CEIC & EPFR Data: Connecting macro and micro insights to help you thrive in emerging and developed markets.

THIS CHART PACK CONTAINS 19 VISUALISATIONS

>30 years curating the most complete and authoritative global intelligence offering

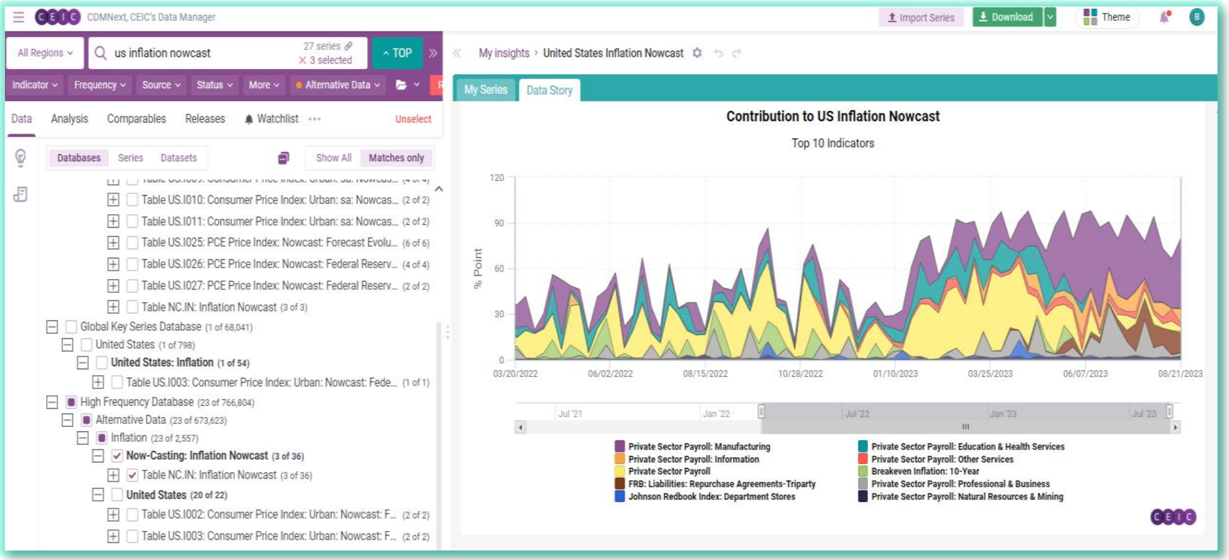
CEIC: Critical insight on the economic position and outlook for global markets including EM

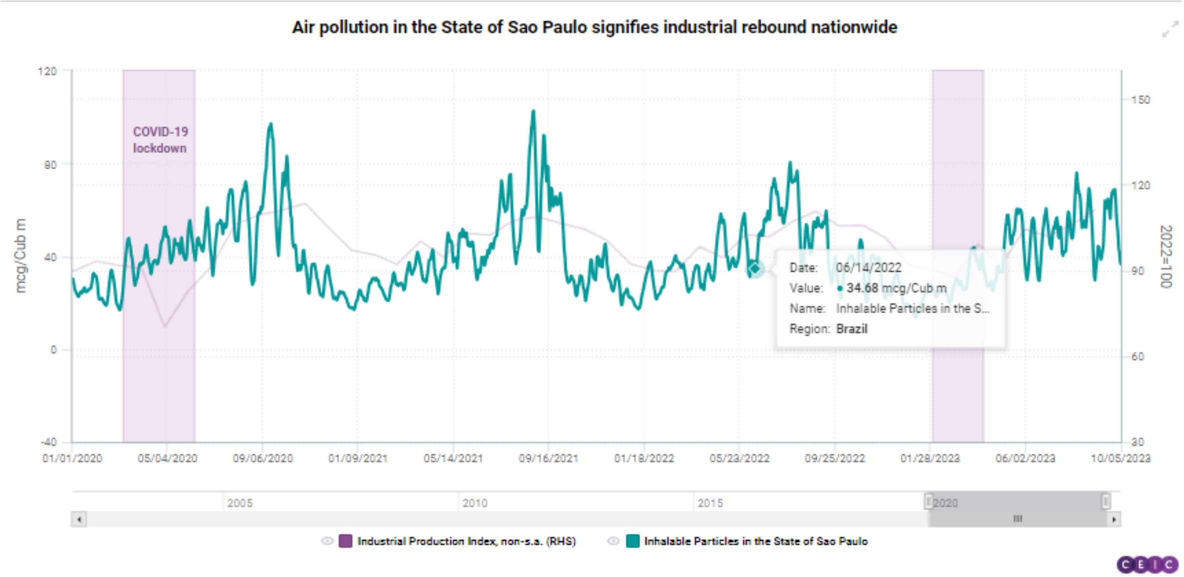
EPFR: Unparalleled view on investor and fund manager sentiment across global markets

EMIS: Curating the best industry and company research, data and news for emerging markets

REDD: Providing alpha generating intelligence on High Yield, special sits and distressed debt

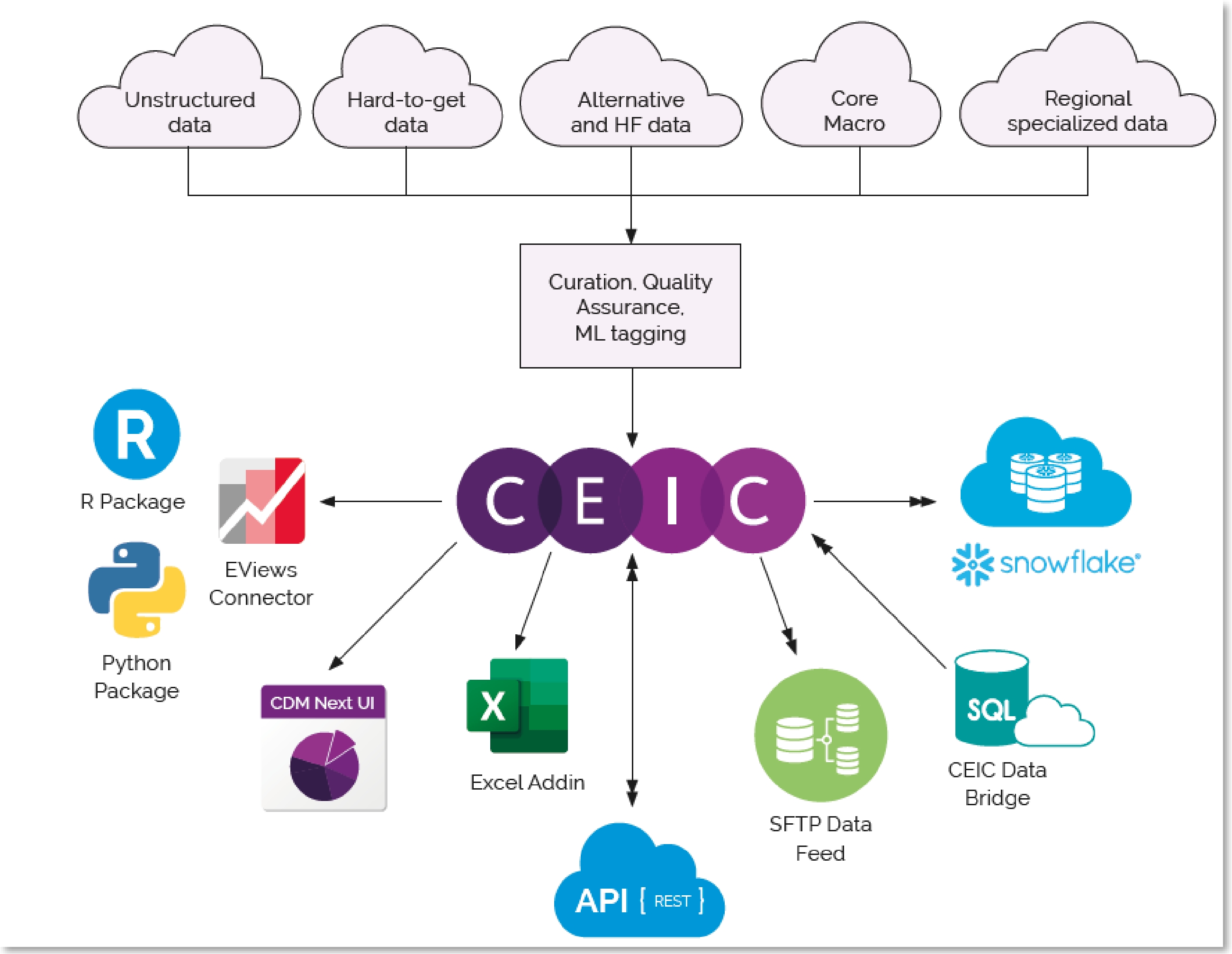
CEIC: Providing valuable and immediate insight into economic developments through high quality data and analytical tools





