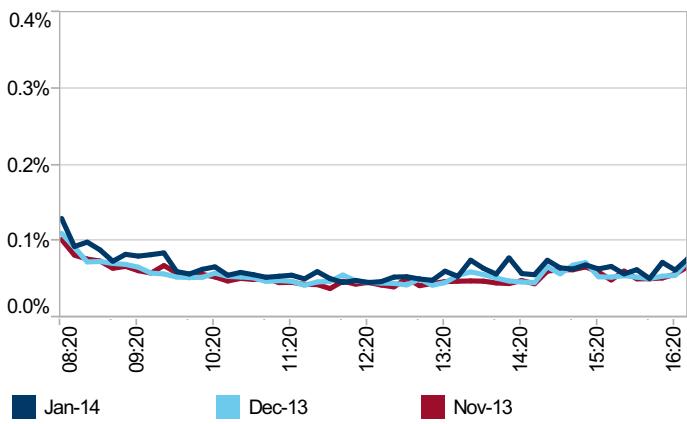


Source: Credit Suisse AES® Analysis

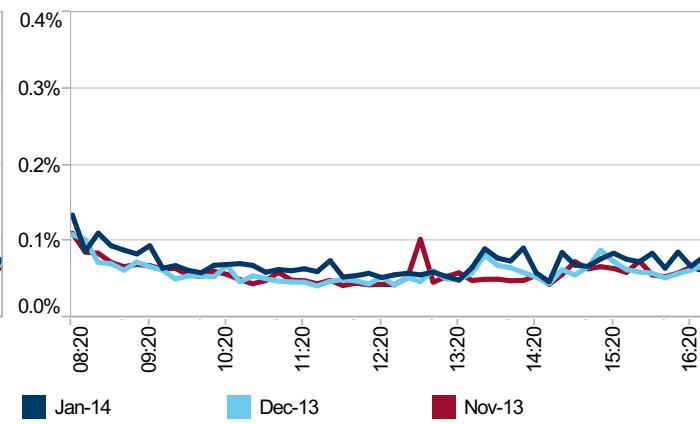
Source: Credit Suisse AES® Analysis

Intraday Volatility

FTSE 100



EURO STOXX 50



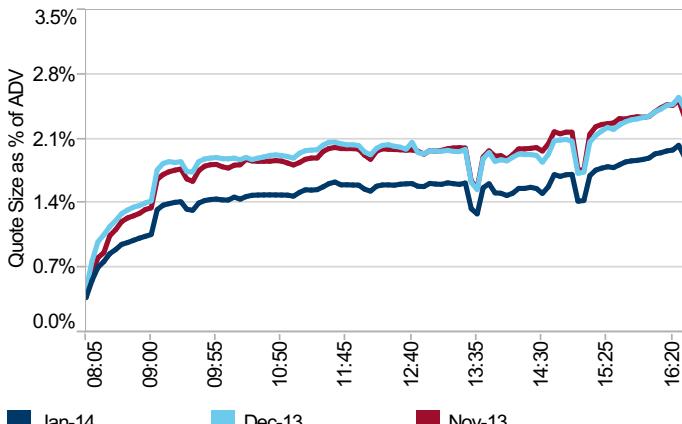
Source: Credit Suisse AES® Analysis

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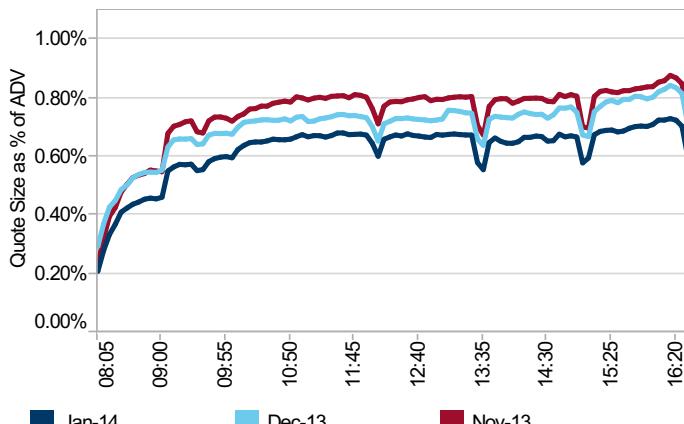
Intraday Order Book Depth*

*Quote size is calculated using the first 5 levels of the order book.

