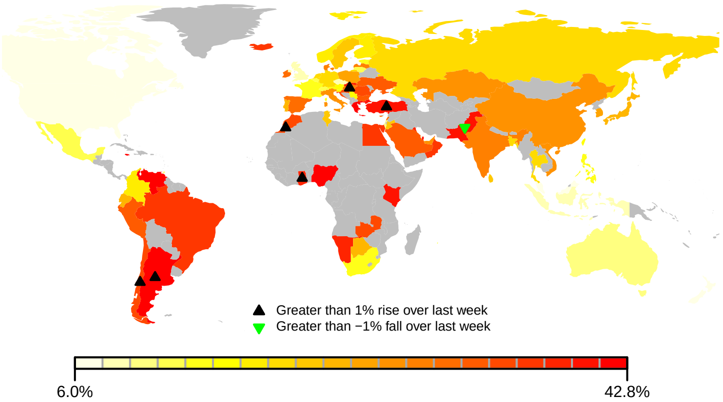
Axioma Risk Monitor

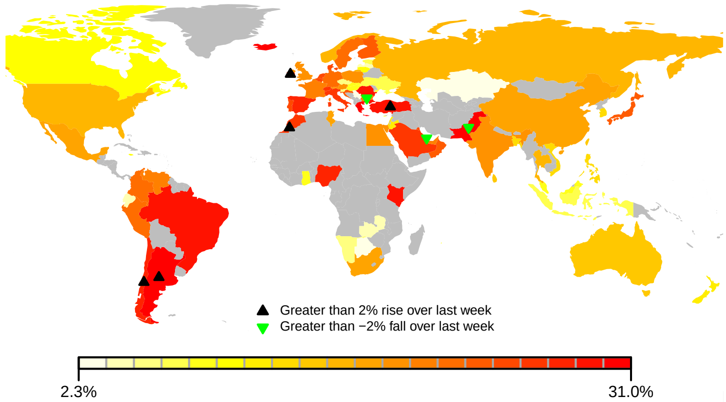
China − 20 November 2017

www.axioma.com
US & Canada: +1 212−991−4500
Europe: +44 (0)20−7856−2424
Asia : +852 8203−2790