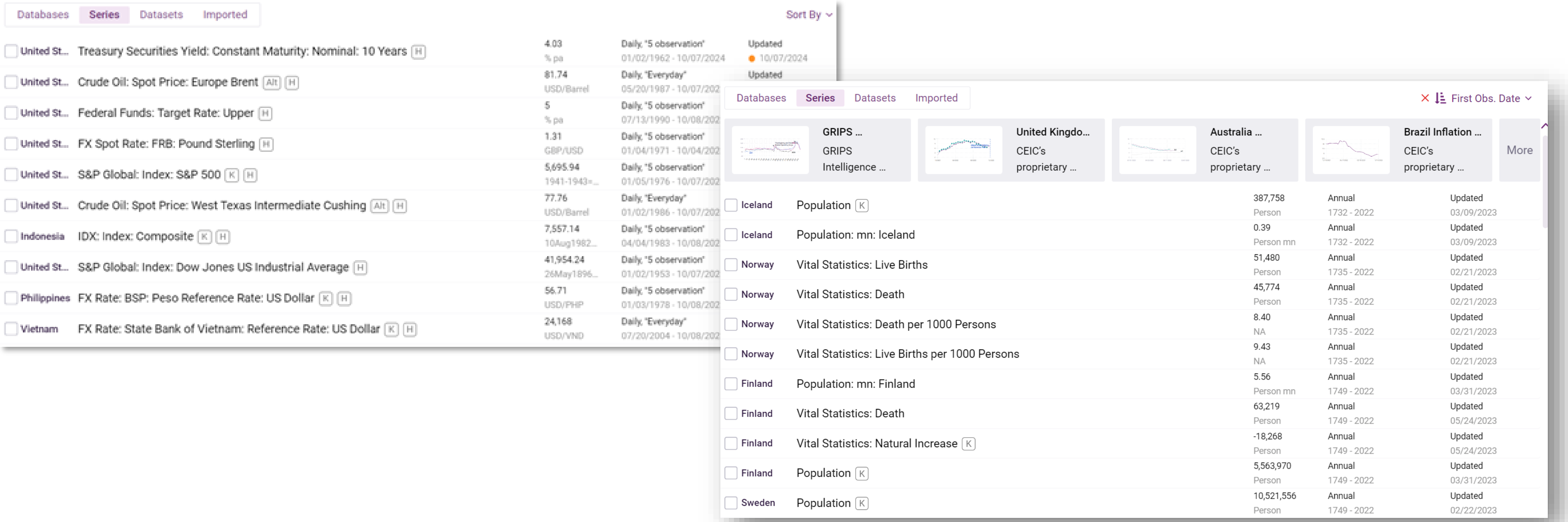
- Traditional and alternative / high frequency data sets = unique source of alpha gen.
- Provides insight into EM and DM economic performance and outlook.
- Available via API and desktop UI.
- Easy charting & visualisation of insights.
- Drag and drop data into analytical environment.

At the heart of your data workflow



- CEIC's API allows users to get the latest data fed directly into their systems, models or reports, regardless of the tools or platforms they use to perform their data analysis with these key features:
  - Timely data updates with options to deliver feed files at different frequencies, from hourly to weekly.
  - Flexible content refinement: users can choose content not just from a series list, but also using detailed search criteria.
  - No user maintenance – the process of series information collection and delivery is entirely handled on CEIC's side.

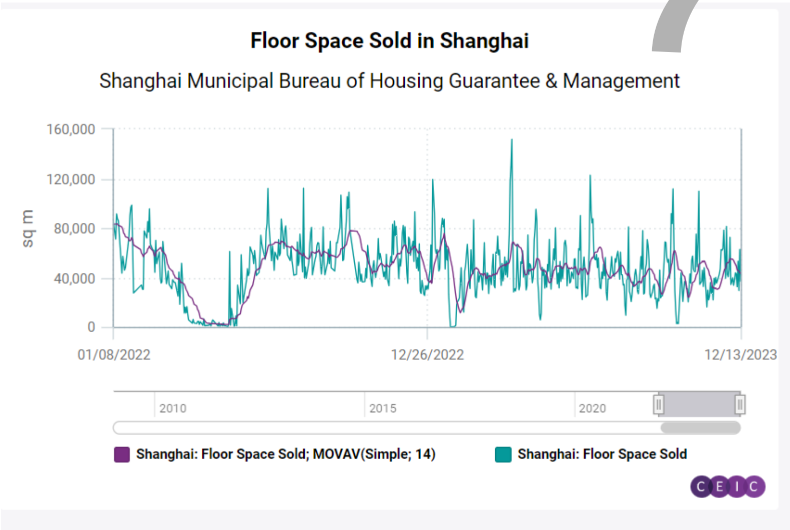
Long historical time series data for modelling

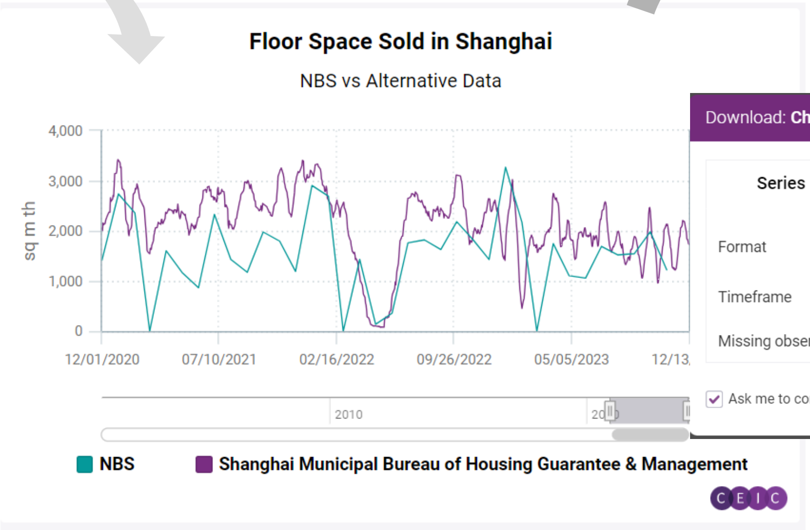


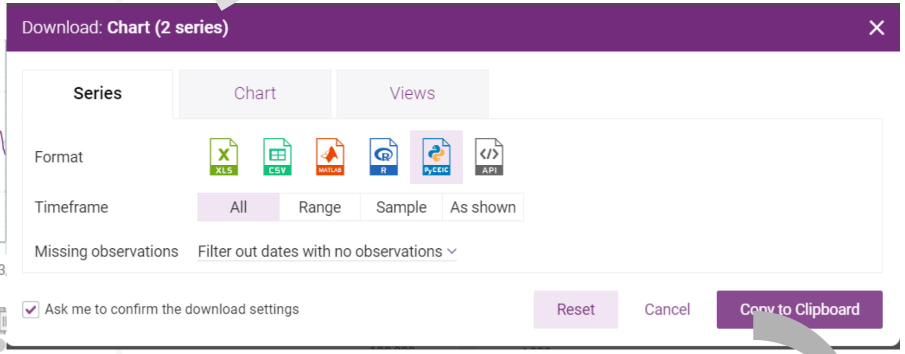
- At CEIC, we know how important long enough time series are for the modelling and provide historical data going way back and reconstructed time series to account for methodology changes.

Hypothesis testing & modelling

- From raw data to ready to use model features within minutes…
- …Copy ready to use commands in your working environment.





