

◆ Think IPO – Think IPOX

- IPOX Indexes rise across global regions, IPOX Europe continues relative performance jump, IPOX U.S. lags.
- Technology holdings pressure First Trust U.S. IPO ETF (FPX), fund lags S&P 500 (SPX) for 4th week.
- Most IPOs “Going Public” in the U.S. rise anew, significant deal flow across global regions lined up.

[Week: 04/07/2014]

IPOX Global Indexes rise - IPOX Asia Pacific (IPTA) with most upside focus, while IPOX U.S. (IPXO) lags:

The IPOX Global Indexes rose on the week, with the broad IPOX Global 50 (IPGL50) gaining 0.87% to -1.10% YTD, lagging benchmark MSCI World (MXWD) by -9 bps. The portfolio benefited from a re-bounce in the hard-hit exposure linked to the Chinese consumer, with USDbn 68.86 casino operators Sands China (1928 HK: 10.37%) and USDbn 14.38 MGM China (2282 HK: 8.44%) leading the way. Russian mobile phone network operator USDbn MegaFon (MFON LN: -7.60%) reversed course to rank as the worst performing portfolio holding on the week. Amid a flurry of significant deal flow lined up across Europe, we note the continued strength in the IPOX Europe 30 (IXTE) as EURbn 2.39 Jupiter Fund Management (JUP LN: 7.43%), online sportswear retailer EURbn 6.69 Sports Direct (SPD LN: 6.47%) and EURbn 13.87 online travel reservation firm Amadeus IT Holdings (AMS SM: 5.05%) rose.

Amid continued gyrations in U.S. index spreads with U.S. technology slumping, IPOX-linked First Trust U.S. IPO ETF (FPX) falls anew, lags S&P 500 for 4th week:

Linked to the broad USDbn 946.22 IPOX U.S. 100 Index (IPXO), the IPOX-linked 5-star First Trust U.S. IPO ETF (FPX) fell -0.11% to 0.54% YTD, lagging the ETFs linked to the S&P 500 (SPY) and Russell 2000 (IWM) by -60 and -28 bps., while outperforming the Nasdaq 100 (QQQ) by 67 bps. Renewed weakness in technology holdings pressured the index with internet media firms USDbn 3.93 Yelp (YELP US: -13.97%), USDbn 7.07 Splunk (SPLK US: -12.23%) or social networker USDbn 147.18 Facebook (FB US: -5.48%) in focus. Communications equipment maker USDbn 4.59 Commscope (COMM US: 7.59%), child care center operator USDbn 2.68 Bright Horizons Family Solutions (BHFS US: 6.34%) and USDbn 2.22 Swift Transportation (SWFT US: 6.00%) were the best performing portfolio holdings on the week. In all, 42/100 index members in the underlying IPOX U.S. 100 (IPXO) fell on the week, with the average (median) equally-weighted portfolio holding dropping by -0.40% (0.52%), slightly lagging the applied market-cap weighted index.

Companies “Going Public” and lined up: Despite increased downside volatility in U.S. traded technology stocks, initial IPO sentiment remained resilient across global regions, with the average (median) equally-weighted global IPO gaining 11.49% (9.14%) based on the difference between the final offering price and the week’s close with all significant IPOs (6138 HK, GRUB US) well supported. A flurry of deals across industries and global regions are scheduled for the upcoming week:

IPOX Returns (%) (select Price)	Week	2013	YTD 14
Exposure: Global			
IPOX Global 50 (IPGL50)	0.87	26.54	-1.10
IPOX Global 30 (IPGL30) (super liqd)	0.34	33.65	-0.87
MSCI World (MXWD)	0.96	20.25	0.81
Exposure: United States			
IPOX-100 U.S. (IPXO)	-0.34	46.99	0.29
IPOX-30 U.S. (IPXT)	0.25	44.01	1.11
S&P 500 (SPX)	0.40	29.60	0.91
Exposure: Europe			
IPOX Europe 50 (IPXUJPEU)	1.44	20.78	4.34
IPOX Europe 30 (IXTE)	1.62	22.68	5.28
Stoxx 50 (SX5P)	1.32	13.26	1.19
Exposure: Asia-Pacific			
IPOX Asia-Pacific 30 (IPTA)	2.53	19.85	-1.43
MSCI Asia-Pacific (MXPC)	2.11	2.87	-2.36
Exposure: China			
IPOX China 20 (CNI)	0.68	14.77	-6.95
IPOX China Composite (IPXUCHCP)	2.78	16.98	-2.15
Hang Seng Enterprise Index (HSCEI)	1.08	-5.42	-6.53

Companies “Going Public” last week:

Company Name	Identifier	Return (%)
1347 Property Insurance	PIH US	8.62
Corium International	CORI US	-0.62
Five9	FIVN US	9.14
GrubHub	GRUB US	30.77
Harbin Bank Co.	6138 HK	1.03
IMS Health Holdings	IMS US	15.00
Just East Holdings	JE LN	11.83
OPOWER	OPWR US	21.05
Recipharm	RECIB SS	12.18
SafeCharge International Group	SCH LN	2.78
Tarena International	TEDU US	0.44
The Rubicon Project	RUBI US	33.93
Verkkokauppa.com	VERK FH	3.22

Notable Global IPOs lined up:

Company Name	Identifier	IPO Date
Thurgauer Kantonalbank	TKBP SW	4/7
La Quinta Holdings	LQ US	4/8
iKang Healthcare Group	KANG US	4/8
eDreams ODIGEO SL	EDR SM	4/8
Farmland Partners	FPI US	4/9
Stalwart Tankers	STST US	4/9
Adamas Pharmaceuticals	ADMS US	4/9
Cerulean Pharma	CERU US	4/9
SuperSonic Imagine	SSI FP	4/9
BAIOO Family Interactive	2100 HK	4/10
Enable Midstream Partners	ENBL US	4/10
Aldeyra Therapeutics	ALDX US	4/10
Zoe's Kitchen	ZOES US	4/10
Lombard Medical	EVAR US	4/10
Paycom Software	PAYC US	4/10
Phibro Animal Health	PAHC US	4/10
Anima Holding	ANIM IM	4/10