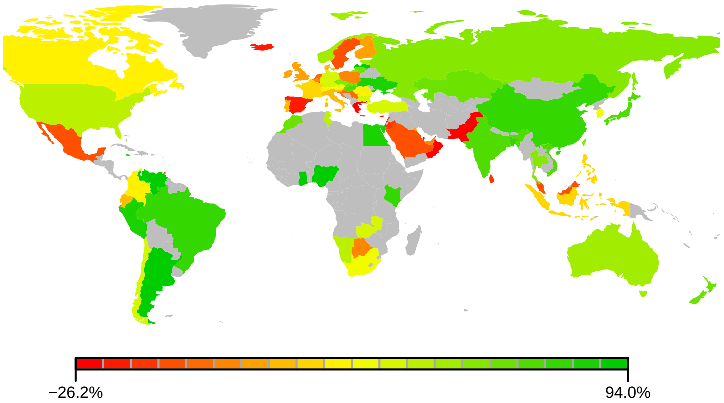
1. Global volatility hotspots



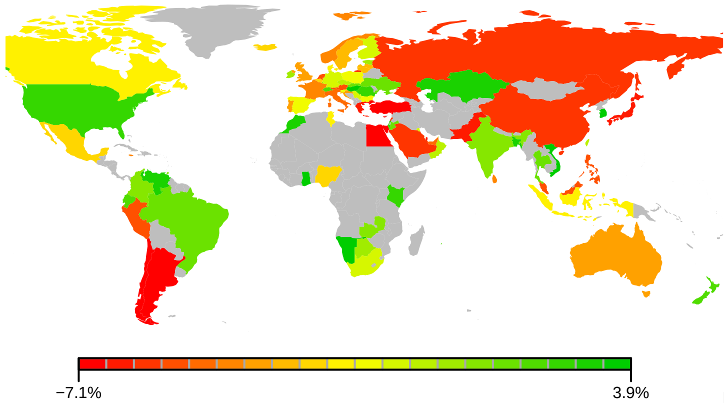
2. Global correlation hotspots



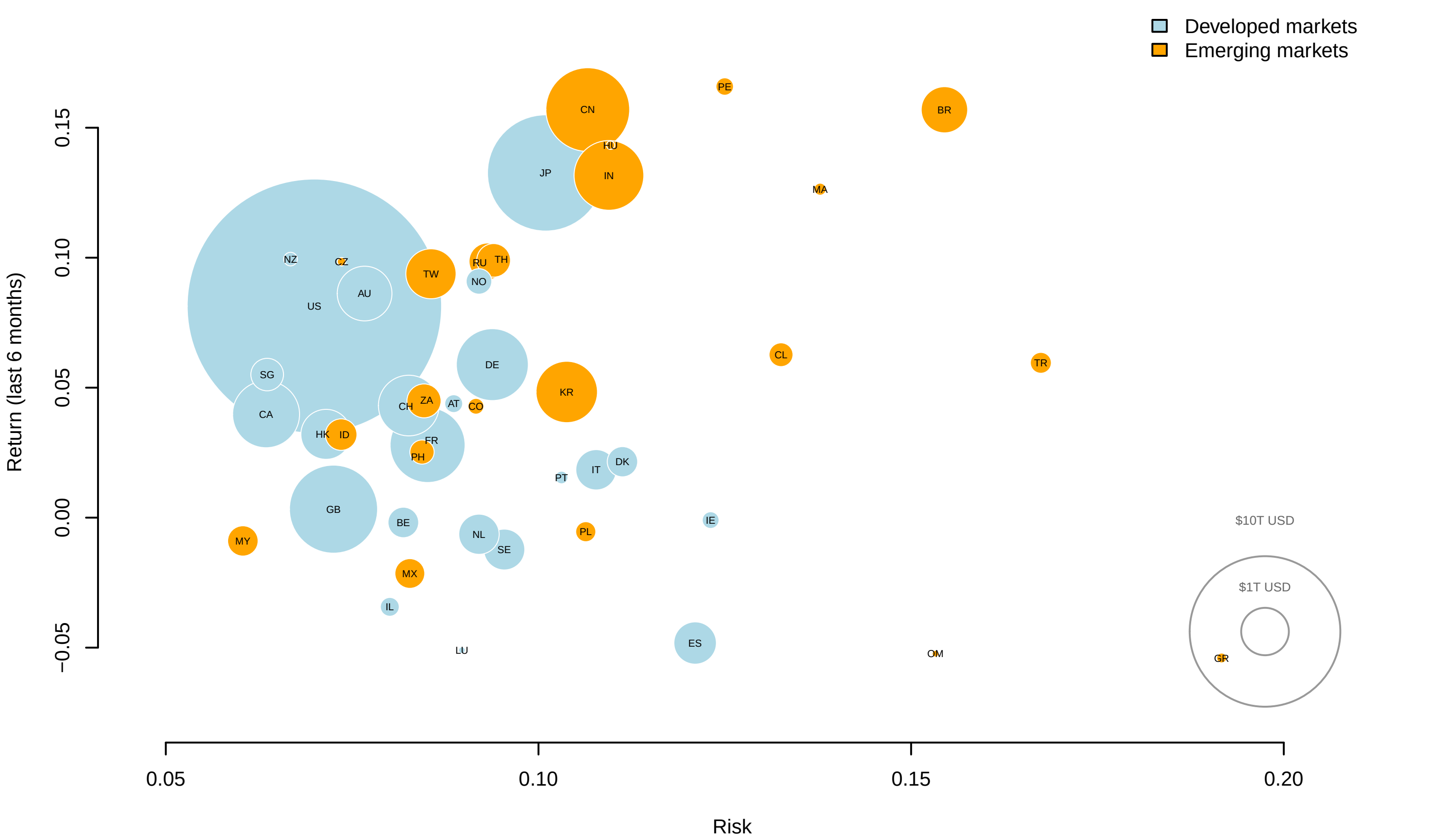
3. Global market returns (6 months)



4. Global market returns (1 week)

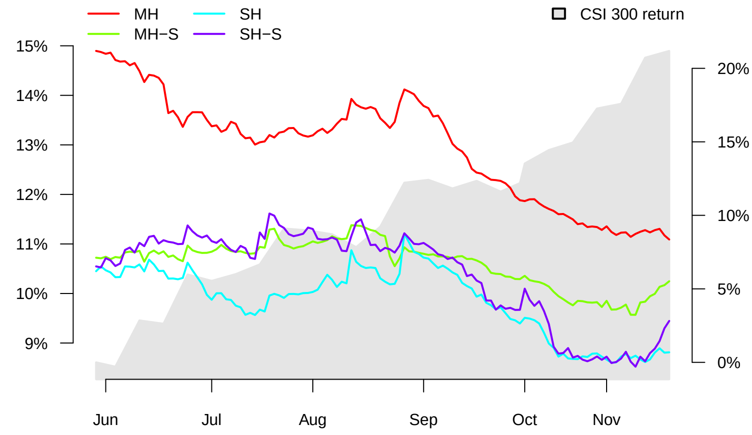


5. Global Market Risk and Return

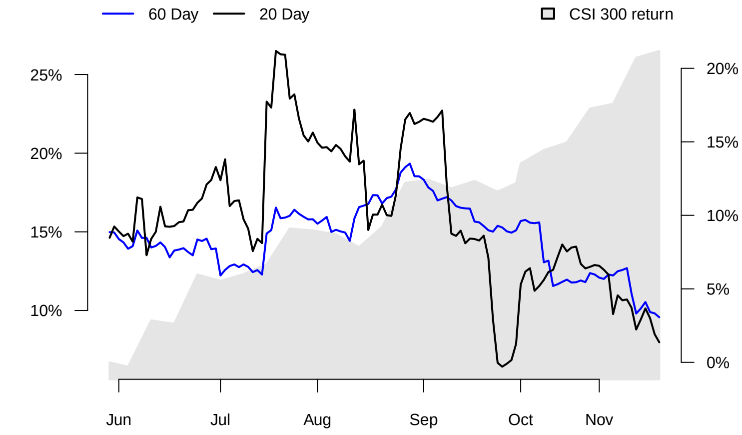


www.axioma.com
US & Canada: +1 212−991−4500
Europe: +44 (0)20−7856−2424
Asia : +852 8203−2790