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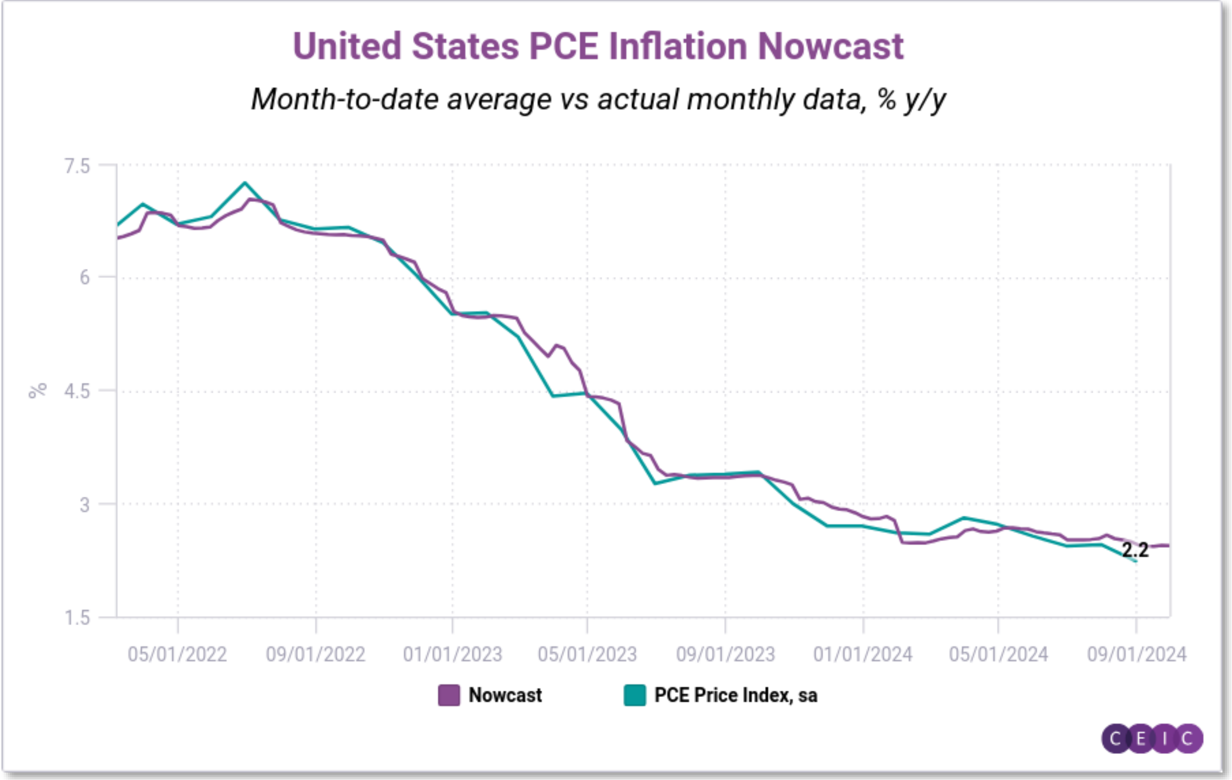
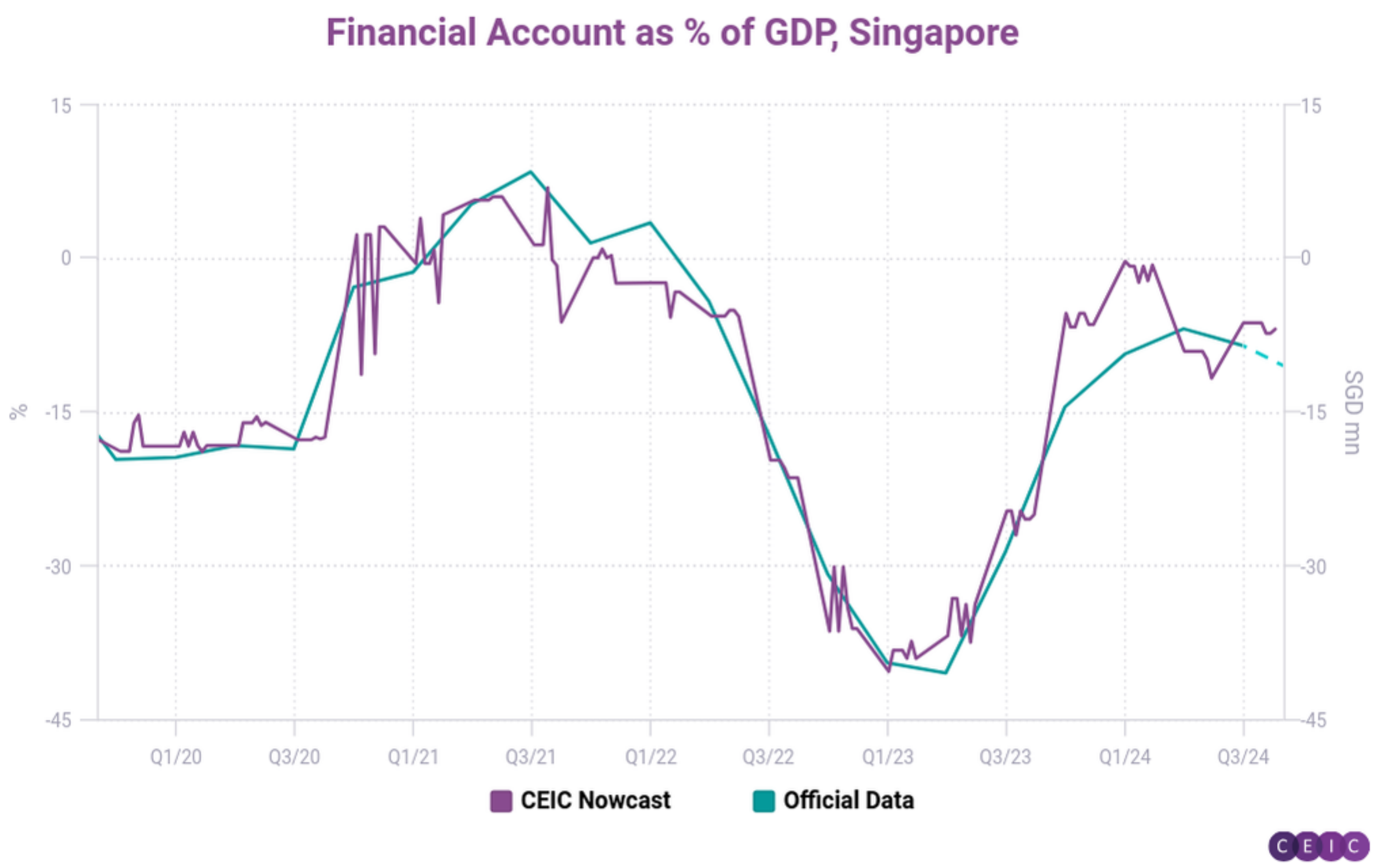
Ahead of the curve – Nowcasting US PCE inflation



Read more: [United States PCE Inflation Nowcast]

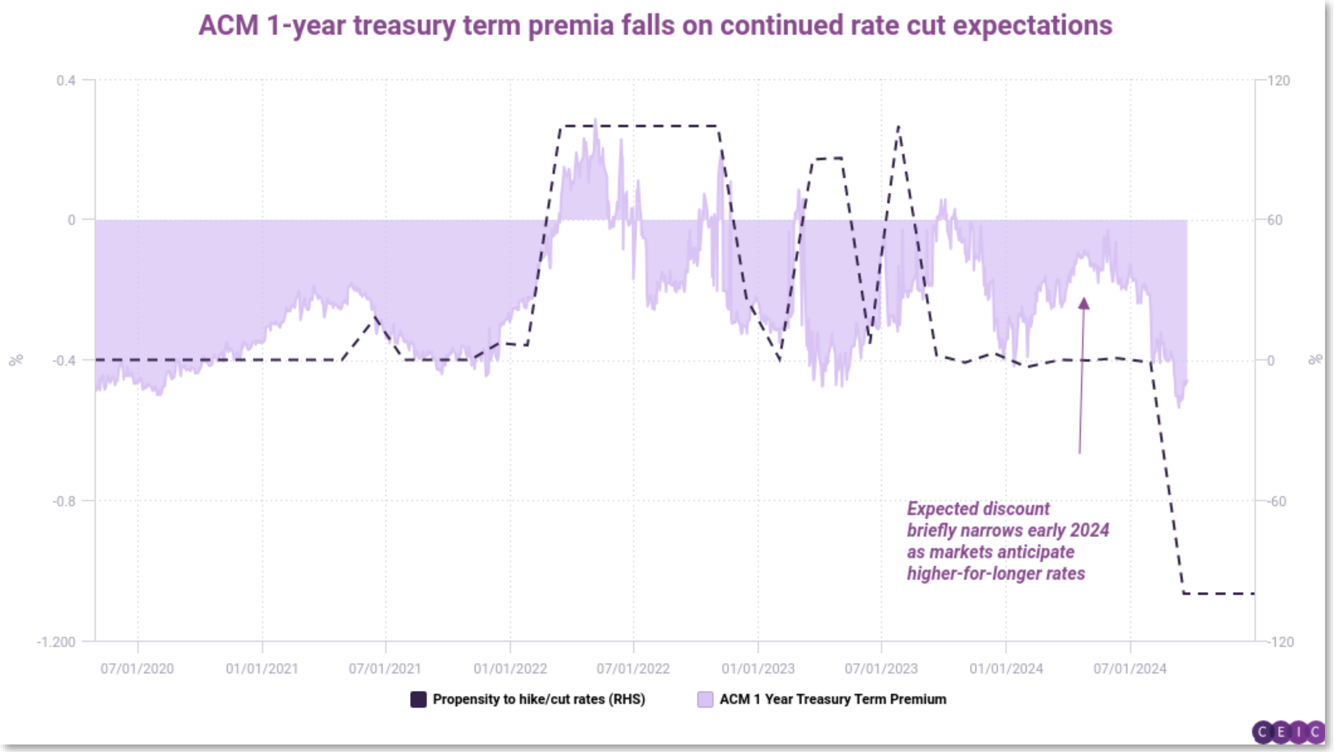
- Fed's preferred inflation gauge has remained relatively stable since June. The August reading stood at 2.2% y/y.
- According to CEIC's nowcasting model, PCE inflation will accelerate slightly to 2.4% y/y in September.
- The machine learning model uses high frequency daily and weekly data to calculate inflation on a weekly basis, thus providing estimates as early as 6 weeks before the actual data release. The CEIC model boasts a 0.99 correlation to actual data and RMSE of 0.26/
- CEIC offers a wide range of weekly nowcasts, including GDP, headline and core CPI, non-farm payrolls, exports, industrial production, retail sales for 15 regions.

CEIC/EPFR Balance of Payments Nowcast



- The CEIC/EPFR Nowcast model is designed to provide weekly estimates for quarterly balance of payments data. It leverages high-frequency financial flow and allocation data from EPFR and macroeconomic data from CEIC.
- The MIDAS model uses bond and equity flow percentages, which are critical for capturing high-frequency financial dynamics, combined with traditional macro indicators (industrial production, retail sales index, inflation, external trade flows, exchange rates, etc.)
- This combination ensures that our model is presenting a complete picture of all factors affecting balance of payment movements.