FTSE 100



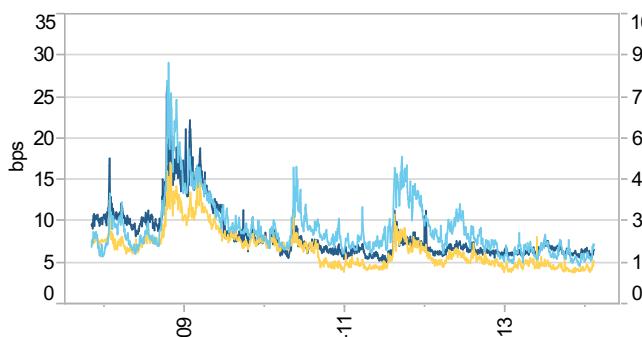
EURO STOXX 50



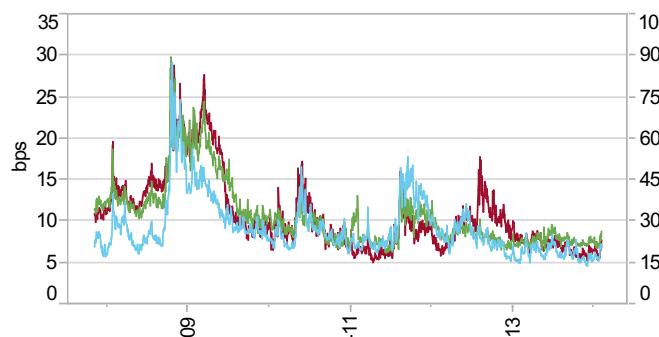
Source: Credit Suisse AES® Analysis

Source: Credit Suisse AES® Analysis

Average Spreads Vs Volatility



EURO STOXX 50 FTSE 100 VSTOXX(RHS)



STOXX 600 IBEX 35 VSTOXX(RHS)

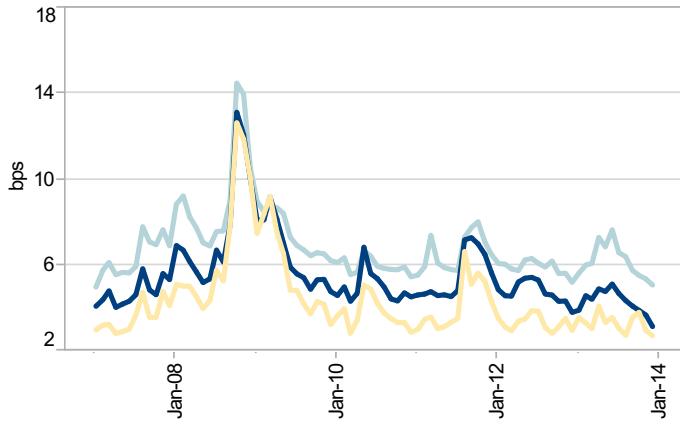
Source: Credit Suisse AES® Analysis

Source: Credit Suisse AES® Analysis

Estimated Market Impact*

*Market impact estimates are based on the Credit Suisse EDGE pre-trade model and assume a trade size of 1% ADV & a participation rate of 10%.

