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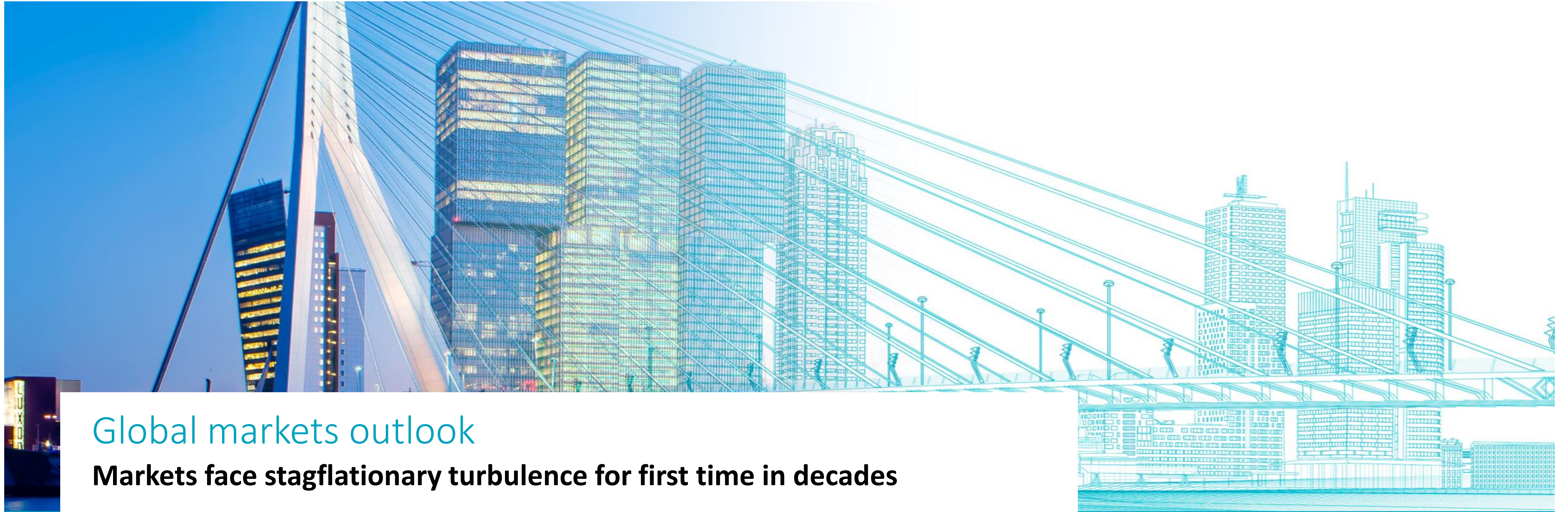
The Investment Engineers



Global markets outlook

Markets face stagflationary turbulence for first time in decades

October 2021

For professional investors

Sustainable Investing Expertise by ROBECOSAM

Heat Map Asset Returns (in euros)

MULTI ASSET	1mo	3mo	YTD	1YR	3YR	5YR
Oil Index (USD)	9.9%	3.7%	57.8%	86.7%	-19.5%	-5.8%
GSCI Commodities (USD)	8.0%	7.7%	46.0%	60.2%	-1.4%	3.0%
Cash (EUR)	0.0%	-0.1%	-0.4%	-0.5%	-0.4%	-0.4%
Global high yield (H, EUR)	-0.8%	-0.1%	2.2%	8.7%	3.9%	3.3%
Global investment grade bonds (H, EUR)	-1.0%	-0.2%	-1.5%	1.0%	4.5%	2.2%
Global Gov Bonds (H, EUR)	-1.2%	-0.2%	-3.1%	-3.2%	2.7%	0.6%
EMD hard currency (UH, EUR)	-1.6%	-0.8%	-1.2%	3.8%	3.7%	1.4%
Global inflation-linked bonds (H, EUR)	-1.7%	1.9%	1.6%	3.1%	4.8%	2.1%
EMD local currency (UH, EUR)	-2.2%	-0.9%	-2.1%	3.2%	3.5%	1.7%
Emerging Markets (UH, EUR)	-2.2%	-6.0%	4.3%	19.6%	8.7%	8.6%
MSCI World (UH, EUR)	-2.4%	2.3%	19.3%	30.3%	13.2%	13.0%
Emerging Markets (LC)	-2.8%	-6.7%	0.7%	16.9%	9.5%	10.4%
Global real estate (UH, EUR)	-3.3%	2.5%	22.7%	26.2%	7.2%	4.0%
Gold (USD)	-3.4%	-1.0%	-7.9%	-8.2%	12.1%	4.7%
MSCI World local currency	-3.7%	0.6%	14.9%	29.0%	13.0%	13.8%
MSCI World (H, EUR)	-3.8%	0.4%	14.3%	27.9%	11.2%	12.0%