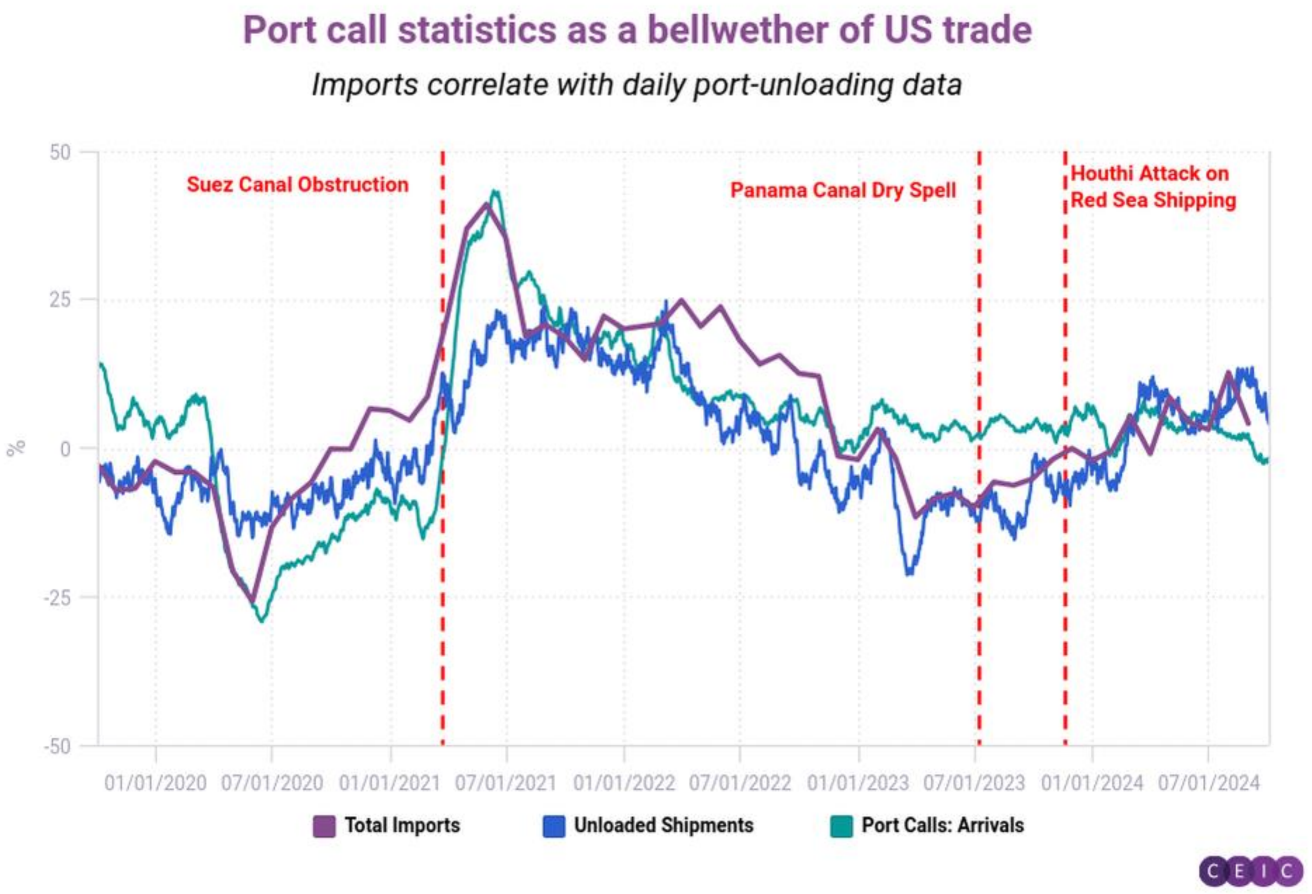
An alternative indicator of US financial conditions: term premia



- Why do investors demand to "lock up" their money in 10-year securities rather than rolling over short-term bills? The answer lies in the "term premia", extracted by the Adrian, Crump, and Moench model and available within CEIC.
- Investors who expect interest rates to rise will want more premium. Indeed, we can see that the premium went into positive territory for much of the inflation and rate-hiking cycle of 2022. For much of the past two years, however, the premium was in negative territory – implying that lower rates were seen as likely, an expectation that took a long time to come true.
- After the Fed's bold rate cut, term premia are at their lowest in 20 years – indicating more rate cuts are seen as likely and that investors are willing to accept discount to their potential returns.

Read more: An alternative indicator of US financial conditions: term premia

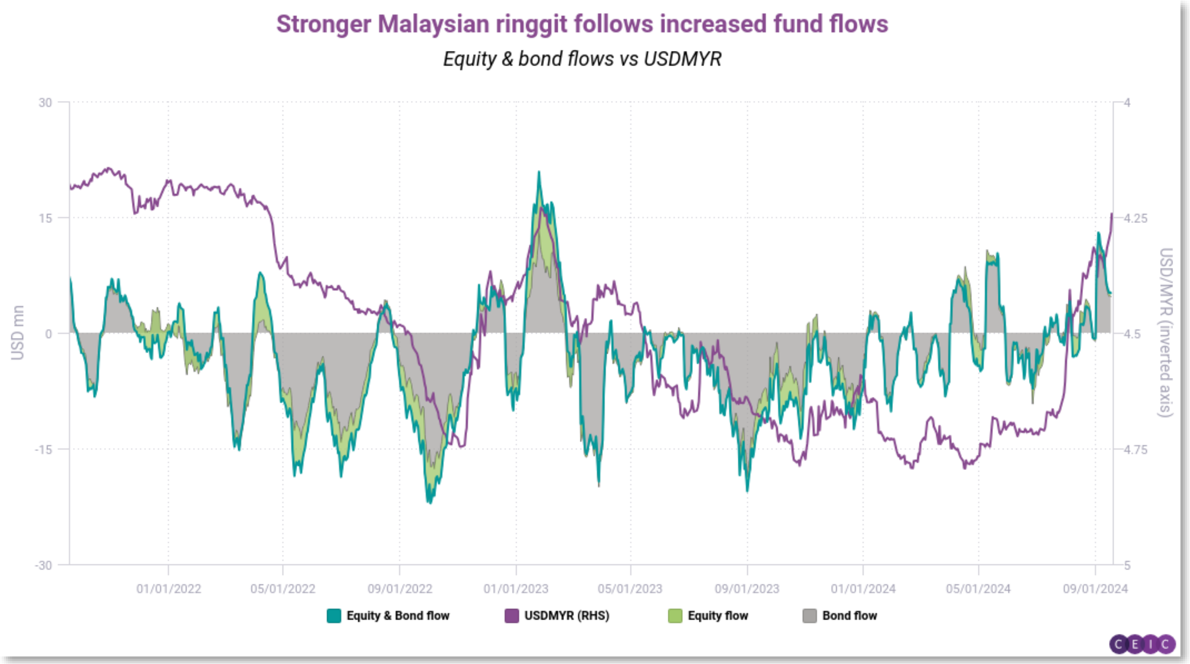
Daily shipping data provides early insights into US trade



- CEIC's high-frequency data includes daily shipping figures from Marine Traffic that provide early insights into trends for US foreign trade.
- While the US foreign trade report is being released with a lag of more than a month, marine traffic data is being released with only a one-day lag.
- September data suggests further moderation in imports after the sharp drop in August.

Read more: [Daily shipping data provides early insights into US trade]()

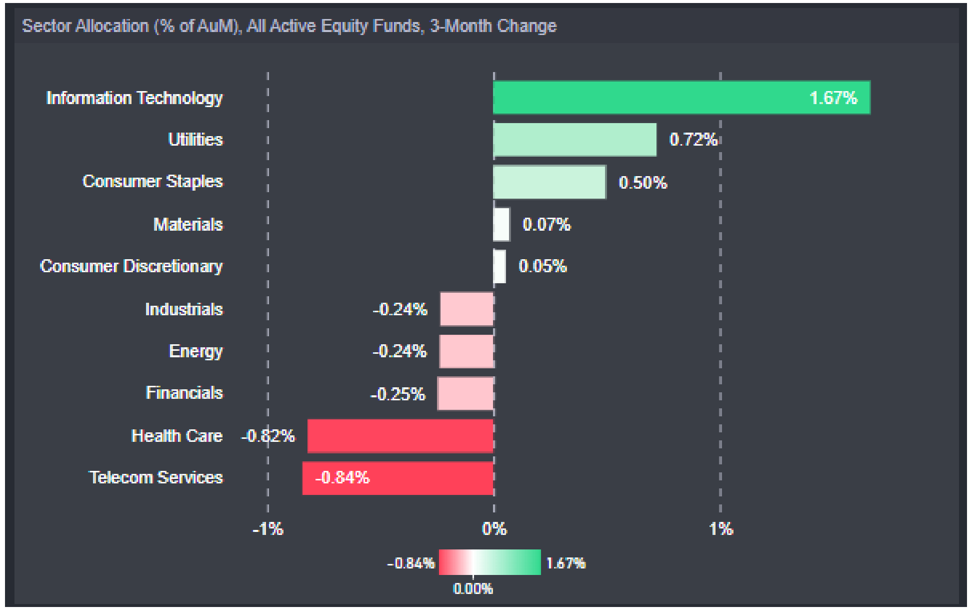
Fund flows into Malaysia support the ringgit

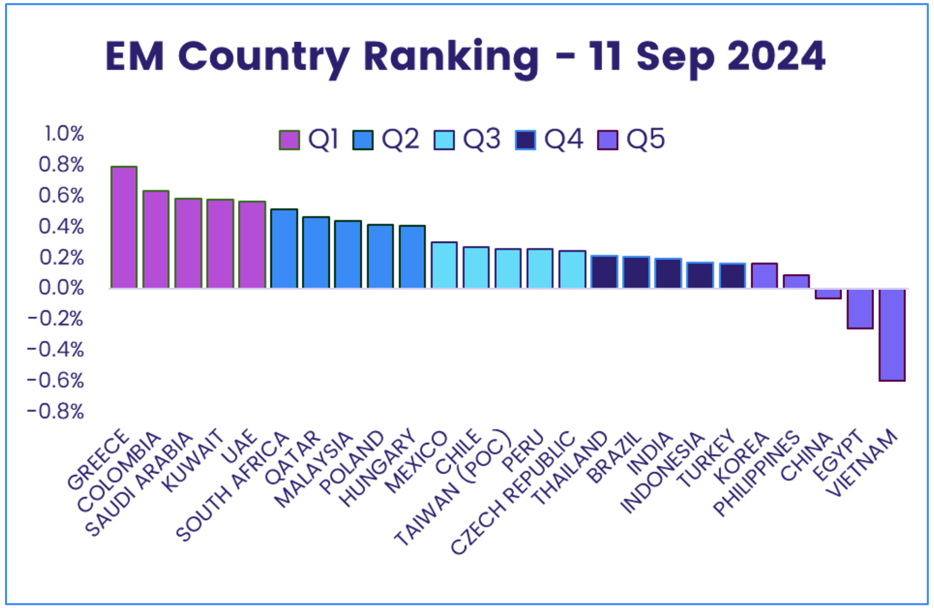


- Inflows to a nation's bond and stock markets can significantly influence exchange rates. We can explore this trend in Malaysia and the broader ASEAN-6 bloc thanks to our partnership with EPFR and its wealth of data on fund flows and asset allocation.
- Our chart tracks the USD/MYR exchange rate. Inflows to bond and equity funds gradually turned positive recently; July and August saw the ringgit jump against the dollar.