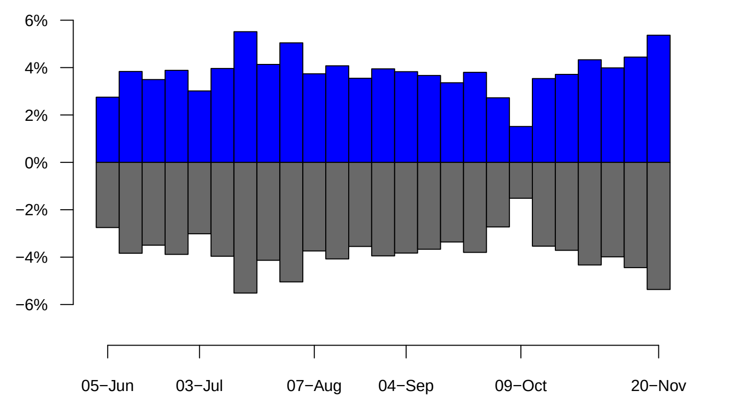
6. CSI 300 predicted risk



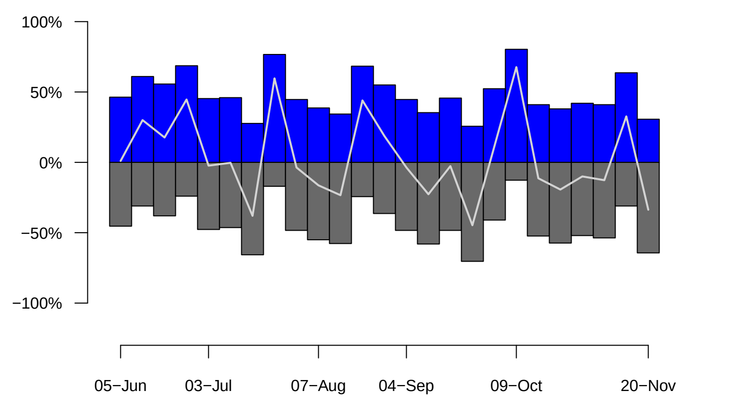
7. Rolling average asset correlations



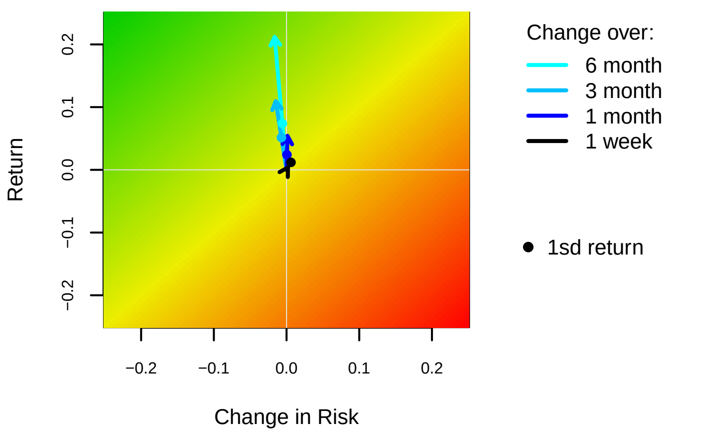
8. Weekly asset return dispersion



9. Weekly asset return proportion up/down



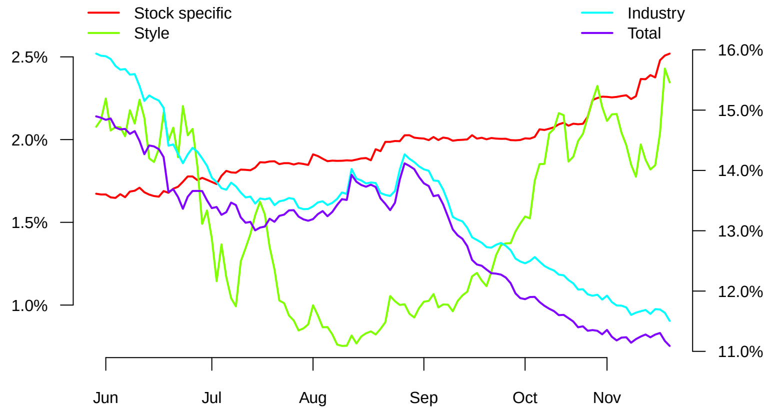
10. Risk Watch − CSI 300



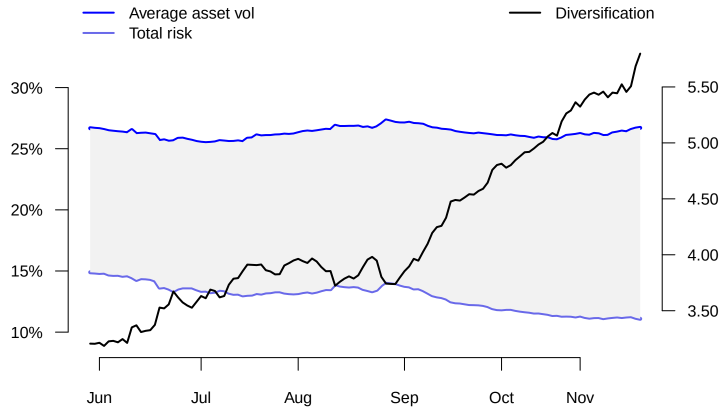
11. Risk change decomposition

	1 week	1 month	3 months	6 months
Factor level				
Initial risk	8.62	8.68	10.31	10.45
Portfolio composition	0.03	0.10	0.14	0.05
Stock characteristics	0.02	0.10	−0.23	0.04
Stock specific volatility	0.03	0.12	0.06	0.12
Factor volatility	0.13	0.12	−0.73	−1.01
Factor correlations	−0.01	−0.30	−0.73	−0.84
Total change	0.20	0.13	−1.49	−1.64
Final risk	8.81	8.81	8.81	8.81
Stock level				
Initial risk	8.62	8.68	10.31	10.45
Portfolio composition	0.03	0.10	0.14	0.05
Stock volatility	0.37	0.84	0.34	0.47
Stock correlations	−0.20	−0.80	−1.97	−2.15
Total change	0.20	0.13	−1.49	−1.64
Final risk	8.81	8.81	8.81	8.81

12. Components of CSI 300 risk

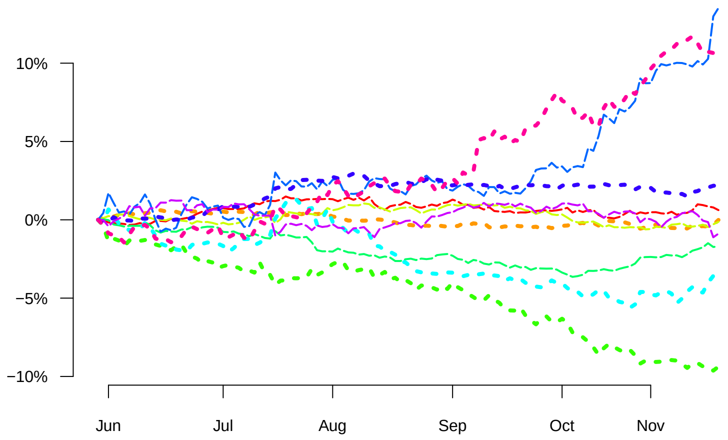


13. CSI 300 diversification



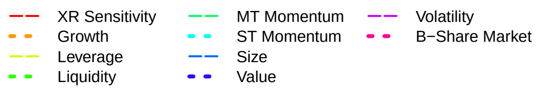
www.axioma.com
US & Canada: +1 212−991−4500
Europe: +44 (0)20−7856−2424
Asia : +852 8203−2790