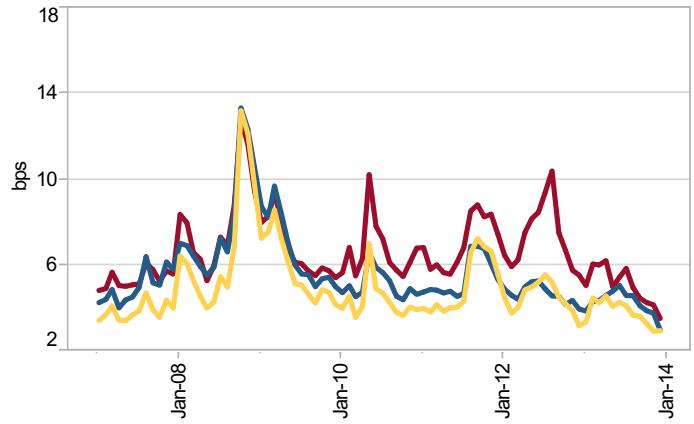
Global



S&P 500 MSCI Europe MSCI Asia Pacific

Source: Credit Suisse Trading Strategy

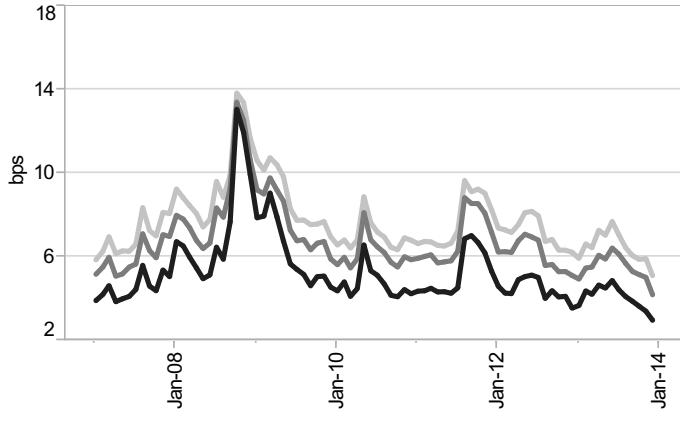
European Blue-chip Indices



EURO STOXX 50 FTSE 100 IBEX 35

Source: Credit Suisse Trading Strategy

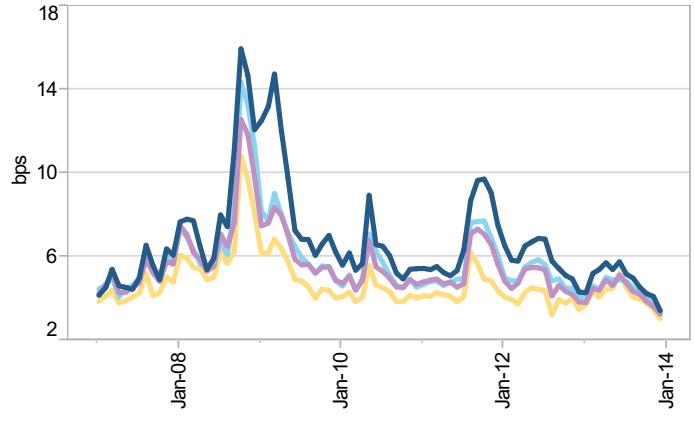
STOXX 600 Size Indices



STOXX Large Cap STOXX Mid Cap STOXX Small Cap

Source: Credit Suisse Trading Strategy

STOXX 600 Sector Groupings

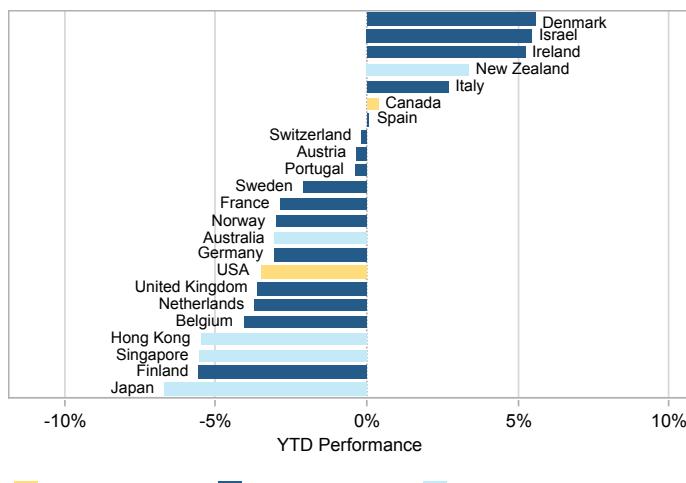


Financials Cyclical Beta Defensives

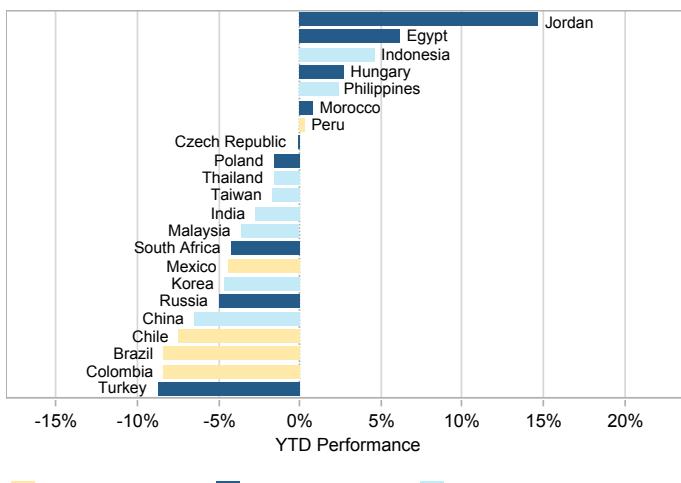
Source: Credit Suisse Trading Strategy

Performance

MSCI Developed Markets [Local]