Read more: [Fund flows into Malaysia support the ringgit]

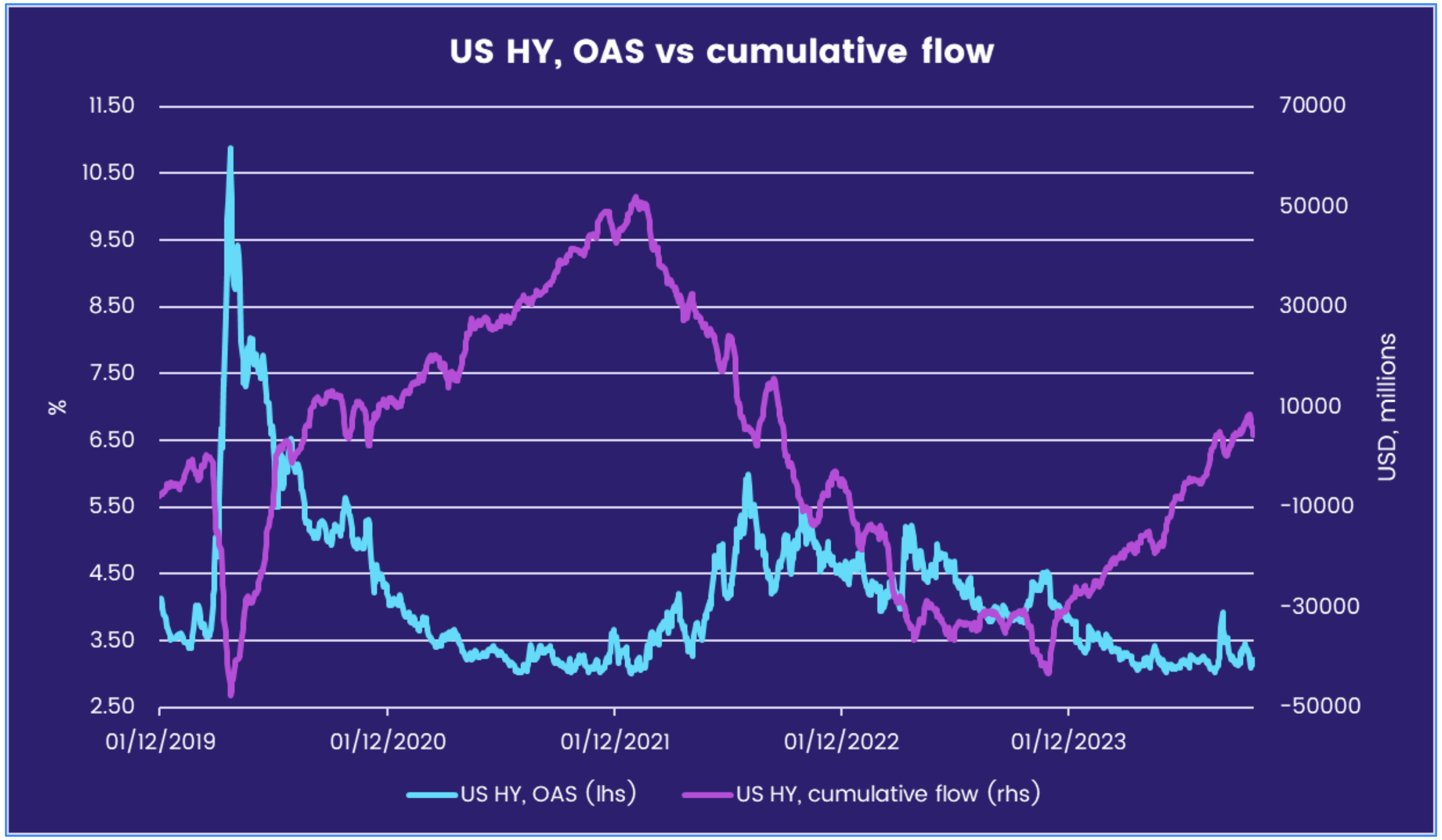
EPFR: Providing the most timely and granular view of global fund flows to buy-side, sell-side and supranational organizations





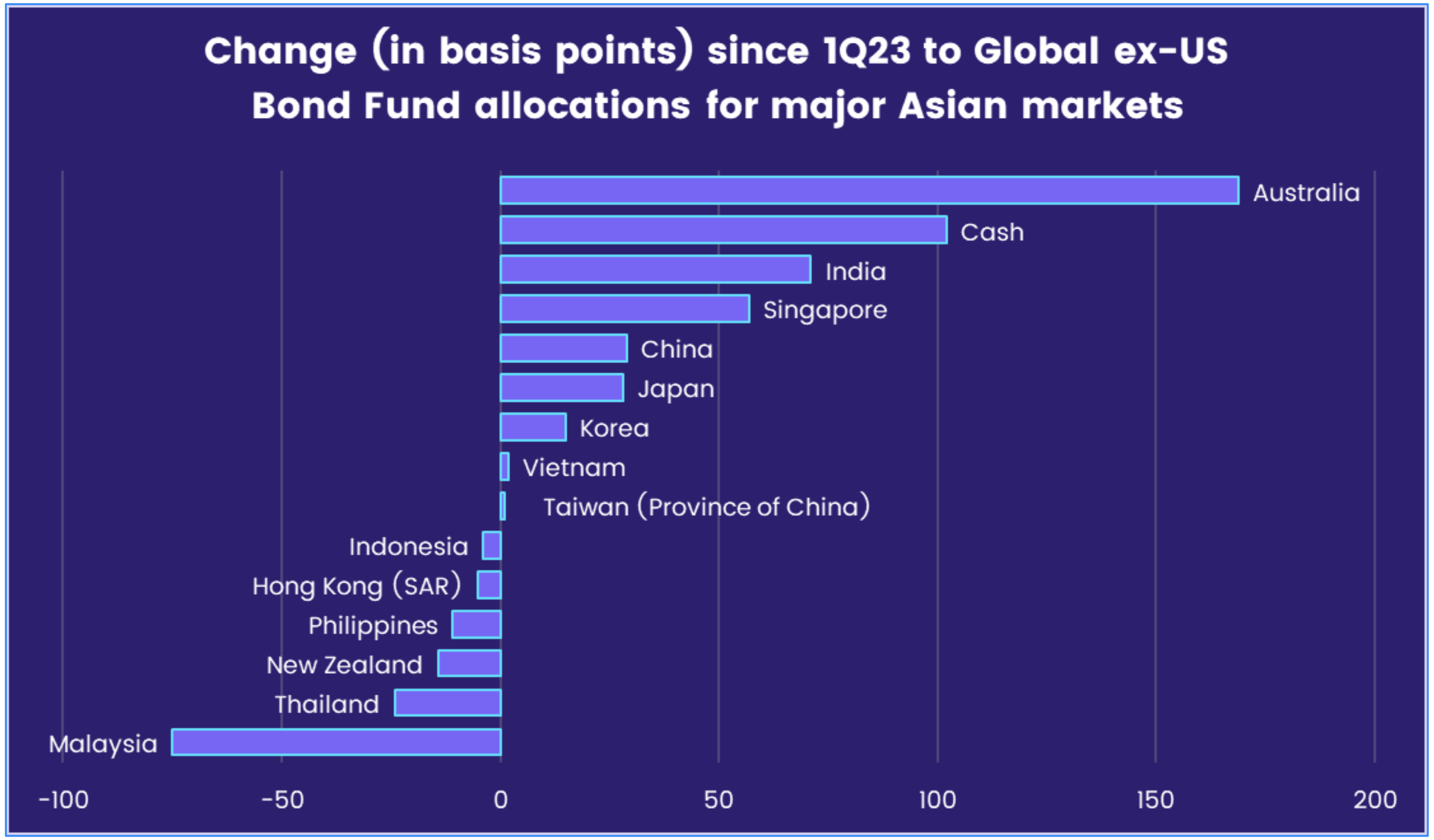
- **Market Insights:** A comprehensive view of where money is moving across geographies, sectors, industries, and securities.
- **Core and Proprietary Datasets:** Extensive fund and security-level solutions, offering detailed and actionable data.
- **Data Granularity:** Timely, detailed data supporting both bottom-up and top-down asset allocation strategies.
- **Available** via API, desktop UI, SFTP, FTP, Excel and text formats.
- **Investor Sentiment:** Exclusive insights into fund manager & investor sentiment, revealing market trends, active weighting and behavioral patterns.
- **Comprehensive Coverage**: Tracks 151,000+ share classes and > $58 trillion in assets across equity, bond, money market, alternative, multi-asset fund flows.
- **Actionable Intelligence:** Key insights at macro & stock levels.
- **Historical Data:** 25+ years of data to identify investor sentiment trends and interpret market shifts accurately.

Inverse correlation between option-adjusted spreads and bond fund flows remains strong



- As bond markets experience stress, spreads (OAS) tend to increase sharply, whilst contemporaneously there seem to be tangible outflows in bond funds.
- Flows into bond funds tend to pick up when spreads are tightening.
- The inverse relationship between cumulative flow and spreads is palpable – especially when it comes to the US high yield market.