14. Style factor performance

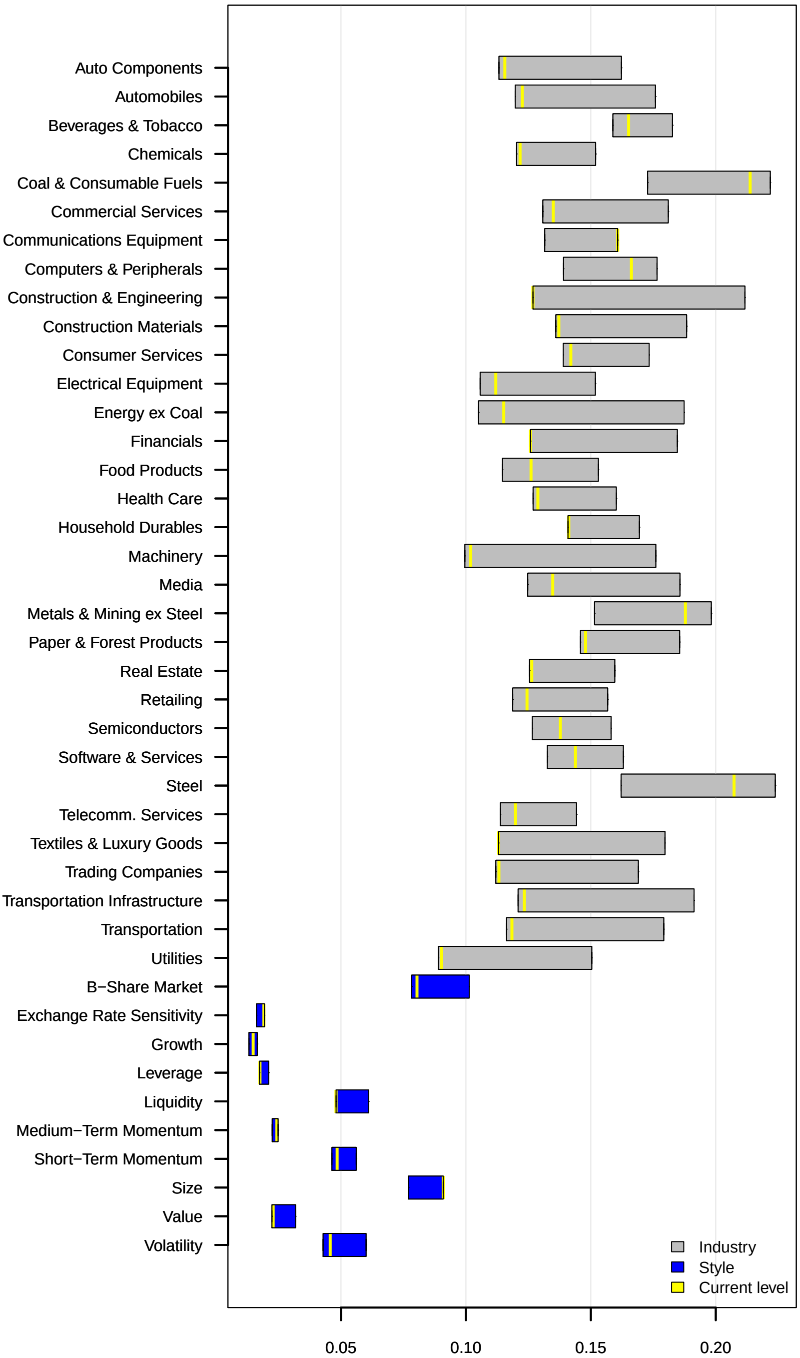


15. Style factor returns

	1w	1m	3m	6m
XR Sensitivity	0.01	0.48	−0.24	0.62
Growth	0.35	0.07	0.08	−0.01
Leverage	0.31	0.22	−0.66	−0.13
Liquidity	−0.22	−1.58	−5.79	−9.37
MT Momentum	0.28	1.58	0.73	−1.70
ST Momentum	0.93	1.67	−1.39	−3.40
Size	3.41	6.62	11.30	13.53
Value	0.42	−0.01	0.03	2.19
Volatility	−1.43	−1.22	−0.51	−0.88
B−Share Market	−0.67	3.04	8.63	10.96



