

◆ THINK IPO – THINK IPOX®

- Deflation Angst hits stocks ahead of expiration; **IPOX Indexes** fall, some lag benchmarks strongly.
- Unabated IPO deal flow in Europe continues.
- More IPOs lined, focus Europe ahead of Brexit vote.

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Deflation Angst hits growth stocks ahead of expiration; IPOX Indexes fall, some lag benchmarks strongly. Amid continued declines in global yields (TLT US: +1.16%), some of the **IPOX Indexes** lagged sharply ahead of U.S. Futures and Options Expiration. In the U.S., e.g., the **IPOX 100 U.S.** (IPXO) – underlying for the **First Trust U.S. IPO ETF (FPX)** – fell -1.76% to -0.14% YTD, sharply underperforming the S&P 500 (SPX), the key gauge for U.S. stocks. Big selling pressure in large-cap

IPOX-linked First Trust U.S. IPO ETF (FPX) since 2006:



pharma and biotech exposure weighed with IL-based drug maker **AbbVie** (ABBV US: -6.15%) or synthetic biology services provider **Intrexon** (XON US: -12.74%) leading the way. Amid the fall in yields, recent REIT IPO **MGM Growth Properties** (MGP US: +5.03%) surged anew, while entertainment firm **Dave and Buster** (PLAY US: +15.20%) closed in on a USD billion 2 valuation. Just 37/103 **IPOX 100 U.S.** (IPXO) holdings rose, with the average (median) equally-weighted stock falling by -1.50% (-1.10%), better than when compared to the applied market-cap weighting index. **IPOX Indexes** in other world regions traded mixed last week: While the **IPOX Europe Indexes** (IXTE, IPND) beat the weak benchmarks for a second week in a row, the **IPOX Indexes** focusing on Developed Asia-Pacific (IPTA) and China (CNI, IPXUCHCP) lagged the market.

Unabated IPO deal flow in Europe continues. More IPOs lined, focus Europe ahead of Brexit vote. While U.S. media remained focused on weak U.S. IPO deal flow, IPO Activity across Europe continued to outpace other world regions, despite weak markets. Highlight of the week was the IPO of Danish privatization utility USD billion 15.9 **Dong Energy** (DENERG DC: +7.23%), which followed on the success of utility IPOs in the Americas (H CN: +22.2% since IPO) and New Zealand (MEL NZ: +105.8% since

IPOX Returns (%) (P)	Week	2015	YTD 16
Exposure: Global/International (xUS) (USD)			
IPOX Global 50 (IPGL50)	-1.95	0.99	-5.93
IPOX Intern. (IPXI)*	-1.95	-5.85	-6.53
Exposure: United States (USD)			
IPOX US Comp. (IPXC)	-1.46	-3.90	-0.48
IPOX 100 U.S. (IPXO)*	-1.76	1.57	-0.14
IPOX 30 U.S. (IPXT)	-1.55	4.91	0.19
Exposure: Europe (EUR)			
IPOX Europe (IXTE)	-2.39	14.41	-8.49
IPOX Nordic (IPND)	-2.04	23.88	-4.22
Exposure: Asia-Pacific (Developed) (USD)			
IPOX Asia-Pacific (IPTA)	-1.53	-2.32	0.39
Exposure: China (USD) (x A-Shares)			
IPOX China (CNI)	-1.67	-9.10	-14.19

*Basis for Exchange-Traded Products (ETPs)

IPO, ZEL NZ: +173.6% since IPO). Most other significant deals across the freely accessible global regions traded mixed, with most upside focus on the IPO of Singapore-domiciled engineering services provider **Chuan Holdings** (1420 HK: +15.91%).

IPOs (week of June 6):	Ticker	Return (%)
Accrol Group Holdings PLC	ACRL LN	10.00
ASR Nederland NV	ASRNL NA	2.56
Atkore International Group Inc	ATKR US	0.00
B2Holding AS	B2H NO	0.42
Basic-Fit NV	BFIT NA	-3.33
China Online Education Group	COE US	-0.11
Chuan Holdings Ltd	1420 HK	15.91
DONG Energy A/S	DENERG DC	7.23
Nordic Waterproofing Holding	NWG SS	0.70
PiezoMotor Uppsala AB	PIEZO SS	-9.60

Ahead of the Brexit vote (June 23), most focus during the week of June 13 (by number of IPOs) remains on European IPOs. The largest deal, however, is the USD million 315 U.S. IPO of Goldman Sachs-led event technology services provider Schillerpark/IL-based **PSAV Inc.** (PSAV US).

IPOs (week of June 13):	Ticker	Sector
Atrae Inc	6194 JP	IT
B3IT Management AB	B3IT SS	IT
Cereno Scientific AB	CRNOB SS	Health Care
PSAV Inc	PSAV US	Industrials
Redwood Pharma AB	REDW SS	Health Care
SwedenCare AB	SECARE SS	Health Care
TF Bank AB	TFBANK SS	Financials
Time Out Group Ltd	TMO LN	C. Discretionary
Virtualx Consulting Inc	6193 JP	IT