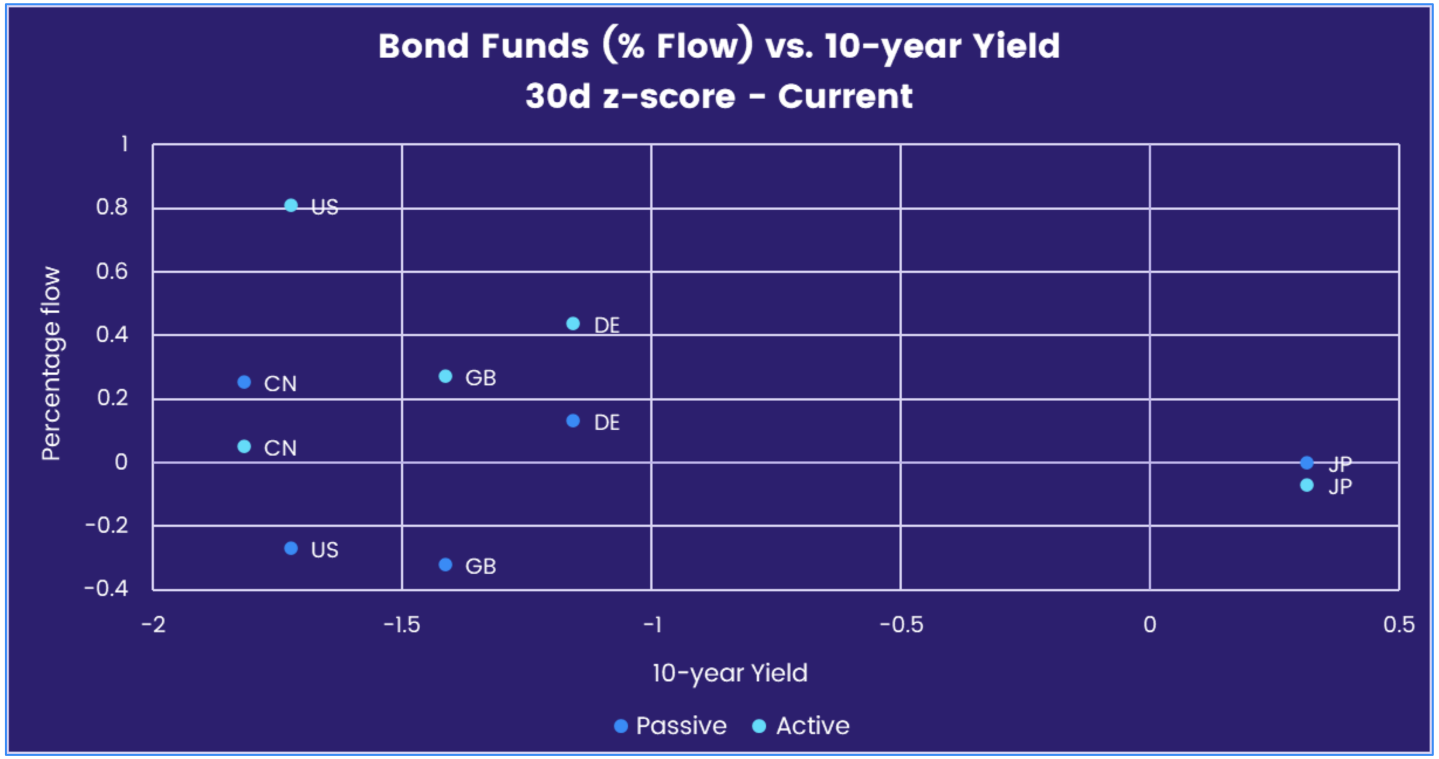
Managers of major allocator group warm to Japanese dent, but are more bullish about Australia, India and Singapore



- Managers of global ex-US bond funds, which have pulled in over $21 billion so far this year, have increased their exposure to Japan over the past eight months.
- However, they have been more aggressive in boosting their allocations to Australia, India and Singapore, as EPFR's chart represents.
- With the Bank of Japan's tightening scheme, and several other central banks simultaneously easing (or, at least, holding their policy rate), investors are likely to pull money – both domestic and foreign – from Japanese debt.

Unlocking new investment opportunities with EPFR's "Percentage Flow" factor

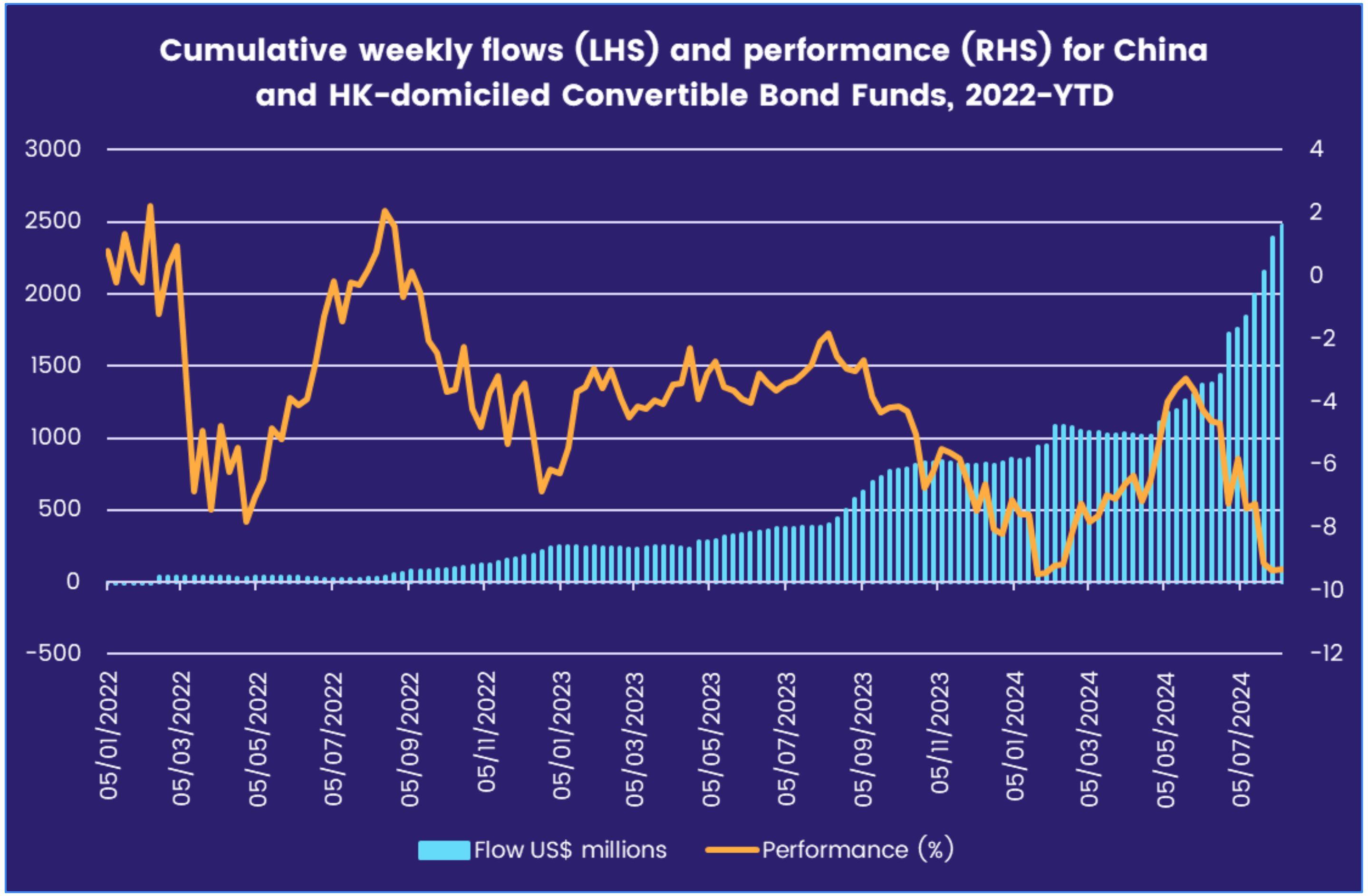
EPFR



"Percentage flow" factor = US dollar amount flow per fund, normalised by a fund's AuM

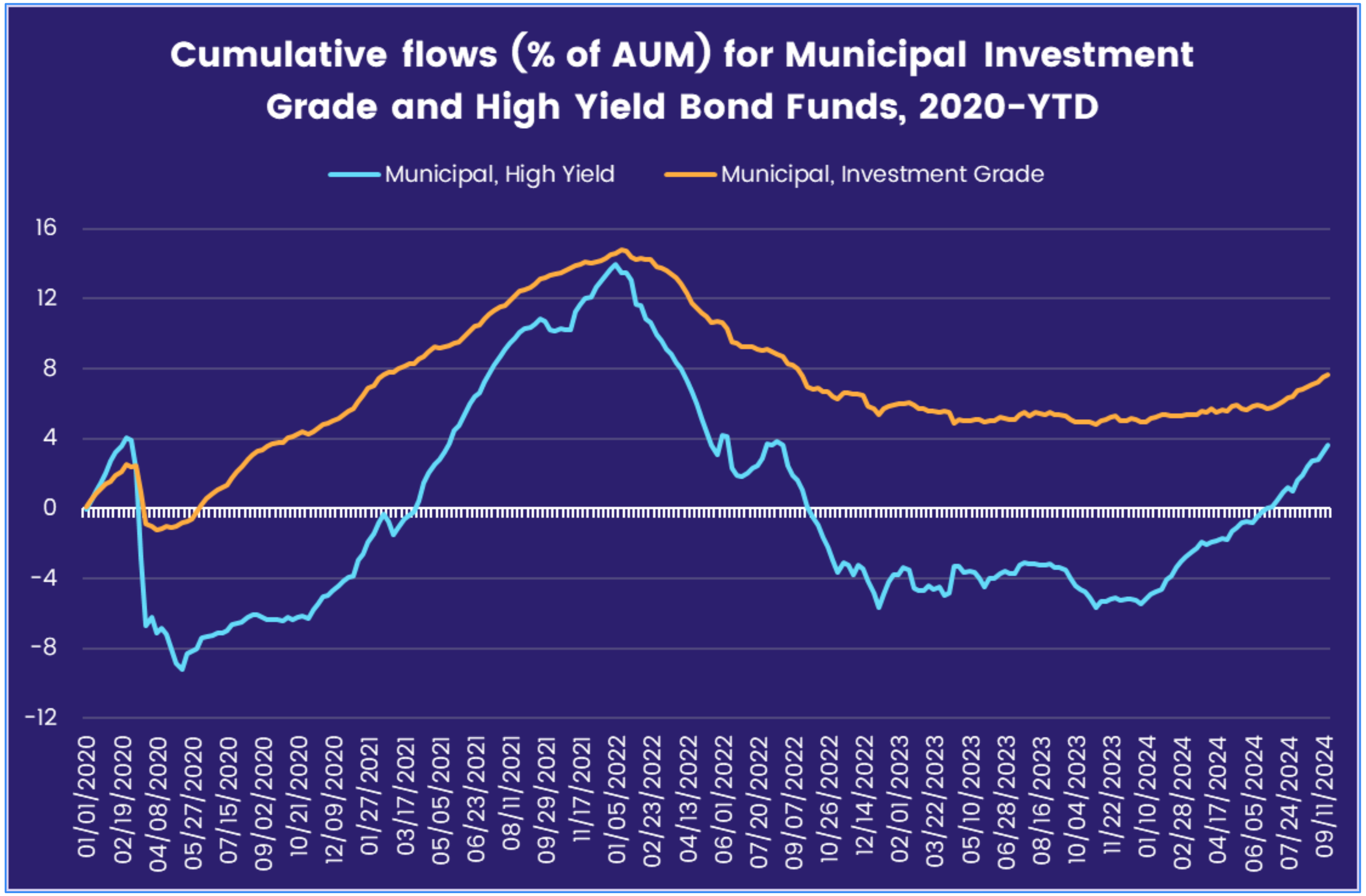
- Monitoring yield trends in conjunction with EPFR's "Percentage Flow" factor generates interesting insights.
- When yields are falling, actively-managed funds tend to see stronger flows. The opposite is true for ETFs, with flows following yields lower.
- Passively-managed bond funds, on the contrary, have negative trending flows in most cases.
- A positive trending yield tends to lead to a negative trend in percentage flow for active bond funds, whilst the trend for passive bond funds seems to be relatively neutral.
- Therefore, investors could see opportunities in actively-managed bond funds in the event of lower trending yield.

