

◆ Think IPO – Think IPOX

- IPOX Indexes rise, IPOX U.S. leads advance.
- First Trust U.S. IPO ETF (FPX) records strong absolute and relative gains.
- Flurry of global IPOs commence trading last week. U.S. deals lag foreign deals. More deals lined up.

[Week: 04/21/2014]

IPOX Indexes rise, IPOX U.S. leads advance, U.S. traded China IPOs record strong upside:

With the exception of the IPOX China Composite (IPXUCHCP: -1.09%), all IPOX Indexes rose last week as global equity risk sank (VIX: -21.55%), U.S. economic numbers and earnings were remained relatively supportive and global political tensions abated. On the global level, the IPOX Global 50 (IPGL50) - key measure for the performance of the largest global IPOs and Spin-offs - rose +1.87% to -1.75% YTD, outpacing the benchmarks. Upside focus in the non-U.S. domiciled IPOX equity universe was on China domiciled stocks trading in the U.S. with USDbn 7.51 e-commerce firm luxury e-tailer Vipshop (VIPS US: +10.25%) and USDbn 7.16 internet security firm Qihoo 360 (QIHU US: +7.87%) leading the way. USDbn 5.63 Singapore-traded IPOX Asia-Pacific heavyweight shopping mall operator CapitaMalls (CMA SP: +21.33%) surged after obtaining a buy-out offer from property developer Capitaland (CAPL SP: +8.90%).

IPOX-linked First Trust U.S. IPO ETF (FPX) surges past benchmarks:

Linked to the USDbn 939.47 IPOX U.S. 100 Index (IPXO), the IPOX-linked First Trust U.S. IPO ETF (FPX) surged +3.53% to -0.32% YTD last week, outpacing the ETFs linked to the S&P 500 (SPY), Nasdaq 100 (QQQ) and Russell 2000 (IWM) by +84, +105 and +126 bps. with the fund mirroring well the sharp change in sentiment towards high growth stocks. A broad mix of firms led the advance with application software maker USDbn 7.76 Splunk (SPLK US: +14.15%), energy explorer USDbn 4.19 Laredo Petroleum (LPI US: +13.20%) or messaging service USDbn 25.52 Twitter (TWTR US: +12.38%) in focus. IPOX heavyweight USDbn 34.71 Kinder Morgan (KMI US: +4.58%) delivered strong quarterly results ahead of key earnings of other IPOX heavyweights including social networker Facebook (FB), embattled General Motors (GM) or drug maker AbbVie (ABBV). The fund counted upscale furnishing retailer USDbn 2.48 Restoration Hardware (RH US: -4.79%) and biopharma USDbn 1.94 Clovis Oncology (CLVS US: -4.24%) as its worst performing portfolio holdings. Breath in the underlying universe of stocks was decidedly positive: 86/100 firms gained on the week, with the average (median) equally-weighted portfolio holding rising by +3.37% (+2.89%), in line with the applied market-cap weighted IPOX U.S. 100 (IPXO) Index.

Companies “Going Public” and lined up: Despite continued skepticism about the strength of the global IPO market and subsequent market impact, another 17 notable deals commenced trading on an accessible global exchange last week, with the average (median) IPO gaining +12.57% (+5.26%) based on the difference between the final offering price and last week’s close. Notable is the strong initial showing

IPOX Returns (%) (select Price)	Week	2013	YTD 14
Exposure: Global			
IPOX Global 50 (IPGL50)	1.87	26.54	-1.75
IPOX Global 30 (IPGL30) (super liqd)	2.18	33.65	-1.58
MSCI World (MXWD)	1.71	20.25	0.61
Exposure: United States			
IPOX-100 U.S. (IPXO)	3.31	46.99	-0.60
IPOX-30 U.S. (IPXT)	3.19	44.01	0.08
S&P 500 (SPX)	2.71	29.60	0.89
Exposure: Europe			
IPOX Europe 50 (IPXUJPEU)	1.08	20.78	1.14
IPOX Europe 30 (IXTE)	1.43	22.68	2.64
Stoxx 50 (SX5P)	1.36	13.26	0.01
Exposure: Asia-Pacific			
IPOX Asia-Pacific 30 (IPTA)	1.15	19.85	-1.20
MSCI Asia-Pacific (MXPC)	1.63	2.87	0.48
Exposure: China			
IPOX China 20 (CNI)	0.01	14.77	-6.92
IPOX China Composite (IPXUCHCP)	-1.09	16.98	-2.98
Hang Seng Enterprise Index (HSCEI)	-2.15	-5.42	-7.47

Companies “Going Public” last week:

Company Name	Identifier	Return (%)
Anima Holding SpA	ANIM IM	1.90
Beacon Lighting Group Ltd	BLX AU	63.64
Bravofly Rumbo Group BV	BRG SW	-8.33
Genesis Energy Ltd	GNE NZ	16.77
Japara Healthcare Ltd	JHC AU	35.00
Joyful Honda Co Ltd	3191 JP	5.26
Leju Holdings Ltd	LEJU US	18.60
Lumenpulse Inc	LMP CN	25.44
Moelis & Co	MC US	4.36
Opus Bank	OPB US	-1.87
Paycom Software Inc	PAYC US	8.33
Prime Car Management SA	PCM PW	0.48
Sabre Corp	SABR US	3.13
Sportsman's Warehouse Holdings Inc.	SPWH US	2.63
TriVascular Technologies Inc	TRIV US	19.33
Vital Therapies Inc	VTL US	0.00
Weibo Corp	WB US	19.06

of IPOs domiciled outside the U.S., including Australia (BLX AU, JHC AU), New Zealand (GNE NZ) and Canada (LMP CN). Ahead of filing details re: the IPO of Alibaba Group, China-linked IPOs in the U.S. performed strongly, amid an amendment of offering term (LEJU US, WB US). The key U.S. domiciled deals (MC US, OPB US, SABR US) left little money on the table.

Notable Global IPOs lined up:

Company Name	Identifier	IPO Date
Quotient Ltd.	QTNT US	04/21
Ichitan Group PCL	ICHI TB	04/21
Seibu Holdings Inc.	9024 JP	04/23
Aldeyra Therapeutics Inc.	ALDX US	04/25
Pacc Offshore Services	POSH SP	04/26
Wang Tai Holdings Ltd.	1400 HK	04/26