16. Factor volatility range (6 month)



17. Style correlations

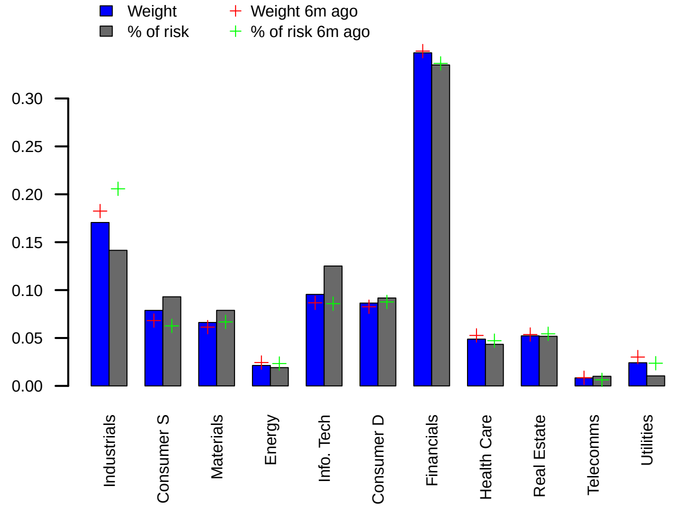
	XR Sensitivity	Growth	Leverage	Liquidity	MT Momentum	ST Momentum	Size	Value	Volatility	B−Share Market
B−Share Market	0.06	0.06	−0.21	0.07	0.15	0.07	0.16	−0.12	−0.11	1.00
Volatility	−0.01	−0.13	−0.05	0.36	−0.30	−0.41	−0.44	−0.29	1.00	−0.11
Value	0.08	0.24	0.07	−0.41	−0.08	0.08	0.16	1.00	−0.29	−0.12
Size	−0.00	0.19	0.08	−0.17	0.25	0.36	1.00	0.16	−0.44	0.16
ST Momentum	0.04	0.05	0.23	−0.11	0.34	1.00	0.36	0.08	−0.41	0.07
MT Momentum	−0.01	0.11	−0.17	0.06	1.00	0.34	0.25	−0.08	−0.30	0.15
Liquidity	−0.03	−0.26	0.03	1.00	0.06	−0.11	−0.17	−0.41	0.36	0.07
Leverage	0.15	−0.13	1.00	0.03	−0.17	0.23	0.08	0.07	−0.05	−0.21
Growth	−0.14	1.00	−0.13	−0.26	0.11	0.05	0.19	0.24	−0.13	0.06
XR Sensitivity	1.00	−0.14	0.15	−0.03	−0.01	0.04	−0.00	0.08	−0.01	0.06

18. Change in style correlations (6 month)

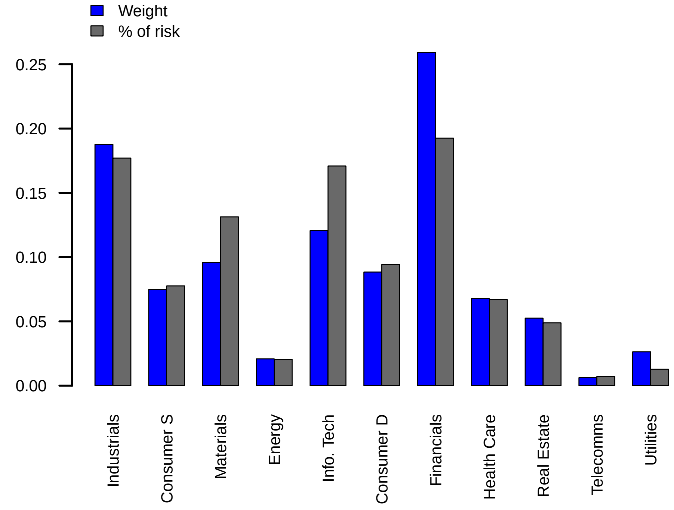
	XR Sensitivity	Growth	Leverage	Liquidity	MT Momentum	ST Momentum	Size	Value	Volatility	B−Share Market
B−Share Market	−0.04	−0.04	0.03	−0.02	−0.03	−0.00	0.06	−0.01	0.00	0.00
Volatility	−0.02	0.00	0.02	−0.02	−0.02	−0.01	−0.04	−0.02	0.00	0.00
Value	0.10	−0.03	−0.00	0.06	0.02	0.11	0.01	0.00	−0.02	−0.01
Size	−0.01	−0.01	−0.06	−0.05	0.04	0.01	0.00	0.01	−0.04	0.06
ST Momentum	0.06	0.02	0.04	0.05	0.04	0.00	0.01	0.11	−0.01	−0.00
MT Momentum	0.08	−0.10	0.05	−0.02	0.00	0.04	0.04	0.02	−0.02	−0.03
Liquidity	−0.02	0.04	0.07	0.00	−0.02	0.05	−0.05	0.06	−0.02	−0.02
Leverage	0.03	−0.02	0.00	0.07	0.05	0.04	−0.06	−0.00	0.02	0.03
Growth	−0.01	0.00	−0.02	0.04	−0.10	0.02	−0.01	−0.03	0.00	−0.04
XR Sensitivity	0.00	−0.01	0.03	−0.02	0.08	0.06	−0.01	0.10	−0.02	−0.04

www.axioma.com
US & Canada: +1 212−991−4500
Europe: +44 (0)20−7856−2424
Asia : +852 8203−2790