Chinese fixed income investors converting to a different asset class



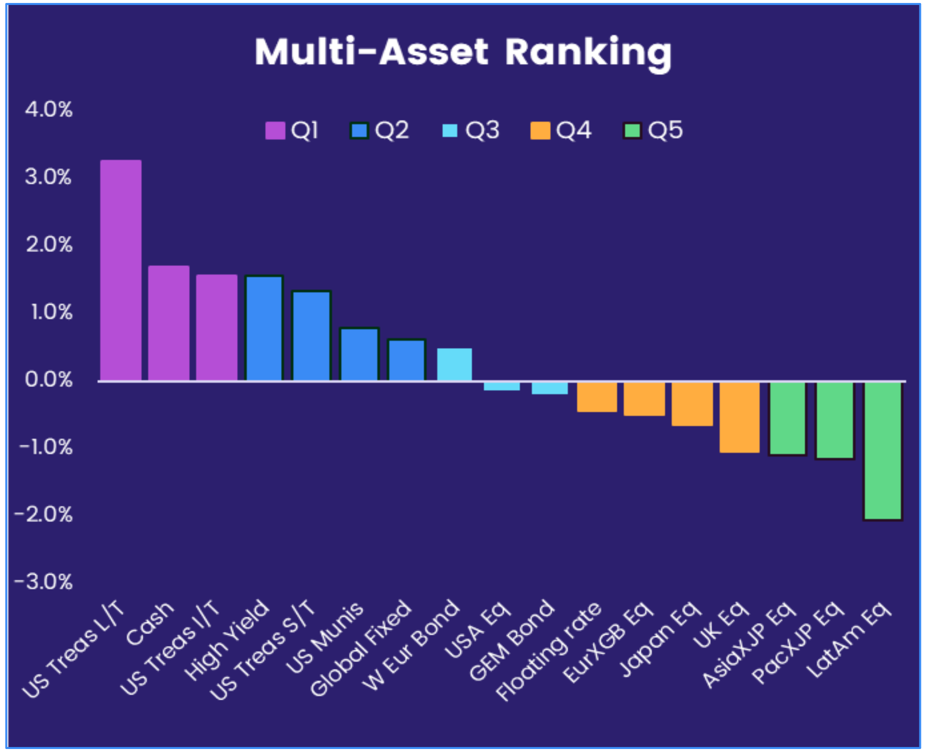
- In August, outflows from emerging markets hard currency funds offset flows into ones with local currency mandates. In the case of the latter, strengthening appetite for exposure to Chinese debt has been a key driver.
- Inflows tracked by EPFR data to China bond funds in mid-August were the largest since mid-1Q22.
- Our data also reported a marked increase in demand for Chinese convertible bonds.

Bond funds on track to set a new full-year inflow record



- With just under a quarter of 2024 left, EPFR-tracked bond funds remain on track to set a new full-year inflow record as the year-to-date total climbed over the $590 billion mark in mid-September.
- At the asset class level, EPFR users can drill down into inflation protected bond funds, convertible bond funds, high yield bond funds, or municipal bond funds (among others) for further insights.
- As of week ending 18th September, municipal bond funds reported 12 consecutive weeks of inflows. Interestingly, during that run funds with IG mandates consistently attracted bigger inflows than their HY counterparts in cash terms, but lagged them in % of AuM terms.

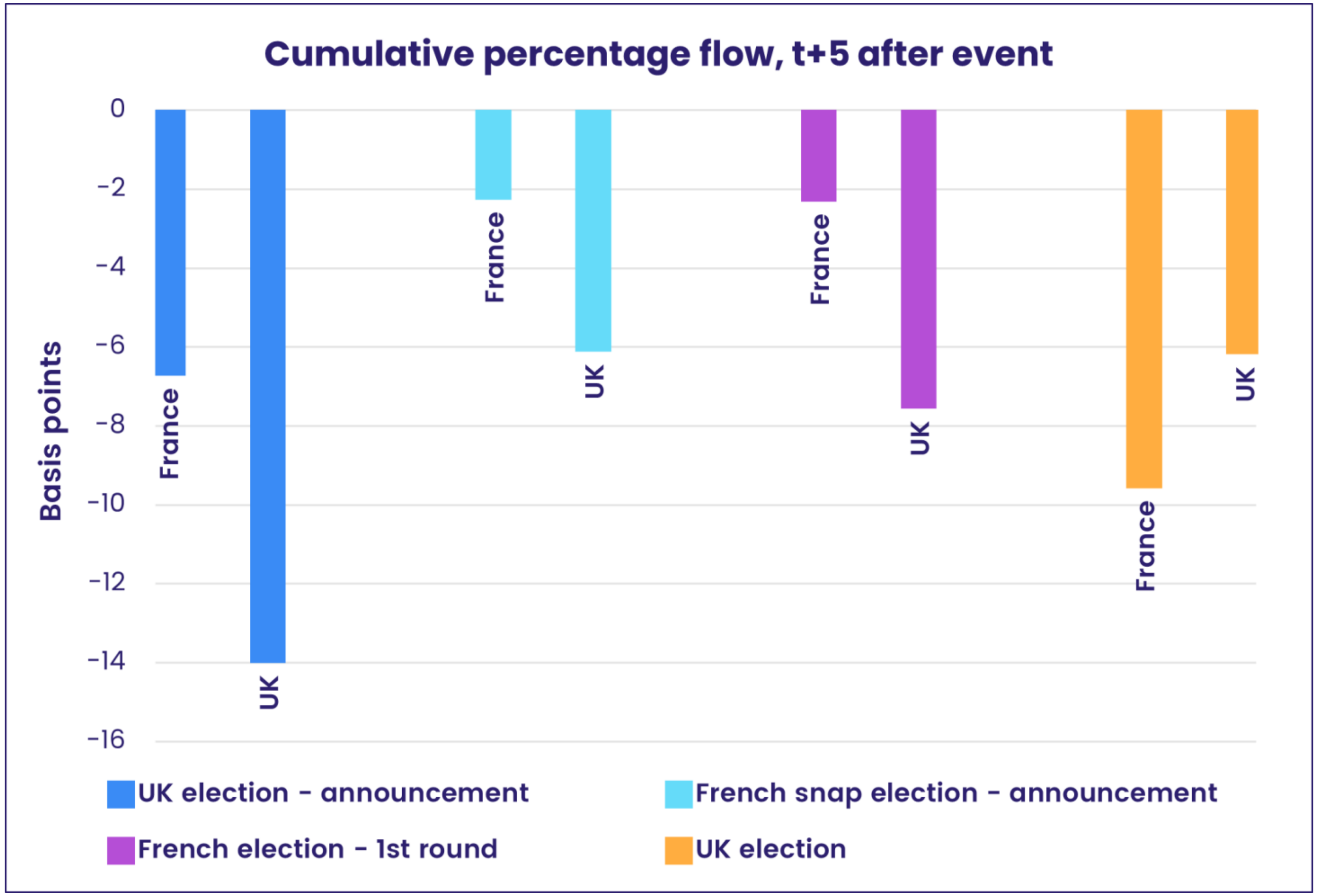
Portfolio Managers stick to cash and fixed income investments



- EPFR uses flow into an asset class as a percentage of assets held in that asset class, summed over the trailing four weeks, to predict future performance of – and drive cross-sectional models for – equity and fixed-income asset classes.
- Recent weekly multi asset rankings developed by EPFR continue to show a marked preference for cash and fixed income among managers who invest across multiple asset classes.
- Treasuries, cash, junk bonds and municipal debt fill six of the seven slots in the top two quintiles.

