

# The IPOX® Week

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## ◆ Think GROWTH – Think IPOX

- **IPOX 100 U.S. Index (IPXO)** first equity benchmark to track **Snap** (SNAP US), provides exposure to key **Berkshire Hathaway** (BRK/B) holdings.
- **IPOX China Indexes** (CNI, IPXUCHCP) record big relative performance jump.
- After strong week for global IPOs, more deals lined up.

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**IPOX 100 U.S. Index (IPXO)** first major equity benchmark to track **Snap** (SNAP US), provides exposure to key **Berkshire Holdings** (BRK/B). The **IPOX 100 U.S.** (IPXO) extended its YTD gain by +0.40% to +6.25% last week, significantly outperforming weak U.S. small caps. Amid earnings, the divergence in returns of index holdings was significant with gains in specialty chemicals maker **Ingevity** (NGVT US: +11.24%), the impact of Friday's rise in newly added social networker **Snap Inc.** (SNAP US: +10.66% [based on Thursday's close]) or roaring apparel store operator **Burlington Stores** (BURL US: +9.68%) more than offsetting big declines in recent IPOs including computer hardware firm **Nutanix** (NTNX US: -22.87%) and health care services providers **Medpace** (MEDP US: -20.08%) and **INC Research** (INCR US: -17.17%). Other core holdings – overlapping with Warren Buffet's **Berkshire Hathaway** (BRK/B: +3.21%) – fell, including consumer staples **Kraft Heinz** (KHC US: -1.70%) and **Restaurant Brands** (QSR US: -1.39%). In all, 53% of members in the **IPOX 100 U.S. Index** (IPXO) rose, with the average (median) equally weighted stock declining (rising) by -0.04% (+0.19%), less than when compared to the applied market-cap weighted **IPOX 100 U.S. Index** (IPXO).

**IPOX-linked Financial Products** mirror movements in underlying **Indexes**, impact of strength in **SNAP** (US): IPOX-linked investment products traded mixed on the week: While the USD million 683, 5-star **First Trust U.S. Equity Opportunities ETF** (FPX US, FPX LN) added +0.54% +6.41% YTD, its international counterpart (FPXI US) fell to +7.58% YTD. Early exposure to **Snap** (SNAP US) noticeably impacted the performance of the **Catalyst IPOX Allocation Fund** (OIPAX), with the actively managed mutual fund extending its YTD gain by +1.40% to +6.48% YTD, outpacing U.S. equities.

**IPOX China Indexes** (CNI, IPXUCHCP) record big relative performance jump. We note unusually big relative weakness in the China-linked broad benchmarks vs. the **IPOX China Indexes** (CNI, IPXUCHCP) last week, with the **IPOX China (CNI)** (IPXUCHCP) extending the relative performance differential by a massive +211 bps. to +276 bps. YTD.

After strong week for global IPOs, more deals lined up. At least 14 significant global IPOs (excluding Chinese A-shares) commenced trading last week, with the average (median) equally-weighted deal gaining +29.39% (19.46%) based on the difference between the final offering price and week's close. In the run-up to the IPO of Saudi-Arabia's oil producer **Aramco**, 7

| IPOX Price Returns (%)                            | Week  | 2017  | 2016   |
|---|-------|-------|--------|
| <b>Exposure: Global/International (xUS) (USD)</b> |       |       |        |
| IPOX Global 50 (IPGL50)                           | 0.16  | 6.44  | -2.50  |
| IPOX Global 30 (IPGL30)                           | 0.00  | 6.24  | 1.73   |
| IPOX International (IPXI)*                        | -0.03 | 7.43  | -4.63  |
| <b>Exposure: United States</b>                    |       |       |        |
| IPOX Composite U.S. (IPXC)*                       | 0.50  | 8.48  | 7.24   |
| IPOX 100 U.S. (IPXO)*                             | 0.40  | 6.25  | 5.89   |
| IPOX 30 U.S. (IPXT)                               | 0.54  | 6.36  | 8.44   |
| <b>Exposure: Europe/Nordic Region</b>             |       |       |        |
| IPOX Europe (IXTE)                                | 1.18  | 3.88  | 0.18   |
| IPOX Nordic (IPND)                                | 0.24  | 4.28  | -1.59  |
| <b>Exposure: Asia-Pacific/China Region</b>        |       |       |        |
| IPOX Asia-Pacific (IPTA)                          | -0.06 | 6.36  | -1.96  |
| IPOX Comp. China (IPXUCHCP)*                      | -0.16 | 9.47  | -3.73  |
| IPOX China (CNI)                                  | -0.52 | 10.74 | -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]).

notable firms commenced trading on the local exchange, all producing significant initial returns, kicking-off strong momentum to re-juvenate the country's equity culture and transformation. Amid the big reception to **Snap** (SNAP US) - enforced by the addition of cornerstone investor LA-based **NBC Universal** – two notable U.S. IPOs are set to go public this week: These include specialty apparel store operator MA-based **Jill Intermediate** (JILL US), as well as IT-services provider **NY-based Presidio** (PSDO US).

| Traded IPOs (week of 02/27/2017)        | Country        |
|---|----------------|
| Abdullah Saad Mohammed Abo Moati        | Saudi Arabia   |
| Al Samaani Factory For Metal Industries | Saudi Arabia   |
| Al-Omran Industrial & Trading           | Saudi Arabia   |
| Arab Sea Information Systems            | Saudi Arabia   |
| Baazeem Trading                         | Saudi Arabia   |
| China Yuhua Education Corp              | Hong Kong      |
| Development Works Food                  | Saudi Arabia   |
| Hamilton Lane                           | United States  |
| LXI REIT                                | United Kingdom |
| Premier Food & Fishing                  | South Africa   |
| Raydan                                  | Saudi Arabia   |
| Snap                                    | United States  |
| Up Global Sourcing Holdings             | United Kingdom |
| Vietjet Aviation                        | Vietnam        |
| Upcoming IPOs (week of 03/06/2017)      | Country        |
| Impact Healthcare REIT PLC              | United Kingdom |
| J. Jill Inc.                            | United States  |
| Microwave Group Ltd.                    | Hong Kong      |
| Persta Resources Inc.                   | Hong Kong      |
| Presidio Inc.                           | United States  |