The IPOX® Week

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- Earnings, Momentum propel **IPOX 100 U.S. Index (IPXO)** to strong week, FPX closes at all-time high.
- **IPOX Europe Index (IXTE)** extends YTD gains.
- **Snap** (SNAP US) files landmark IPO. U.S. IPO window open as most deals get done. More IPOs lined up.

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Earnings, Momentum propel **IPOX 100 U.S. Index (IPXO)** to strong week, FPX closes at all-time high. The **IPOX 100 U.S. Index** (IPXO) extended the YTD gains last week, as solid earnings and momentum propelled the index to an all-time closing high. The Index - key benchmark for the performance of U.S. IPOs and Spin-offs - rose +0.74% to +3.52% YTD, exceeding the return of the major U.S. equity benchmarks by between +21 bps. (**Russell 2000**) and +86 bps. (**Nasdaq 100**). Strong earnings in select Spin-offs drove the relative gain, including Financial **Ally** (ALLY US: +15.22%), specialty chemicals maker **The Chemours Co.** (CC US: +8.78%) and consumer staple, Chicago, IL-based potato processor **Lamb Weston** (LW US: +6.75%). A good week in heavily weighted drug/pharma producers supported, including **Abbvie** (ABBV US: +1.12%) and **Shire** (SHPG US: +2.02%). Most weakness originated from high-beta exposure ahead of earnings, including communications equipment maker **Acacia Communications** (ACIA US: -6.12%). In all, 66% of all index holdings rose, with the average (median) equally-weighted stock gaining +0.91% (+0.88%), slightly ahead of the applied market-cap. weighted **IPOX 100 U.S. Index** (IPXO). IPOX-linked Financial Products mirrored the strong sentiment: For example, available to investors in the U.S. and Europe, the USD million 659, 5-star **First Trust U.S. Equity Opportunities ETF** (FPX US, FPX LN) rose +0.74 to % +3.55% YTD, a new all-time closing high, while the **Catalyst IPOX Allocation Fund** (OIPAX), an active IPOX-linked mutual fund, added +1.28% to +2.76% YTD.

IPOX Europe Index (IXTE) extends YTD gains. We continue to note with interest the big relative return gains in European IPOs and Spin-offs as measured by the **IPOX Europe** (IXTE), with the index rising +0.06% to +3.55% YTD last week, now a large +365 bps. ahead of the European market YTD. Recent specialty IPOs led the gains, including Italian luxury car maker **Ferrari** (RACE US: +5.26%) or Stockholm-traded Industrial products maker **Ahlsell** (AHSL SS: +2.93%).

Snap (SNAP US) files landmark IPO. U.S. IPO window open as most deals get done. More IPOs lined up. At least 6 significant, accessible (non China A-shares) IPOs commenced trading last week with the average (median) company gaining +11.87% (+8.91%) based on the difference between the final offering price and Friday's close. With the exception of educational services provider **Laureate Education** (LAUR US: -5.21%), all deals rose based on offer with most initial upside recorded by Indian stock exchange operator **BSE** (BSE IN: +32.66%). We also note Thursday's IPO filing of social networker **Snap** (SNAP US). Amid an underwhelming nominal level of revenue, but an explosive revenue growth rate, the firms is set to price its March/April IPO at approximatly 50 times '16 total sales. More companies are lined up to go public during this week: Top of the list ranks foreign-domiciled **Mauser Group** (MSR US), a global supplier of rigid packaging products and services for industrial use, and building products distributor CA-based **Foundation Building Materials** (FBM US). Deals outside the U.S. include the REIT of Tokyo-traded **Mori Trust Hotel** (3478 JP), and H.K-traded small caps contruction sub-contractor **Royal Deluxe** (3789 HK) and apparel supply chain management services provider **Speed Apparel** (8183 HK).

IPOX Price Returns (%)	Week	2017	2016
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	0.25	4.44	-2.50
IPOX Global 30 (IPGL30)	0.08	3.78	1.73
IPOX International (IPXI)*	0.39	6.12	-4.63
Exposure: United States			
IPOX Composite U.S. (IPXC)*	0.59	5.46	7.24
IPOX 100 U.S. (IPXO)*	0.74	3.52	5.89
IPOX 30 U.S. (IPXT)	0.43	2.98	8.44
Exposure: Europe/Nordic Region			
IPOX Europe (IXTE)	0.06	3.55	0.18
IPOX Nordic (IPND)	0.63	3.55	-1.59
Exposure: Asia-Pacific/China Region			
IPOX Asia-Pacific (IPTA)	0.87	3.45	-1.96
IPOX Comp. China (IPXUCHCP)*	-0.36	6.09	-3.73
IPOX China (CNI)	-0.31	5.57	-10.21

* Basis for Exchange-Traded Products (e.g. FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME Futures (**e-mini IPOX 100 U.S. Index Futures** [commodity trading symbol: IPOH7]).

Traded IPOs (week of 01/30/2017)	Country
BSE Ltd	India
Freshii Inc	Canada
Invitation Homes Inc	United States
Kimbell Royalty Partners LP	United States
Laureate Education Inc	United States
Ramaco Resources Inc	United States
Upcoming IPOs (week of 02/06/2017)	**Country**
AlzChem AG	Germany
Clipper Realty Inc.	United States
Foundation Building Materials LLC	United States
Mori Trust Hotel REIT Inc.	Japan
Mauser Group BV	United States
Royal Deluxe Holdings Ltd.	Hong Kong
Speed Apparel Holding Ltd.	Hong Kong

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