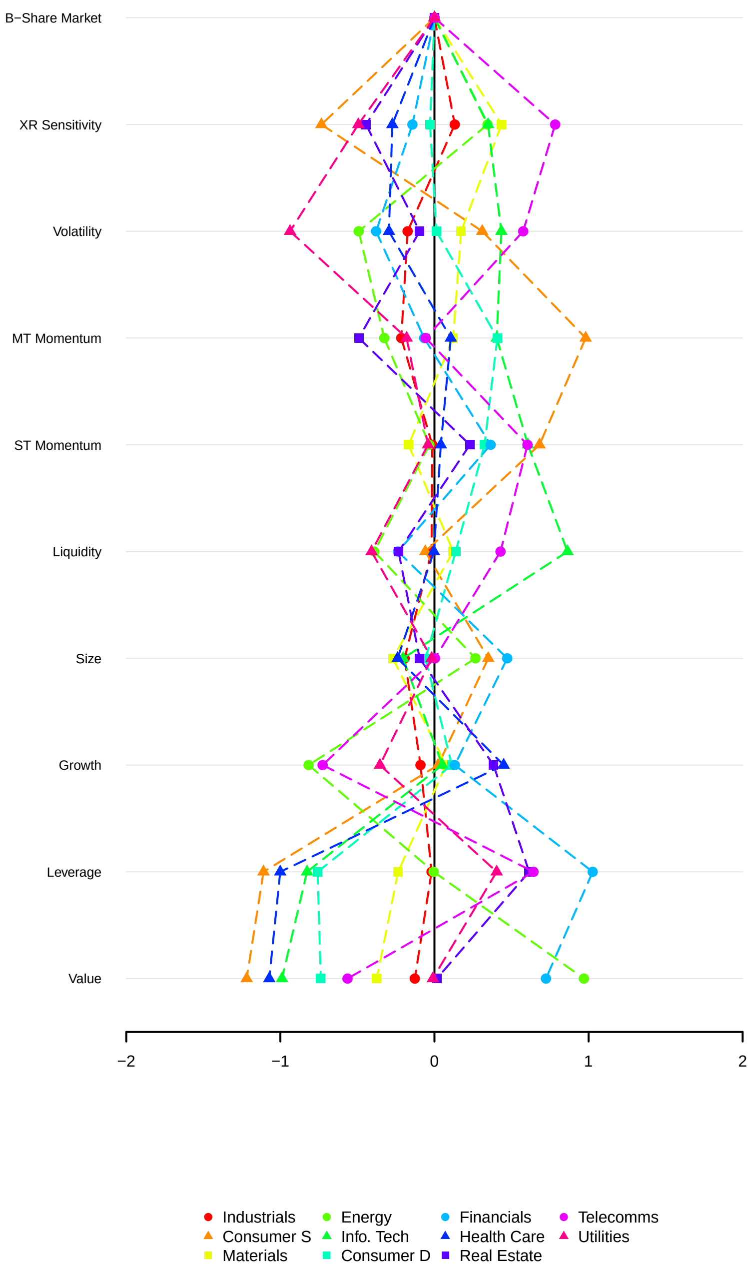
19. CSI 300 sector weights and % of risk



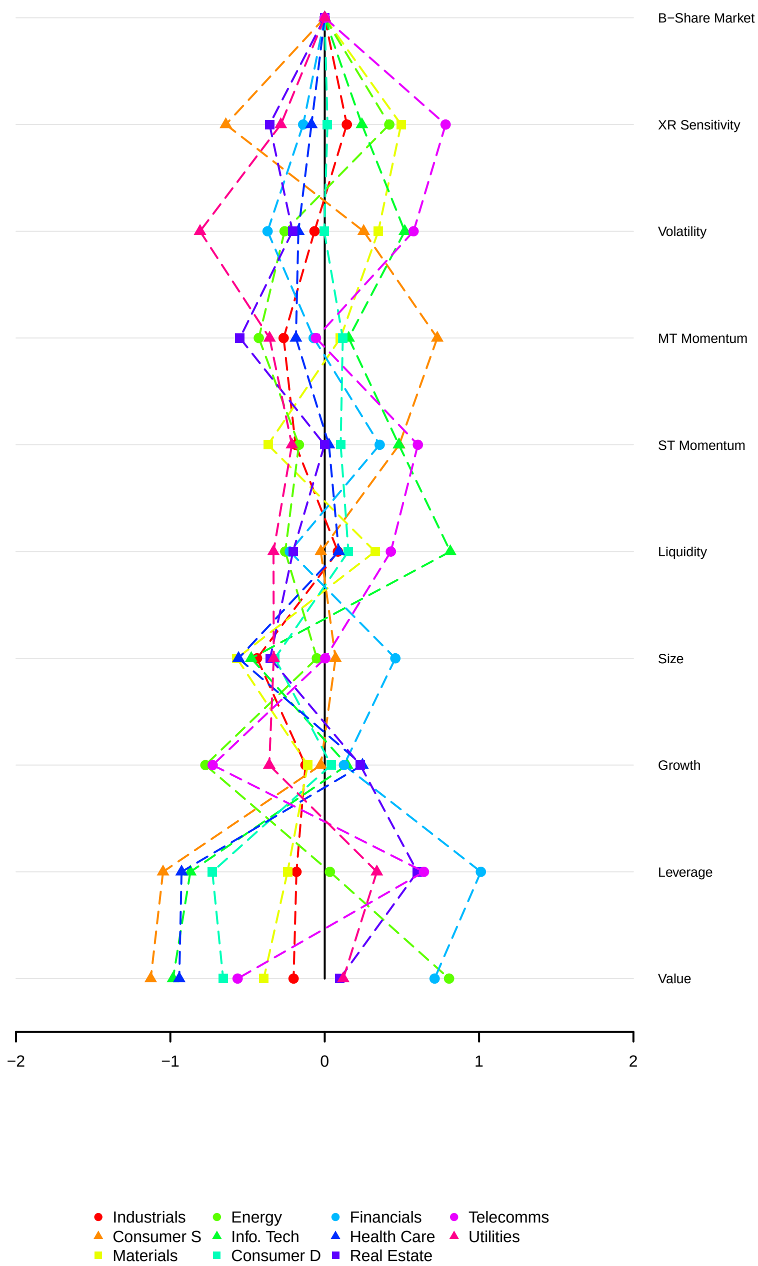
20. CSI 800 sector weights and % of risk



