

## ◆ Think IPO – Think IPOX

- IPOX Global Indexes fall sharply on spike in global risk. IPOX Asia-Pacific and IPOX China only stand-outs.
- Ahead of earnings, First Trust U.S. IPO ETF (FPX) sees YTD gains vanish as broad selling continues.
- Large number of deals get done globally. Issuers leave little money on the table. More deals lined up.

**[ Week: 04/14/2014 ]**

**IPOX Global Indexes fall sharply as global risk spikes:** The IPOX Global Indexes were a key casualty of the spike in global equity risk (VIX: 21.99%) last week [enforced by 1) U.S. earnings concerns, 2) Russia/Ukraine or 3) a flattening U.S. yield curve awakening fears over a U.S. economic slowdown], with the broad IPOX Global 50 (IPGL50) slumping -2.48% to -3.55 YTD, underperforming benchmark MSCI World (MXWD) by -61 ops. Most developed markets exposure fell sharply (IPOX U.S., IPOX Europe), while Emerging markets traded well supported (IPOX China). Focus amongst individual firms was on Japanese Financial USDbn 13.10 Dai-ichi Life (8750 JP: -13.68%), U.S. drug maker USDbn 73.80 Abbvie (ABV US: -11.00%) or British postal operator USDbn 8.28 Royal Mail (RMG LN: -9.92%). Most China-linked exposure rose with USDbn 12.12 Sun Art Retail (6808 HK: 4.34%), H.K. traded Financial USDbn 61.46 AIA (1299 HK: 3.66%) or dividend heavyweight HK Electric (2638 HK: 1.19%) amongst the biggest index gainers.

**Amid broad selling ahead of earnings, IPOX-linked First Trust U.S. IPO ETF (FPX) sees YTD gains vanish, lags S&P 500 for 5<sup>th</sup> week:** Linked to the USDbn 910.25 IPOX U.S. 100 Index (IPXO), the IPOX-linked First Trust U.S. IPO ETF (FPX) fell -4.24% to -3.72% YTD, lagging the ETFs linked to the S&P 500 (SPY) and Russell 2000 (IWM) by -162 and -68 bps, e.g. For another week, the fund mirrored the current dismal sentiment towards the slew of until recently well-performing alternative U.S. growth exposure ahead of respective earnings [which were stellar during last quarter]. Breath in the underlying index universe remained decidedly negative: Just 12/100 firms in the underlying IPOX U.S. 100 (IPXO) gained on the week, with the average (median) equally-weighted portfolio holding dropping by -4.12% (-3.90%), slightly lagging the applied market-cap weighted index.

**Companies “Going Public” and lined up:** Despite continued downside volatility particularly in sectors tied to the most number of IPOs until recently (Technology, Health Care), at least 17 notable deals commenced trading on an accessible global exchange last week, with the average (median) IPO gaining just 2.98% (0.45%) based on the difference between the final offering price and last week’s close, a significant decline from the previous week’s initial showing. While the key U.S. deals (ALLY US, LQ US) disappointed anew with firms “leaving no money on the table”, most upside focus in the U.S. was on USDm 454.7 Zoe’s Kitchen (ZOES US), an operator of Mediterranean-style restaurants, and underlying the unabated demand for small U.S. based growth co’s in specialty industries.

IPOX Returns (%) (select Price)	Week	2013	YTD 14
<b>Exposure: Global</b>			
IPOX Global 50 (IPGL50)	-2.48	26.54	-3.55
IPOX Global 30 (IPGL30) (super liqd)	-2.83	33.65	-3.68
MSCI World (MXWD)	-1.87	20.25	-1.08
<b>Exposure: United States</b>			
IPOX-100 U.S. (IPXO)	-4.06	46.99	-3.78
IPOX-30 U.S. (IPXT)	-4.08	44.01	-3.01
S&P 500 (SPX)	-2.65	29.60	-1.77
<b>Exposure: Europe</b>			
IPOX Europe 50 (IPXUJPEU)	-4.10	20.78	0.06
IPOX Europe 30 (IXTE)	-3.88	22.68	1.19
Stoxx 50 (SX5P)	-2.49	13.26	-1.33
<b>Exposure: Asia-Pacific</b>			
IPOX Asia-Pacific 30 (IPTA)	-0.92	19.85	-2.33
MSCI Asia-Pacific (MXPC)	-2.50	2.87	-4.80
<b>Exposure: China</b>			
IPOX China 20 (CNI)	0.02	14.77	-6.93
IPOX China Composite (IPXUCHCP)	0.26	16.98	-1.90
Hang Seng Enterprise Index (HSCEI)	1.17	-5.42	-5.43

## Companies “Going Public” last week:

Company Name	Identifier	Return (%)
Adamas Pharmaceuticals Inc	ADMS US	-18.75
Ally Financial Inc	ALLY US	-3.20
BAIOO Family Interactive Ltd	2100 HK	-31.16
Cerulean Pharma Inc	CERU US	-2.14
D Carnegie & Co AB	DCAR SS	17.18
eDreams ODIGEO SL	EDR SM	7.12
Enable Midstream Partners LP	ENBL US	11.00
Exova Group Ltd	EXO LN	0.45
Farmland Partners Inc	FPI US	-7.29
iKang Healthcare Group Inc	KANG US	0.36
La Quinta Holdings Inc	LQ US	-0.82
Phibro Animal Health Corp	PAHC US	13.33
Polypipe Group plc	PLP LN	6.22
SEPLAT Petroleum Development Co Plc	SEPL LN	4.29
SuperSonic Imagine SA	SSI FP	-18.80
Thurgauer Kantonalbank	TKBP SW	8.11
Zoe’s Kitchen Inc	ZOES US	64.80

## Notable Global IPOs lined up:

Company Name	Identifier	IPO Date
Moelis & Co	MC US	04/16
Quotient Ltd	QTNT US	04/16
TriVascular Technologies Inc.	TRIV US	04/16
Opus Bank	OPB US	04/16
Bravofly Rumbo Group BV	BRG SW	04/16
Wang Tai Holdings Ltd.	1400 HK	04/16
Vital Therapies Inc.	VTL US	04/17
Sabre Corp.	SABR US	04/17
Sportsman’s Warehouse Inc.	SPWH US	04/17
Leju Holdings Ltd.	LEJU US	04/17
Weibo Corp.	WB US	04/17
Genesis Energy Ltd.	GNE NZ	04/17