Fixed Income	1mo	3mo	YTD	1YR	3YR	5YR
Inflation-linked Europe (EUR)	0.3%	2.9%	4.5%	7.8%	4.5%	2.6%
EMD hard currency (UH, EUR)	0.0%	1.5%	3.7%	4.4%	5.6%	3.3%
High Yield US (UH, USD)	0.0%	0.9%	4.5%	11.3%	6.9%	6.5%
High Yield Europe (EUR)	-0.1%	0.6%	3.7%	9.1%	4.4%	4.4%
Japan Gov Bonds (H, JPY)	-0.4%	0.0%	-0.4%	-0.5%	0.7%	0.0%
Europe Senior Financials (EUR)	-0.5%	0.2%	0.1%	2.0%	2.6%	1.9%
Investment Grade Europe (EUR)	-0.6%	0.1%	-0.3%	1.7%	2.7%	1.7%
Inflation-linked US (UH, USD)	-0.7%	1.8%	3.5%	5.2%	7.4%	4.3%
Europe Non-financials IG (EUR)	-0.8%	0.0%	-0.6%	1.4%	2.7%	1.5%
Spain Gov Bonds (EUR)	-0.8%	0.5%	-2.5%	-0.9%	3.6%	2.2%
Euro Covered Bonds (EUR)	-0.8%	-0.2%	-1.5%	-1.3%	1.2%	0.5%
Italy Gov Bonds (EUR)	-0.8%	0.1%	-1.5%	1.1%	6.7%	2.5%
Investment Grade US (UH, USD)	-1.1%	0.0%	-1.3%	1.7%	7.4%	4.6%
US Gov Bonds (H, EUR)	-1.2%	-0.2%	-3.4%	-4.6%	3.1%	0.3%
Global Gov Bonds (H, EUR)	-1.2%	-0.2%	-3.1%	-3.2%	2.7%	0.6%
France Gov Bonds (EUR)	-1.4%	-0.1%	-3.9%	-3.3%	2.1%	0.8%
German Gov Bonds (EUR)	-1.5%	-0.1%	-2.9%	-2.6%	1.5%	0.3%
EMD local currency (UH, EUR)	-1.6%	-0.7%	-1.1%	3.0%	4.2%	1.8%

