

The IPOX® Week

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◆ Think GROWTH – Think IPOX

- Style-Box agnostic **IPOX Indexes** start new quarter with strong gains.
- IPOX-linked ETFs mirror rise in underlying Indexes.
- Global Deal-flow Review and Outlook: IPO sentiment strong, more deals expected. Healthcare dominates.

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Style-Box agnostic IPOX Indexes start new quarter with strong gains. The style-box agnostic **IPOX Indexes** remained buoyed last week, continuing to record strong gains across the Indexes group. Most upside focus was on China-linked exposure (IPXUCHCP, CNI), which also drove outsized gains in the **IPOX Global** (IPGL50) and the **IPOX International** (IPXI). In the U.S., the **IPOX 100 U.S.** (IPXO) – benchmark for the performance of the largest New Listings (IPOs and Spin-offs) in the U.S. by applying the **IPOX Indexes Technology** – closed out the week at the highest level on record, adding 1.45% to 19.71% YTD, now 584 bps. YTD ahead of the **S&P 500** (SPX), main gauge for U.S. stocks.

Broad-based gains across sectors: Gains were broad-based and extended across sectors with notable upside in U.S.-traded small- and mid-caps including software maker **Coupa Software** (COUP US: 9.79%), social networker **Match Group** (MTCH US: 9.44%) or specialty chemicals maker **The Chemours Company** (CC US: 8.02%), while IPOX heavyweights IL-based drug maker **Abbvie** (ABBV US: 1.83%) and consumer staple **Kraft Heinz** (KHC US: 0.81%) had a solid showing on the week. Recently highlighted short-selling targets including online household goods retailer **Wayfair** (W US: 2.36%) and Canada-based e-commerce platform operator **Shopify** (SHOP US: -15.94%) traded mixed at best. Amid favorable analyst coverage, we note a new high in European low-cost carrier 02/2015 IPO **Wizz Air** (WIZZ LN: 10.28%),

IPOX-linked ETFs mirror rise in underlying Indexes. Linked to the **IPOX 100 U.S.** (IPXO), the 5-star USD million 878 **First Trust U.S. Equity Opportunities ETF** (FPX) added 1.43% to 20.35% YTD, while the **First Trust International IPO ETF** (FPXI) added 1.53% to 37.66% YTD. **FPX** and **FPXI** offer a granular and style-box agnostic approach to investing in the largest global New Listings (IPOs and Spin-offs), often a pure proxy for economic growth and innovation.

Global Deal-flow Review and Outlook: IPO sentiment strong, more deals expected. Healthcare dominates. At least 7 notable (non-China A shares) firms commenced trading last week with the average (median) IPO adding 24.03% (22.59%) based on the difference between the final offering price and Friday's close. Upside continued to be strong for growth-oriented deals linked to specialty industries with strong initial gains recorded by USD billion 5.1 data center operator Las Vegas-based **Switch** (SWCH US: 22.59%) or drug maker **Rhythm Pharma** (RYTM US: 48.53%). Larger deals abroad traded mostly flat, including Indian Financial **SBI Life Insurance** (SBILIFE IN: -0.46%) and ChemChina-linked Italian tire maker **Pirelli** (PIRC IM: 3.08%).

IPOX Price Returns (%)	Last Week	Q3 2017	YTD 2017
Exposure: Global/International (x US) (USD)			
IPOX Global (IPGL50)	1.55	8.63	26.13
IPOX Global (IPGL30)	1.65	7.27	26.50
IPOX International (IPXI)*	1.55	9.49	35.42
Exposure: United States (USD)			
IPOX Composite U.S. (IPXC)*	2.02	8.86	30.37
IPOX 100 U.S. (IPXO)*	1.45	7.06	19.71
IPOX 30 U.S. (IPXT)	1.33	7.99	21.23
Exposure : Europe/Nordic Region (EUR)			
IPOX Europe (IXTE)	0.84	5.59	21.84
IPOX Nordic (IPND)	0.99	5.17	19.83
Exposure: Asia-Pacific/China Region (USD)			
IPOX Asia-Pacific (IPTA)	0.71	2.85	15.57
IPOX Comp. China (IPXUCHCP)	3.34	12.29	42.32
IPOX China (CNI)	4.16	9.59	33.19

* Basis for ETPs: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME Futures (**e-mini IPOX 100 U.S. Index Futures** [Commodity trading symbol: IPOZ7]).

Amid the big YTD relative and absolute gains in the **IPOX Nordic** (IPND), mostly health care focused firms “going public” in the Nordic region take center-stage this week including Stockholm-based biopharma **BioArctic** (BIOA SS), Sweden-based medical equipment maker **Handicare Group** (HANDI SS), Helsinki-based health care facilities operator **Terveystalo** (TTALO FH) and Oslo-based IT services provider **Webstep** (WSTEP NO). Deals in the U.S. include ear, nose or throat surgery center operator **Optinose** (OPTN US), children implant maker **OrthoPediatrics** (KIDS US) or Goldman Sachs-led **Cargurus** (CARG US), a retailer of automobiles and related accessories.

IPOs traded (week: October 02, 2017)	Country
Balco Group AB	Sweden
Gima TT SpA	Italy
PDL Community Bancorp	U.S.A.
Pirelli & C SpA	Italy
Rhythm Pharmaceuticals Inc	U.S.A.
SBI Life Insurance Co Ltd	India
Switch Inc	U.S.A.
IPOs expected (week: October 09, 2017)	Country
Alpha Financial Markets Consulting Ltd	Britain
BioArctic AB	Sweden
Cargurus Inc	U.S.A.
Handicare Group AB	Sweden
Henan Jinma Energy Co Ltd	China
MCP Master Income Trust	Australia
Optinose Inc	U.S.A.
OrthoPediatrics Corp	U.S.A.
Terveystalo Oy	Finland
Webstep ASA	Norway