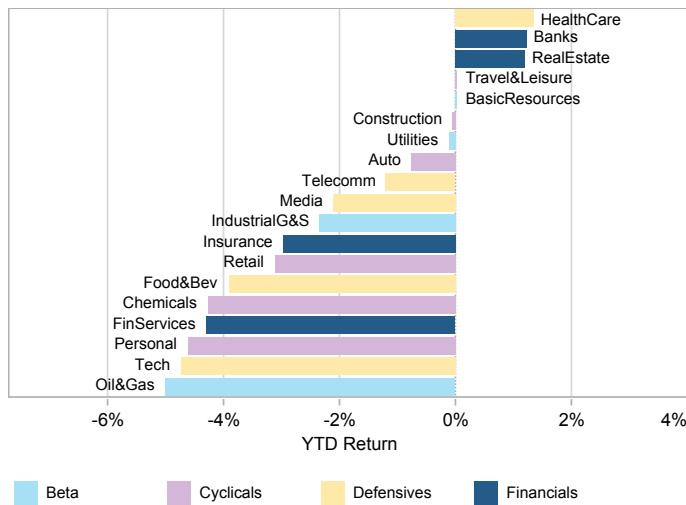
MSCI Emerging Markets [Local]



Source: Credit Suisse Trading Strategy, 31 Jan 14

Source: Credit Suisse Trading Strategy, 31 Jan 14

STOXX 600 Industry Groups - YTD



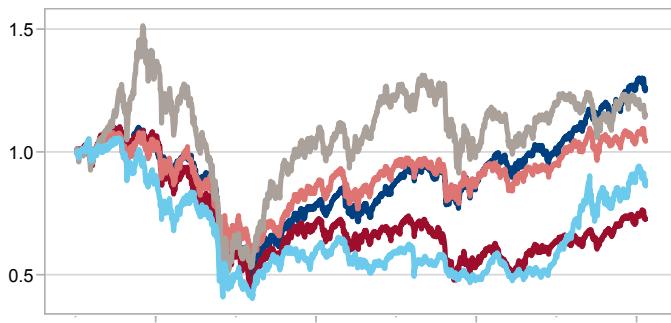
Source: Credit Suisse Trading Strategy, 31 Jan 14

STOXX 600 Industry Groups

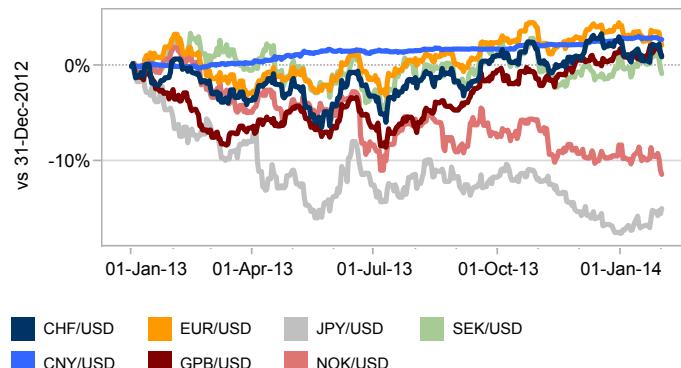
Label	YTD Return	1M Return	3M Return	5D Return
HealthCare (SXDP)	1.4%	1.4%	4.0%	0.6%
Bank (SX7P)	1.3%	1.3%	1.7%	-0.4%
RealEstate (SX86P)	1.2%	1.2%	0.3%	-0.3%
Travel&Leisure (SXTP)	0.0%	0.0%	8.3%	-0.6%
BasicResource (SXPP)	0.0%	0.0%	-1.2%	1.9%
Construction (SXOP)	-0.1%	-0.1%	1.9%	-0.2%
Utilities (SX6P)	-0.1%	-0.1%	-0.6%	-0.1%
Auto (SXAP)	-0.7%	-0.7%	3.7%	-0.9%
Telecomm (SXKP)	-1.2%	-1.2%	0.4%	-1.3%
Media (SXMP)	-2.1%	-2.1%	1.3%	0.6%
Industrial (SXNP)	-2.3%	-2.3%	0.8%	-0.7%
Insurance (SXIP)	-3.0%	-3.0%	1.5%	-0.1%
Retail (SXRP)	-3.1%	-3.1%	-4.3%	-0.9%
Food&Bev (SX3P)	-3.9%	-3.9%	-3.8%	-3.1%
Chemicals (SX4P)	-4.3%	-4.3%	0.5%	-0.7%
FinServices (SXFP)	-4.3%	-4.3%	1.6%	-0.2%
Personal (SXQP)	-4.6%	-4.6%	-4.8%	-1.1%
Tech (SX8P)	-4.7%	-4.7%	-0.4%	0.7%
Oil&Gas (SXEP)	-5.0%	-5.0%	-5.6%	-3.3%

