

# The IPOX® Week

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## ◆ Think GROWTH – Think IPOX

- **IPOX International (IPXI)** closes at historic weekly high.
- **IPOX** only significant index group that tracks **SNAP**.
- **IPOX-linked ETF** update: “**FPXI**” ETF extends gain.
- Global Deal-flow Review and Outlook: Solid initial showing of deals, holiday-driven IPO market.

# August 7, 2017

For a second week in a row, **IPOX Indexes** trade mixed; **IPOX International (IPXI)** closes at historic weekly high. Amid more earnings and a good U.S. employment report, the **IPOX Indexes** continued to trade mixed. Within the **IPOX Indexes** Universe, e.g., while the **IPOX U.S. Indexes (IPXO, IPXT)** followed weak U.S. small- and mid-caps lower, the **IPOX International (IPXI)** gained anew, closing out the Friday at yet another historic weekly high. Amid earnings season, the distribution of individual securities' returns within the respective **IPOX Indexes** continued to gyrate: In the **IPOX U.S. (IPXO, IPXT)**, e.g., a big week for communications equipment maker **Arista Networks (ANET US: +14.39%)**, online restaurant delivery marketplace Chicago-based **Grubhub (GRUB US: +12.82%)** or termite and pest control outsourcing firm **ServiceMaster Global (SERV US: +10.42%)** was more than offset by a big slump in REIT **Uniti Group (UNIT US: -16.83%)**, communications equipment maker **Commscope (COMM US: -11.72%)** or specialty chemicals maker **Axalta (AXTA US: -11.69%)**, while heavyweight drug maker **Shire (SHPG US: -9.54%)** continued to trade under pressure. In the **IPOX International (IPXI)**, however – ahead of another big week for earnings with firms such as Chinese e-commerce behemoth **Alibaba (BABA US: -2.68%)** or logistics firm **JD.com (JD US: +2.61%)** lined up - strong gains in China-domiciled property developer **Cheung Kong Property (1113 HK: +7.96%)**, French asset manager **Amundi (AMUN FP: +6.93%)** or German utility EON Spin-off **Uniper (UN01 GY: +6.91%)** more than offset big declines in travel website operator **Trivago (TRVG US: -23.33%)**, British surgical equipment maker **Convatec (CTEC LN: -8.43%)** or Israel-based website developer **Wix.com (WIX US: -5.71%)**. In Europe, spreads continued to move in favor of the **IPOX Europe (IXTE)**, now a massive +1535 bps. ahead of the European market YTD.

**IPOX** only significant index group that tracks **SNAP**. Amid last week's decision - including by key index provider **S&P Dow Jones Indices** - to exclude shares of firms offering no voting power to shareholders from consideration for benchmark inclusion, we note that **IPOX** is now the only significant index group which allows investors to track the firm within the context of a broadly diversified portfolio.

**IPOX-linked ETF** update: “**FPXI**” ETF extends gain. Last week, the IPOX-linked USD million 850 **First Trust US. Equity Opportunities ETF (FPX)** fell to +12.32% YTD, while the **First Trust International IPO ETF (FPXI)** added +1.67% to +32.30% YTD. The NASDAQ-traded “**FPXI**” ETF captures the largest, most liquid and best performing New Listings (IPOs and Spin-offs) domiciled outside the U.S. and trading on a global stock market by applying the **IPOX® Indexes** Technology.

| IPOX Price Returns (%)                             | Last Week | Q2 2017 | YTD 2017 |
|--|-----------|---------|----------|
| <b>Exposure: Global/International (x US) (USD)</b> |           |         |          |
| IPOX Global (IPGL50)                               | 0.46      | 5.54    | 19.26    |
| IPOX Global (IPGL30)                               | 0.40      | 8.07    | 20.30    |
| IPOX International (IPXI)*                         | 1.03      | 9.24    | 29.94    |
| <b>Exposure: United States (USD)</b>               |           |         |          |
| IPOX Composite U.S. (IPXC)*                        | -1.00     | 7.44    | 20.82    |
| IPOX 100 U.S. (IPXO)*                              | -0.63     | 3.86    | 11.68    |
| IPOX 30 U.S. (IPXT)                                | -0.18     | 4.62    | 12.93    |
| <b>Exposure : Europe/Nordic Region (EUR)</b>       |           |         |          |
| IPOX Europe (IXTE)                                 | 1.49      | 4.95    | 19.04    |
| IPOX Nordic (IPND)                                 | 0.74      | 8.64    | 16.54    |
| <b>Exposure: Asia-Pacific/China Region (USD)</b>   |           |         |          |
| IPOX Asia-Pacific (IPTA)                           | 0.91      | 2.99    | 14.48    |
| IPOX Comp. China (IPXUCHCP)                        | -0.24     | 10.06   | 29.84    |
| IPOX China (CNI)                                   | 0.69      | 4.62    | 24.36    |

\* 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: IPOU7]).

Global Deal-flow Review and Outlook: Solid initial showing of deals, holiday-driven IPO market. 5 notable accessible global (non-China A shares) firms debuted last week, with the average (median) equally-weighted stock gaining by +5.57% (+5.36%) based on the difference between the final offering price and the Friday's close. While we note encouraging signs for a revival of the Brazilian IPO market underlined by gains in Financial **IRB Brasil Resseguros (IRBR3 BZ: +5.36%)** and energy firm **Omega Geracao (OMGE3 BZ: +11.99%)**, the IPO of U.S.-traded specialty chemicals maker **Venator Materials (VNTR US: +3.15%)** finished just slightly higher, after having priced at the bottom of the USD 20-22 range. Amid the holiday-driven market, only few IPOs are lined up: In the U.S., e.g., these include miner **Contura Energy (CTRA US)** or the ADR listing of Denmark-domiciled drug maker **Zealand Pharma (ZEAL US)**, while in London, the IPO of industrial **Strix (KETL LN)** is set to commence trading.

| Select IPOs traded (week: July 31, 2017) | Country       |
|--|---------------|
| Bank of Princeton/The                    | United States |
| Clementia Pharmaceuticals Inc            | Canada        |
| IRB Brasil Resseguros S/A                | Brazil        |
| Omega Geracao SA                         | Brazil        |
| Venator Materials PLC                    | United States |
| Upcoming IPOs (week: August 7, 2017)     | Country       |
| BGMC International Ltd.                  | Hong Kong     |
| Contura Energy Inc.                      | United States |
| Golden Faith Group Holdings Ltd.         | Hong Kong     |
| Strix Group Plc                          | Great Britain |
| Triple Point Social Housing REIT Plc     | Great Britain |
| Zealand Pharma A/S                       | Denmark       |