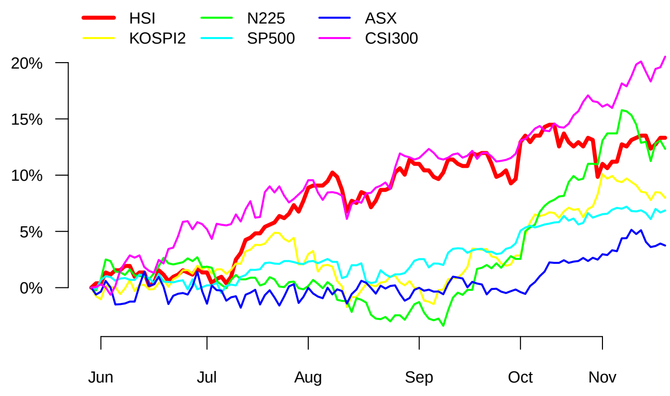
21. CSI 300 sector style exposures



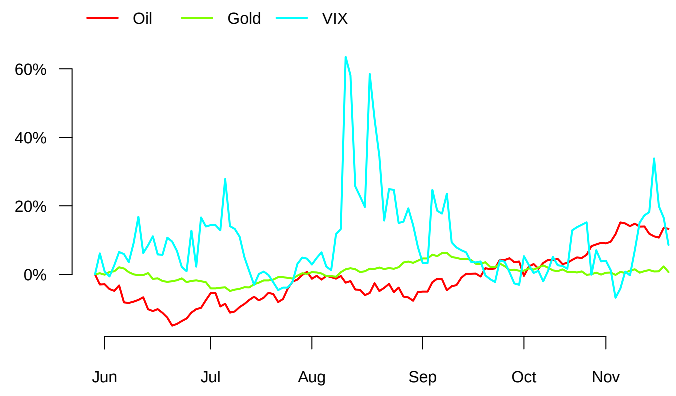
22. CSI 800 sector style exposures



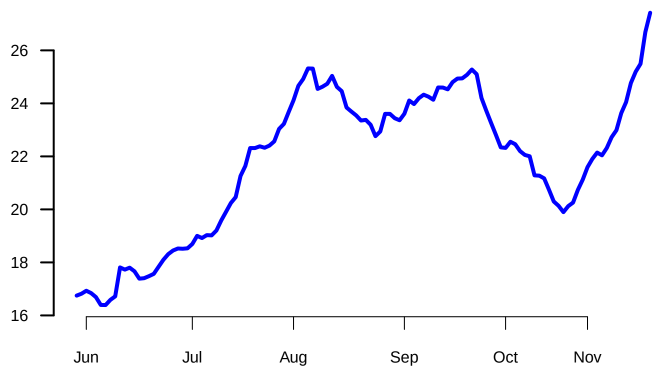
23. Returns for popular benchmarks



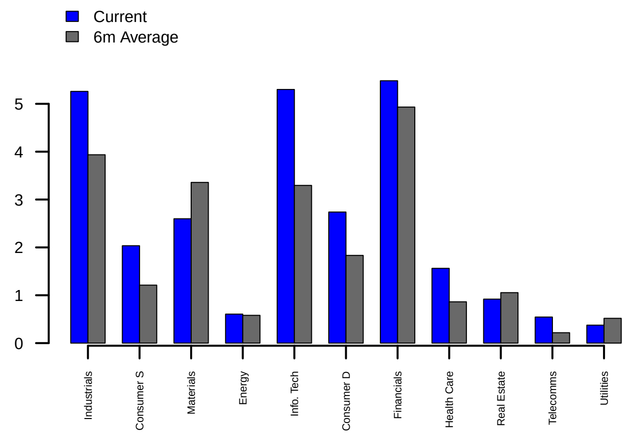
24. Returns for popular indicators



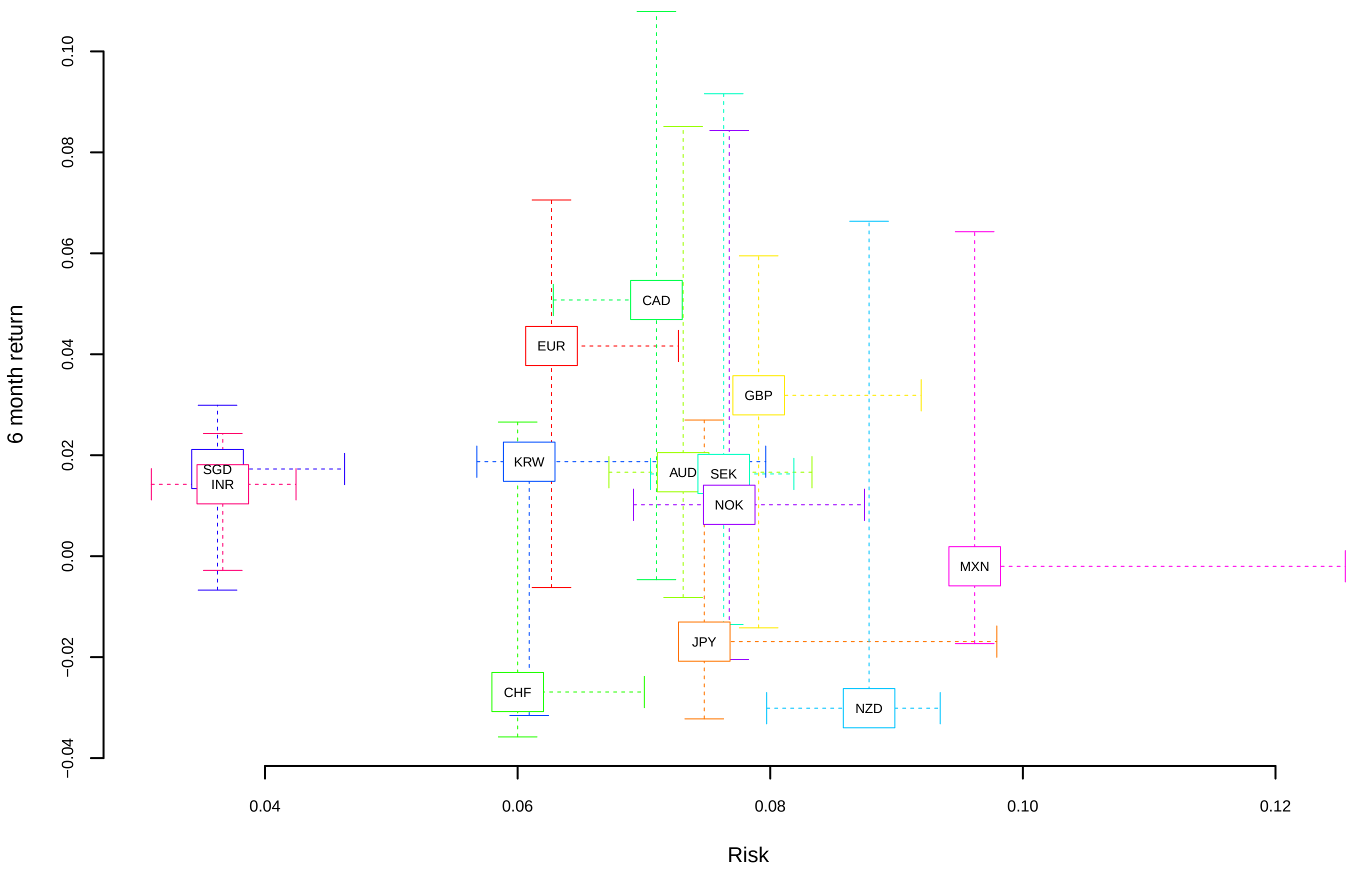
25. CSI 300 rolling ADV (USD billions)