Source: Credit Suisse Trading Strategy, 31 Jan 14

Global Index Performance

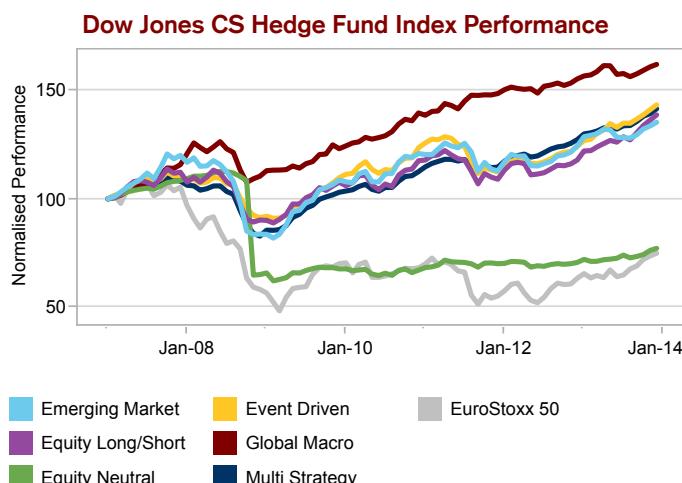


FX Performance* - YTD



*Relative USD value change of 1 unit of the named currency.

Hedge Fund Performance and Flow



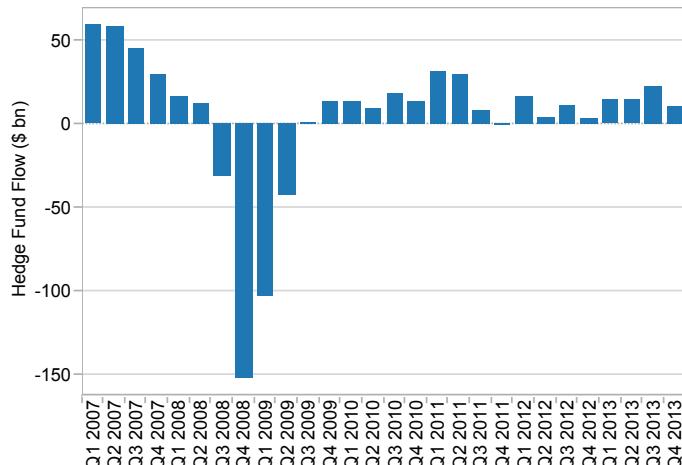
Source: Credit Suisse Trading Strategy, 31 Jan 14

Dow Jones CS Hedge Fund Index Performance

Fund	1M Ret	3M Ret	2013 Ret	2012 Ret	2011 Ret
Equity Long/Short	6.32%	1.80%	17.74%	8.21%	-7.31%
Equity Neutral	5.13%	1.30%	9.27%	0.85%	4.49%
Event Driven	4.81%	1.61%	15.47%	10.63%	-9.09%
Emerging Market	4.44%	1.28%	8.81%	10.28%	-6.68%
Multi Strategy	4.33%	1.63%	11.23%	11.19%	1.83%
Global Macro	2.78%	0.71%	4.32%	4.58%	6.44%

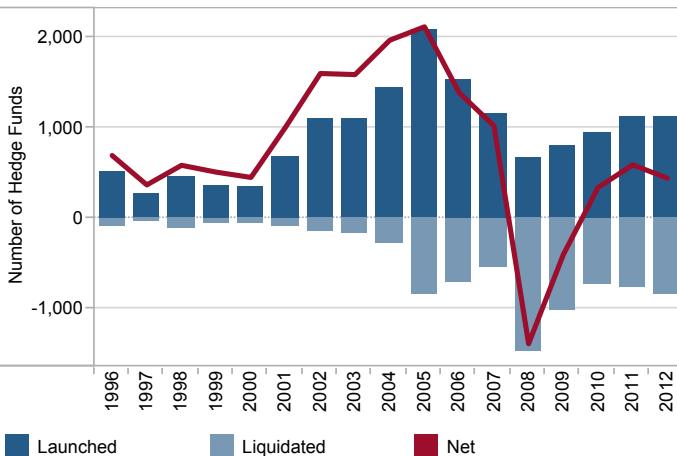
Source: Credit Suisse Trading Strategy, 31 Jan 14