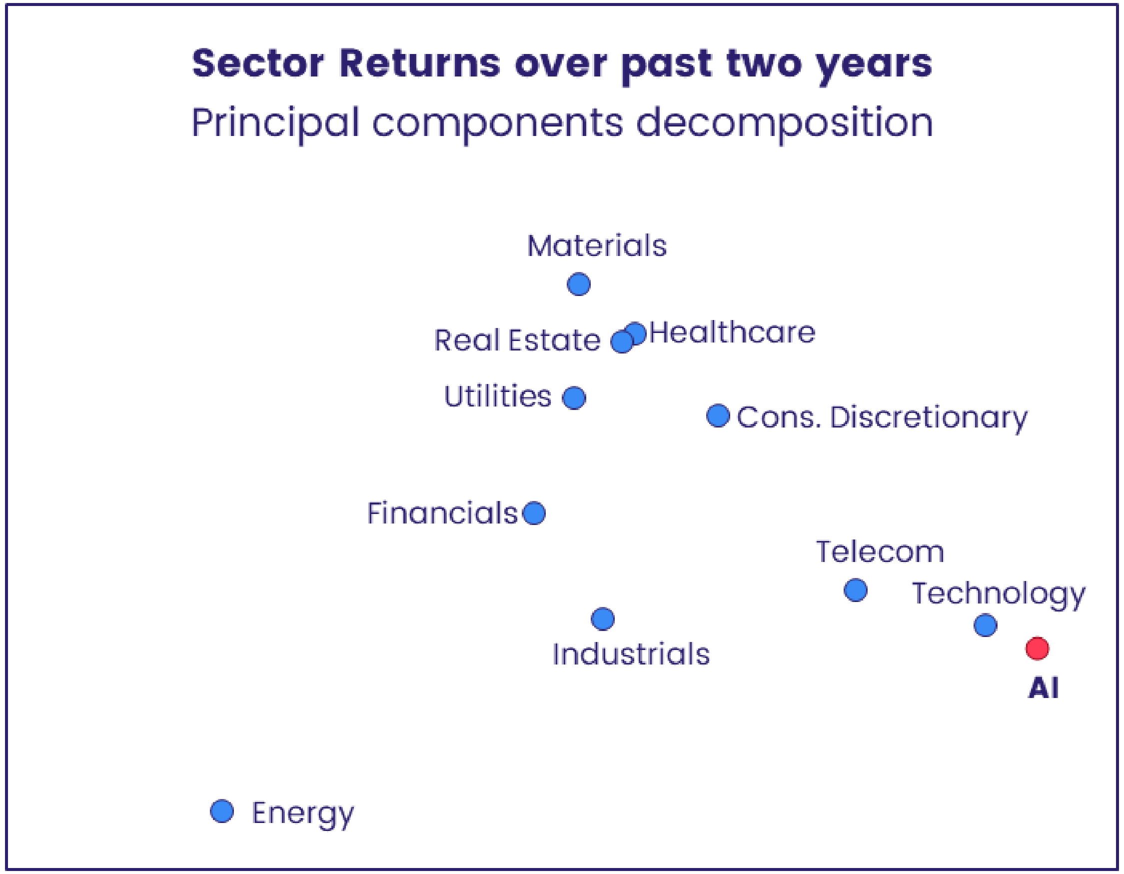
Position at 11-Sep-24			
	Asset	Current	Rank Change
	US Treas L/T	3.3%	0
	Cash	1.7%	0
	US Treas I/T	1.6%	0
▲	High Yield	1.6%	+1
▼	US Treas S/T	1.3%	-1
	US Munis	0.8%	0
	Global Fixed	0.6%	0
	W Eur Bond	0.5%	0
▲	USA Eq	-0.1%	+1
▲	GEM Bond	-0.2%	+2
▲	Floating rate	-0.4%	+2
▼	EurXGB Eq	-0.5%	-1
▼	Japan Eq	-0.6%	-4
	UK Eq	-1.0%	0
	AsiaXJP Eq	-1.1%	0
	PacXJP Eq	-1.1%	0
	LatAm Eq	-2.1%	0

The grass is browner on both sides of the English Channel



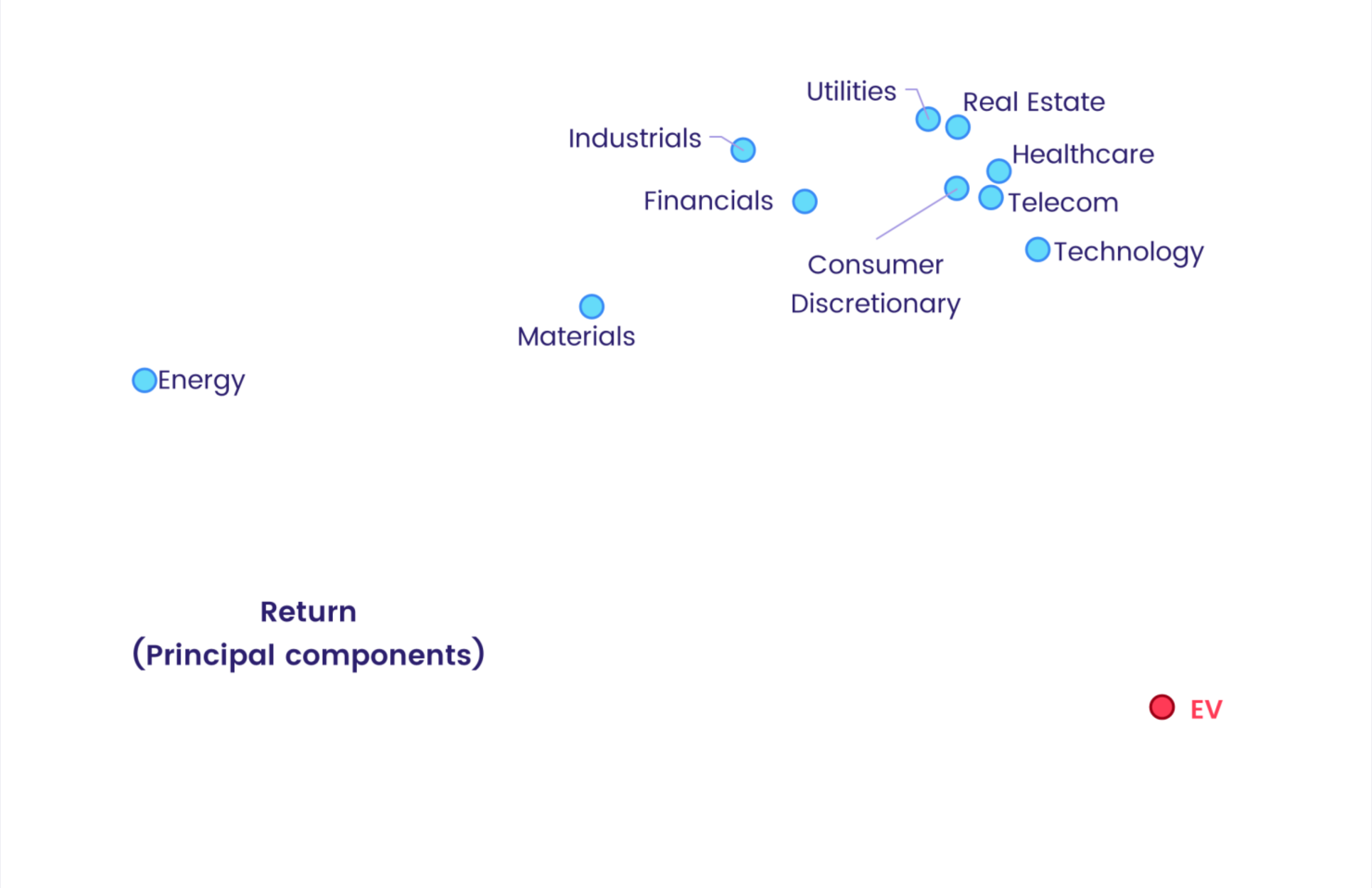
- Following general elections across the UK and France in July, EPFR's bluntest measure of investor sentiment – net flows to the respective country equity fund groups – challenged the market narrative of an orderly, predictable transition in the UK versus France's uncertain, risky road to a new government.
- However, by applying quantitative analysis and some of EPFR's standard filters to data, a more nuanced story emerged.
- In aggregate, and when plotted on a T+5 basis, general elections led to tangible outward percentage flows from both France and the UK.
- European funds divested from both markets, with France experiencing a less severe outflow compared to the UK – except in the aftermath of UK elections.

EPFR's Principal Components Analysis shows that AI is still in technology's orbit



- EPFR's custom groups unlock views into thematic or niche markets emerging within various assets (equities, bonds, ESG and alternatives) or sectors. For instance, artificial intelligence funds within the overarching technology sector or electric vehicle funds in the consumer goods sector.
- These custom groups have been created by analysing EPFR's fund and benchmark level data, identifying those with a set of keywords to capture a smaller universe.
- As a result, our clients have been able to create tailored reports tracking niche markets their desks are focused on, run their own quant analyses, and make decisions based on investor sentiment towards a custom group.
- EPFR's Principal Components Analysis allows us to see just how these custom groups behave compared to the broader 11 EPFR-tracked sector fund groups, on a returns and flows basis.
- As you can see from the exhibit, AI funds behave like technology sector funds, only more so. By this we mean that, when graphed, they are even further down the road that separates technology sector funds from the ruck of sector funds.

Electric Vehicles: Where to garage them?



- Though regarded by many as primarily a green play, EVs can be found across several fund groups, including consumer goods, industrials, technology and SRI/ESG funds.
- Using EPFR-tracked ETFs and mutual funds, we recently looked at EV funds and their relationship to the sector fund groups they are most commonly associated with.
- Neither EV fund flows nor their return profiles are similar to the other sector funds. This could mean that the EV sub-sector has not yet made a huge impact on the broad consumer goods sector and might not reflect the investment risks or opportunities that drive the larger group.

Thank you.

Contact us with questions.