26. CSI 300 ADV by sector



27. Currency risk and return vs USD



www.axioma.com
US & Canada: +1 212−991−4500
Europe: +44 (0)20−7856−2424
Asia : +852 8203−2790

Explanatory notes

1. Global volatility hotspots
Volatility for global markets measured by the Axioma World short horizon fundamental model based on Axioma model estimation universe (USD perspective).
2. Global correlation hotspots
Average asset correlation for global markets measured using the Axioma World short horizon fundamental model based on Axioma model estimation universe (USD perspective).
3. Global market returns (6 months)
Total market return in local currency over the last 6 months based on the Axioma estimation universe.
4. Global market returns (1 week)
Total market return in local currency over the last week based on the Axioma estimation universe.
5. Global market risk and return
Total return over the last 6 months vs current market volatility estimated by Axioma short horizon world model, based on the Axioma estimation universe. Circle size represents market cap.
6. CSI 300 predicted risk
Forecast risk estimate for the CSI 300 measured by the four Axioma China model variants. MH = medium horizon, SH = short, −S = statistical model. Right hand axis shows CSI 300 return.
7. Rolling average asset correlations
Average correlation amongst CSI 300 stocks over trailing 20 and 60 day window. Right hand axis shows CSI 300 return.
8. Weekly asset return dispersion
Cross sectional volatility of weekly asset returns over CSI 300 stocks.
9. Weekly asset return proportion up/down
Weekly count of number of stocks with positive returns vs number of stocks with negative returns for CSI 300 stocks.
10. Risk watch − CSI 300
Change in CSI 300 risk vs total return over indicated period. Risk is measured by Axioma short horizon China model. A one standard deviation move based on risk forecast at the time is indicated by the colored dot.
11. Risk change decomposition
Breakdown of the causes of change in CSI 300 risk over 1 week, 1 month, 3 months and 6 months. For more details contact your Axioma representative.
12. Components of CSI 300 risk
CSI 300 stock specific risk and risk from industry, measured daily over the last 6 months using Axioma medium horizon model. Does not include covariance between industry and style.
13. CSI 300 diversification
Diversification is measured as the ratio of weighted average asset variance to total CSI 300 variance, measured by the Axioma medium horizon China model.
14. Style factor performance
Cumulative performance of the Axioma China fundamental model style factors over the last 6 months
15. Style factor returns
Return of the Axioma China fundamental model style factors over the last 1 week, 1 month, 3 months and 6 months.
16. Factor volatility range
The range in volatility for style and industry factors in the China medium horizon fundamental model over the last 6 months. Current volatility is indicated by the yellow line.
17. Style correlations
Correlations between style factors from the China medium horizon fundamental model
18. Change in style correlations (6 month)
The change in correlation between style factors from the China medium horizon fundamental model over the last 6 months.
19. CSI 300 sector weights and % of risk
The weight and contribution to risk of top level sectors in the CSI 300 index. Risk is measured using the Axioma medium horizon fundamental model.
20. CSI 800 sector weights and % of risk
The weight and contribution to risk of top level sectors in the CSI 800 index. Risk is measured using the Axioma medium horizon fundamental model.
21. CSI 300 sector style exposures
The weighted average exposure to Axioma China style factors for top level sectors in the CSI 300 index.
22. CSI 800 sector style exposures
The weighted average exposure to Axioma China style factors for top level sectors in the CSI 800 index.
23. Returns for popular benchmarks
Cumulative returns in local currency over the last 6 months for popular global equity benchmarks as measured by a corresponding ETF. Each of these benchmarks are registered trademarks of their respectiv
24. Returns for popular indicators
Cumulative returns over the last 6 months for WTI, spot gold and VIX. VIX is a registered trademark of the Chicago Board Options Exchange.
25. CSI 300 rolling ADV (USD billions)
Daily sum of 20−day average USD daily trading value for assets in CSI 300.
26. CSI 300 ADV by sector
Current and 6 month average 20−day average USD daily trading value for assets in CSI 300, split by top level sector.
27. Currency risk and return vs USD
Currency volatility and 6−month return vs USD. Dotted lines show range in return and volatility over the last 6 months.

Country legend

AT=Austria,AU=Australia,BE=Belgium,BR=Brazil,CA=Canada,CH=Switzerland,CL=Chile,CN=China,CO=Colombia,CZ=Czech Republic,DE=Germany,DK=Denmark,ES=Spain,FR=France
GB=United Kingdom,GR=Greece,HK=Hong Kong,HU=Hungary,ID=Indonesia,IE=Ireland,IL=Israel,IN=India,IT=Italy,JP=Japan,KR=Korea,LU=Luxembourg,MA=Morocco,MX=Mexico
MY=Malaysia,NL=Netherlands,NO=Norway,NZ=New Zealand,OM=Oman,PE=Peru,PH=Philippines,PL=Poland,PT=Portugal,RU=Russian Federation,SE=Sweden,SG=Singapore
TH=Thailand,TR=Turkey,TW=Taiwan,US=United States,ZA=South Africa

Disclaimer