Global Hedge Fund Flows



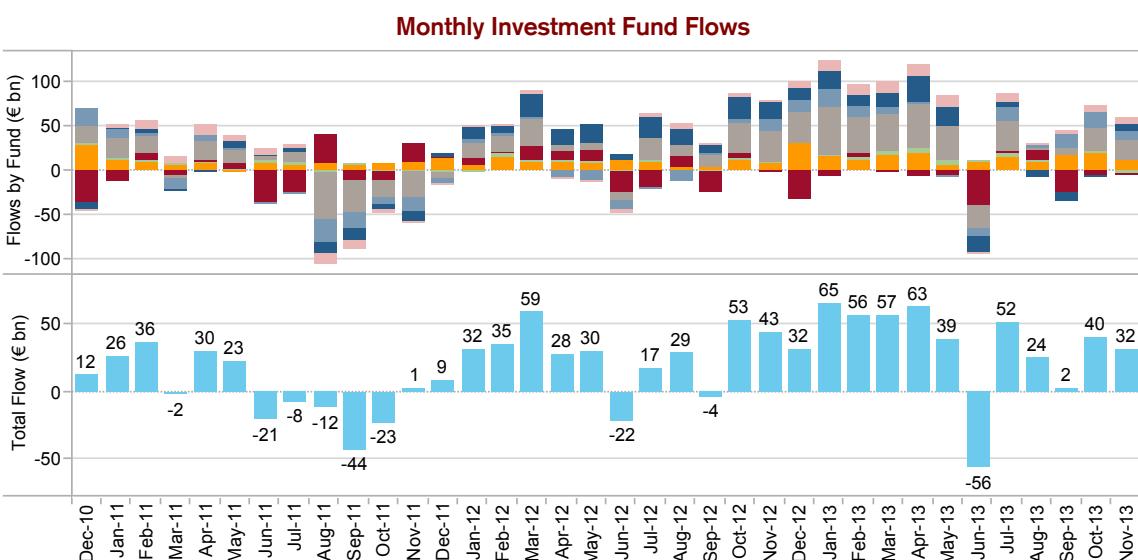
Source: Credit Suisse Trading Strategy, 31 Jan 14

