

The IPOX® Week

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- IPOX U.S. Indexes lag foreign counterparts as international IPO activity outpaces the U.S.
- IPOX-linked ETF performance update, AUM rise.
- Q2 sees surge in global deals, upcoming IPOs.

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IPOX U.S. Indexes lag foreign counterparts as international IPO activity outpaces the U.S. The performance of the **IPOX Indexes** mirrored the pattern in global IPO activity last week as deal volume abroad surpassed deal flow in the United States. In the **IPOX Indexes Universe**, while renewed weakness in U.S. small-caps pressured the **IPOX 100 U.S. Index** (IPXC, IPXO, IPXT), big momentum in specialty deals drove the **IPOX Europe Indexes** (IXTE, IPND) and **IPOX International** (IPXI) to multi-year highs. Individual names driving relative and absolute gains in the **IPOX Europe** (IXTE), e.g., continued to include French engineering services provider **SPIE** (SPIE FP: +6.04%), 15' Bayer Spin-off specialty chemicals maker **Covestro** (1COV GY: +5.63%) or Italian high-end luxury apparels maker **Moncler** (MONC IM: +4.14%). In the **IPOX International** (IPXI) – benchmark for the performance of the largest and best performing IPOs and Spin-offs with a domicile outside the U.S. – other big movers included recent Spin-off Chinese restaurant operator **Yum China** (YUMC US: +14.52%), Chinese social networker ever-volatile **Meitu** (1357 HK: +8.28%) or Japan transit provider 10/16 IPO **Kyushi Railway Group** (9142 JP: +3.94%). We also note a fresh all-time high in **IPOX Asia-Pacific** (IPTA)-tracked “British International School” operator **Nord Anglian Education** (NORD US: +10.10%). Firms recording downside were mostly U.S. domiciled and linked to Monday’s release of U.S. car sales, such as **Camping World** (CWH US: -11.20%), auto parts maker **Adient** (ADNT US: -8.01%) and car producer **Fiat Chrysler** (FCAU US: -7.41%).

IPOX-linked ETF performance update, AUM rise. Amid continued brisk activity in the global New Listings Market, select IPOX-linked investment products traded mixed last week, but saw a net increase in AUM. The IPOX-linked, 5-star, 10-year old 700.15 million **First Trust U.S. Equity Opportunity ETF** (FPX) fell to +5.48% YTD, e.g., while the **First Trust International IPO ETF** (FPXI) rose for yet another week, extending its YTD gain by +0.52% to +13.09% YTD.

Q2 sees surge in global deals, upcoming IPOs. A massive 15 notable global IPOs (non China-A shares) commenced trading last week with the average (median) equally-weighted IPO gaining +5.23% (+0.99%) based on the difference between the final offering price and the week’s close. In the cross-section, while U.S. IPOs continued to be significantly underpriced (average initial return: +16.55%, median: +13.96%), firms abroad left virtually no money on the table (average initial return +1.11%, median: +0.00%). While the valuation consumer lender **Elevate Credit** (ELVT US: +15.31%) was almost cut in half (!!!) into the IPO, negative sentiment around incumbent '10 IPO **Swift** (SWFT US: -2.53%) pressured the IPO of **Schneider**

IPOX Price Returns (%)	Last Week	Q1 2017	2017 YTD
Exposure: Global/International (xUS) (USD)			
IPOX Global (IPGL50)	-0.13	8.33	8.19
IPOX International (IPXI)*	0.39	11.49	11.93
Exposure: United States			
IPOX Composite U.S. (IPXC)*	-0.46	9.26	8.76
IPOX 100 U.S. (IPXO)*	-0.81	6.12	5.26
IPOX 30 U.S. (IPXT)	-0.83	5.90	5.02
Exposure: Europe/Nordic Region			
IPOX Europe (IXTE)	0.80	9.03	9.90
IPOX Nordic (IPND)	1.07	3.84	4.95
Exposure: Asia-Pacific/China Region			
IPOX Asia-Pacific (IPTA)	-0.02	8.32	8.29
IPOX Comp. China (IPXUCHCP)*	0.98	11.44	12.53
IPOX China (CNI)	0.80	11.52	12.41

* Basis for ETFS: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME Futures (**e-mini IPOX 100 U.S. Index Futures** [commodity trading symbol: IPOM7]).

National (SNDR US: +0.00%). The strong debut in applications software maker **Okta** (OKUS: +38.29%) underlined indiscriminate demand for specialty deals in the U.S. Ahead of the shortened trading week, 9 sizeable firms debuted in Europe. Focus during the upcoming week shifts back to the U.S., with at least 6 companies from various industries lined up to go public on the NYSE or NASDAQ.

Traded IPOs (week of 04/03/2017)	Country
Actic Group AB	Sweden
Banca Farmafactoring SpA	Italy
Bergenbio ASA	Norway
Elevate Credit Inc.	United States
Galenica Sante Ltd	Switzerland
Gestamp Automocion SA	Spain
Hess Midstream Partners LP	United States
Isofol Medical AB	Sweden
Kunming Dianchi Water Treatment Co Ltd	China
Okta Inc.	United States
Schneider National Inc	United States
SSM Holding AB	Sweden
Unieuro SpA	Italy
X-Fab Silicon Foundries SE	Belgium
Upcoming IPOs (week of 04/10/2017)	Country
Azul SA	Brazil
Cadence BanCorp	United States
FM Mattsson Mora	Sweden
Nanobiotix	France
Netmarble Games Corp	South Korea
Netshoes Cayman Ltd	Brazil
Oceania Healthcare Ltd	New Zealand
Tocagen Inc	United States
Yext Inc.	United States
Warrior Met Coal LLC	United States