

# The IPOX<sup>®</sup> Week

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edited by Dr. Josef Schuster

Contact: [josef@ipoxschuster.com](mailto:josef@ipoxschuster.com)

## ◆ Think GROWTH – Think IPOX

- **IPOX International** extends outsized gains on jump in IPOX Europe, IPOX Asia-Pacific and IPOX China.
- **IPOX International-linked ETF (FPXI)** Highlights.
- IPO Deal-flow Review & Outlook: Light, Little deal flow seen.

**IPOX International** extends outsized gains on jump in **IPOX Europe, IPOX Asia-Pacific** and **IPOX China**. Non-U.S. domiciled stocks lifted the sentiment in the **IPOX Indexes** last week with the **IPOX<sup>®</sup> International** extending the YTD gain by +1.22% to +7.19% YTD, a massive +693 bps. ahead of the International Market YTD. The Index - which pools the largest and most liquid non-U.S. domiciled IPOs and Spin-offs into a separately tradable equity sector by applying the **IPOX<sup>®</sup> Indexes Technology** – benefited from big gains in Brazilian low-cost airline 04/17 IPO **Azul** (AZUL US: +10.71%) or China-linked exposure including 10/16 Spin-off consumer staple **Yum China** (YUMC US: +8.19%) or Financial **China International Capital** (3908 HK: +4.05%), while Europe-linked IPOX exposure continued to trounce the stagnant benchmarks, driven by strong gains in specialty deals such as 06/16 IPO Dutch Life Insurer **ASRL Netherland** (ASRLN NL: +7.31%), exchange operator 06/14 IPO **Euronext** (ENX FP: +6.53%) or Swiss solar panel manufacturer 04/16 IPO **VAT Group** (VACN SE: +4.28%). Specialty apparel makers 12/13 IPO **Moncler** (MONC IM: -1.44) and 03/17 IPO **Canada Goose** (GOOS US: -3.62) fell in tandem ahead of the spring season.

## IPOX<sup>®</sup> International Investing with the 4-star “FPXI” ETF:



Sentiment in the IPOX U.S. universe was notable mixed last week with the **IPOX 100 U.S.** dropping -0.20% to +4.53% YTD, lagging the broad U.S. equity market by -75 bps. on the week. Big declines in (perceived) high-growth stocks after earnings and weakness amongst the IPOX heavyweights pressured the portfolio, including online furniture retailer 10/14 IPO **Wayfair** (W US: -22.84%), social networker 03/17 IPO **Snaps** (SNAP US: -14.54%) or window maker 01/17 IPO **Jeld-Wen** (JELD US: -9.91%). Strong gains in take-over candidate organic pet food maker 07/15 IPO **Blue Buffalo Pet Products** (BUFF US: +13.99%), fitness club operator 08/15 IPO **Planet Fitness** (PLNT US: +13.59%) or IPOX heavyweight 10/15 Spin-off **Hewlett Packard Enterprises** (HPE US: +10.68%) helped to mitigate the losses on the week. In all,

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IPOX <sup>®</sup> Price Returns (%)	Last Week	2017	2018 YTD
<b>Exposure: Global/International (x US) (USD)</b>			
IPOX <sup>®</sup> Global (IPGL50)	0.36	28.59	5.61
IPOX <sup>®</sup> International (IPXI)*	1.22	37.80	7.19
<b>Exposure: United States (USD)</b>			
IPOX <sup>®</sup> Composite U.S. (IPXC)*	1.43	33.64	6.41
IPOX <sup>®</sup> 100 U.S. (IPXO)*	-0.20	26.04	4.53
IPOX <sup>®</sup> 30 U.S. (IPXT)	-0.32	26.63	4.03
<b>Exposure : Europe/Nordic Region (EUR)</b>			
IPOX <sup>®</sup> Europe (IXTE)	1.84	19.27	2.53
IPOX <sup>®</sup> Nordic (IPND)	-0.15	17.91	1.19
<b>Exposure: Asia-Pacific/China Region (USD)</b>			
IPOX <sup>®</sup> Asia-Pacific (IPTA)	1.32	23.30	3.65
IPOX <sup>®</sup> China Comp. (IPXUCHCP)	3.22	42.57	7.67
IPOX <sup>®</sup> China (CNI)	1.97	37.67	11.23

\* Basis for ETPs: FPX US, FPX LN, FPXU FP, FPXI US, TCIP110 IT) and CME listed e-mini **IPOX<sup>®</sup> 100 U.S. Index Futures** [Symbol: IPOH8].

54/100 **IPOX 100 U.S. Index** holdings rose on the week, with the average (median) equally weighted portfolio stock dropping (gaining) -0.05% (+0.12%), ahead of the applied market-cap weighted **IPOX 100 U.S.**

**IPOX-linked ETFs mirrored the trend in the underlying indexes last week:** For example, the 5-star (10 year) USD billion 1.07 **First Trust U.S. Equity Opportunities ETF (FPX)** - which tracks the **IPOX<sup>®</sup> 100 U.S. (IPXO)** - fell to +4.39% YTD, while the 4-star (3 year) **First Trust International IPO ETF (FPXI)** - which tracks the **IPOX<sup>®</sup> International (IPXI)** - jumped to +7.39% YTD. “FPX” and “FPXI” provide a turnkey portfolio solution to access the “going public” effect associated with global IPOs and Spin-offs, often a pure proxy for economic growth and innovation.

**IPO Deal-flow Review & Outlook: Light, little deal flow seen.** Only 1 notable (non-China A shares and non-local India) firms debuted last week, adding +12.63% based on the difference between the final offering price and Friday’s close. The London-based GBP million 208.4 alternative lending firm **TruFin** (TRU LN: +12.63%) climbed based on final offer. While Asian stock markets resumed normal trading hours after the Lunar New Year holiday, the shorten trading month of February led to a light IPO deal flow globally. To close out the month, focus this week is on only one deal, the IPO of Germany’s machine vision technology provider small-cap **Stemmer Imaging** (S9I GR) with the firm seeking to raise EUR million 93.60.

Select IPOs traded (week: 02/19/2018)*	Country
TruFin PLC	Britain
Select IPOs expected (week: 02/26/2018)*	Country
Stemmer Imaging AG	Germany

\* Company operates in Closed-end funds, Country funds-closed-end, Special Purpose Entity, or Specified Purpose Acquisition are excluded.