Number of Global Hedge Funds Launched and Liquidated



Source: Credit Suisse Trading Strategy, 31 Jan 14

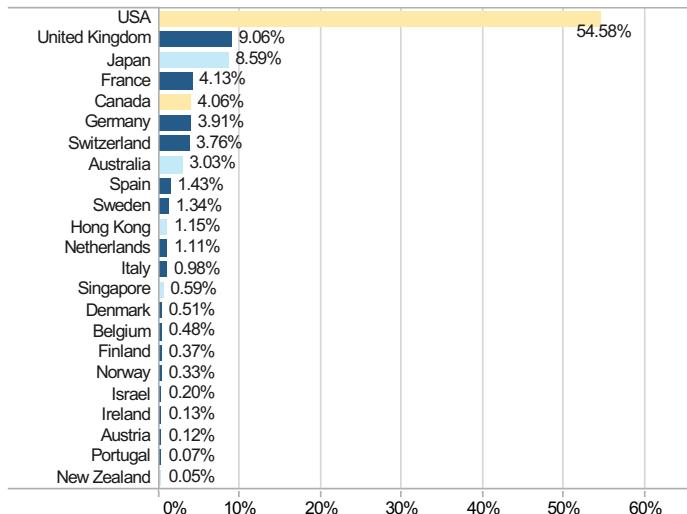
European Investment Fund Flows



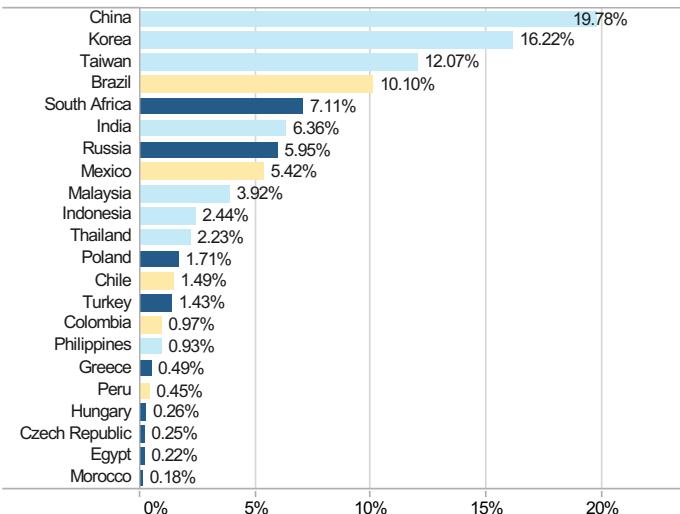
Source: EFAMA, 31 Jan 14

Benchmark Weightings

MSCI World Index by Country



MSCI EM Index by Country



■ Asia Pacific

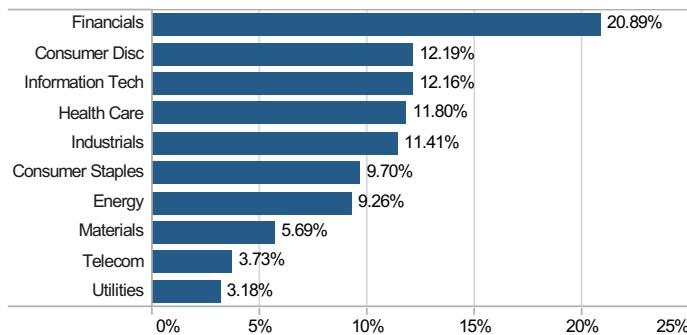
■ EMEA

■ Americas

Source: Credit Suisse Trading Strategy, 31 Jan 2014

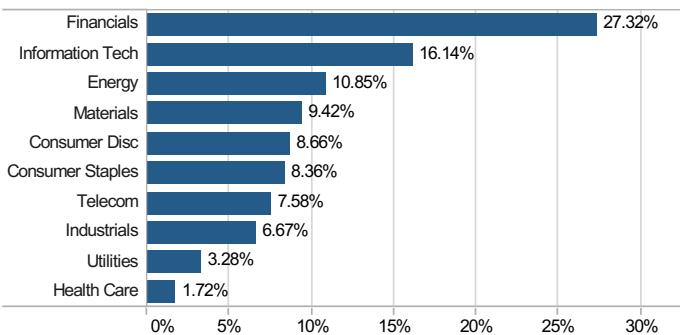
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI World Index by Sector



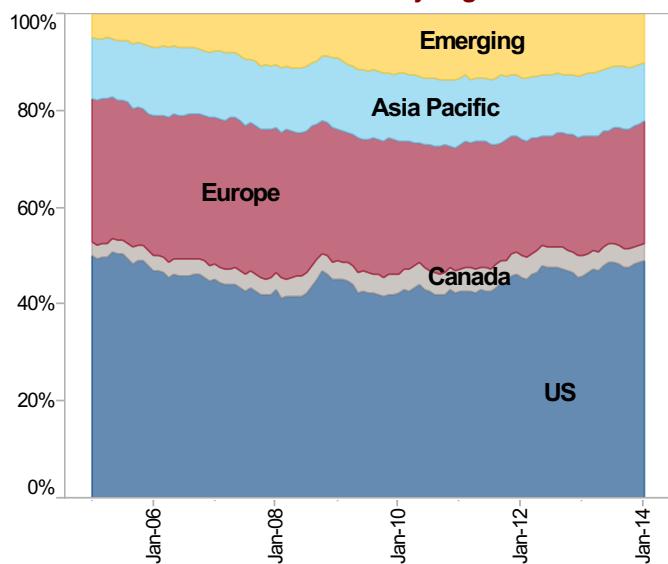
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI EM Index by Sector



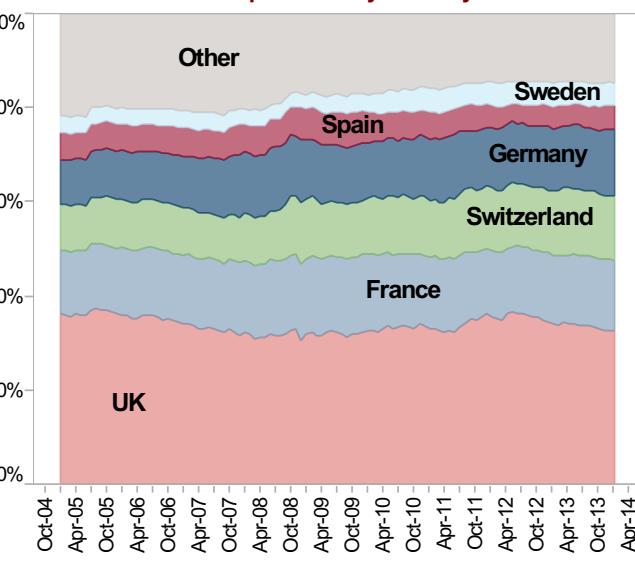
Source: Credit Suisse Trading Strategy, 31 Jan 2014

MSCI AC World Index by Region



Source: Credit Suisse AES® Analysis

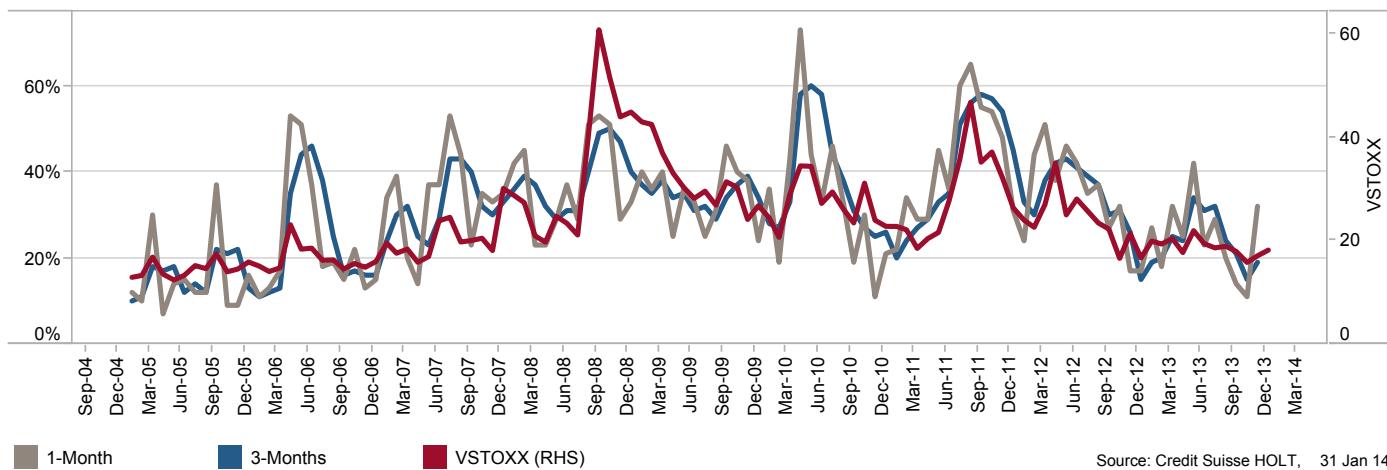
MSCI Europe Index by Country



Source: Credit Suisse AES® Analysis

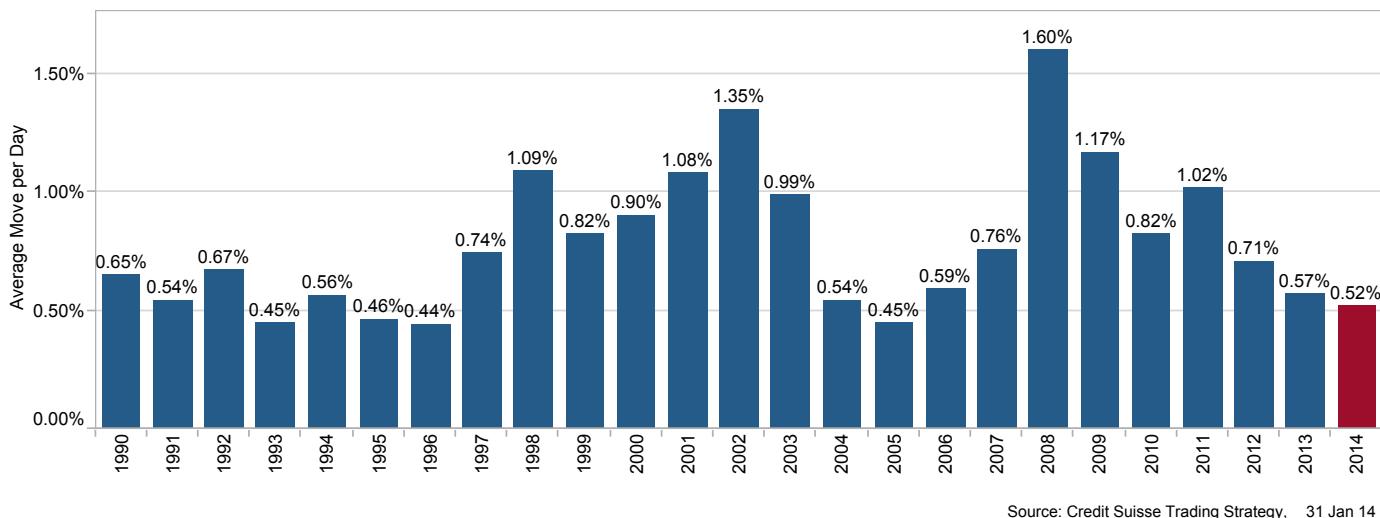
Correlation

Europe Long-Term Realised Correlation Trends



Average Absolute Market Move

Average Close-to-Close Move for STOXX 600



Fear Barometer

The Credit Suisse Fear Barometer is designed to measure investor fear. It uses an options strategy (zero-cost collar) to measure the willingness of investors to secure downside protection in exchange for giving up upside returns.

Credit Suisse Fear Barometer



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