Equities: Country Indices	1mo	3mo			3YR	5YR
Japan (JPY)	5.5%	3.[illegible]	[illegible]	[illegible]1%	9.0%	14.5%
Russia (RUB)	4.1%	6.2%	24.0%	40.4%	18.1%	15.6%
India (INR)	2.8%	12.9%	24.9%	57.0%	19.1%	17.6%
UK (GBP)	-0.2%	2.0%	13.1%	25.4%	2.0%	4.6%
Spain (EUR)	-0.5%	0.2%	10.7%	34.0%	0.7%	3.0%
Italy (EUR)	-1.0%	3.0%	18.2%	38.3%	10.7%	12.9%
Australia (AUD)	-1.9%	1.7%	14.6%	30.3%	9.4%	10.1%
Netherlands (EUR)	-2.0%	5.8%	23.6%	40.9%	12.0%	11.3%
France (EUR)	-2.2%	0.4%	20.0%	39.0%	8.8%	11.1%
Emerging Markets (EUR)	-2.2%	-6.0%	4.3%	19.6%	8.7%	8.6%
Global equities (EUR)	-2.4%	2.3%	19.3%	30.3%	13.2%	13.0%
Emerging Markets (LC)	-2.8%	-6.7%	0.7%	16.9%	9.5%	10.4%
Asia ex Japan (LC)	-3.4%	-8.5%	-1.7%	14.1%	8.9%	10.2%
Eurozone (EUR)	-3.4%	-0.2%	15.9%	29.1%	8.4%	8.7%
Germany (EUR)	-3.6%	-1.7%	11.2%	19.6%	7.6%	7.7%
Global equities (LC)	-3.7%	0.6%	14.9%	29.0%	13.0%	13.8%
Korea (KRW)	-4.4%	-8.6%	3.1%	29.7%	10.1%	9.3%
USA (USD)	-4.7%	0.6%	15.9%	30.0%	16.0%	16.9%
Hong Kong (HKD)	-4.7%	-13.9%	-7.5%	7.5%	-0.9%	4.5%
China (HKD)	-5.0%	-18.2%	-16.7%	-7.3%	5.9%	9.1%
Switzerland (CHF)	-6.1%	[illegible]	[illegible]	[illegible]	[illegible]2.1%	11.0%
Brazil (BRL)	-6.6%	-12.5%	-6.8%	17.3%	11.8%	13.7%

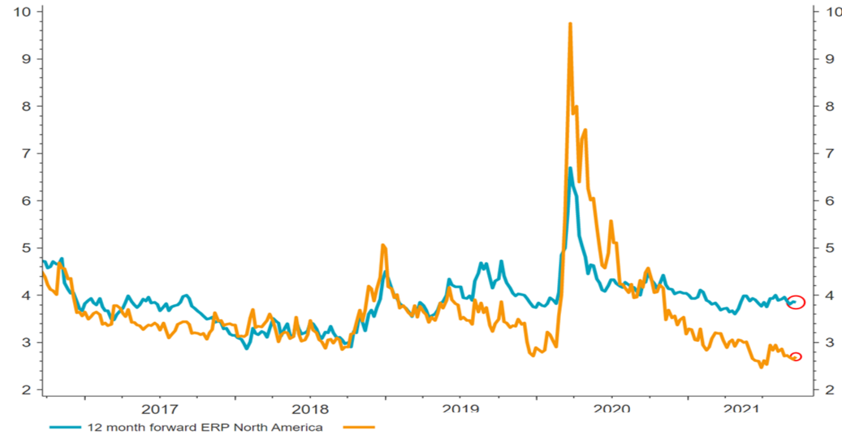
FX versus the EUR	current level	1M	3M	YTD	12M	1m	3m	1yr	1yr
EURO/RUSSIAN RUBLE	84.21	2.9%	2.9%	7.1%	7.5%	86.72	86.75	91.00	91.00
EURO/CHINA RENMINBI	7.47	2.1%	2.5%	6.7%	6.4%	7.63	7.66	7.98	7.98
EURO/US DOLLAR	1.16	1.9%	2.3%	5.2%	1.2%	1.18	1.19	1.17	1.17
EURO/HONG KONG DOLLAR	9.02	1.8%	2.1%	4.8%	0.8%	9.18	9.21	9.08	9.08
EURO/INDONESIAN RUPIAH	16612.38	1.5%	3.8%	3.9%	4.7%	16864.06	17261.75	17424.71	17424.71
EURO/CANADIAN DOLLAR	1.47	1.4%	0.1%	5.5%	5.9%	1.49	1.47	1.56	1.56
EURO/NORWEGIAN KRONE	10.13	1.4%	0.7%	3.3%	7.4%	10.27	10.20	10.94	10.94
EURO/SINGAPORE DOLLAR	1.57	1.0%	1.4%	2.6%	1.7%	1.59	1.60	1.60	1.60
EURO/JAPANESE YEN	128.88	0.8%	2.2%	-2.1%	-4.2%	129.92	131.75	123.65	123.65
EURO/AUSTRALIAN DOLLAR	1.60	0.7%	-1.3%	-0.9%	2.1%	1.61	1.58	1.64	1.64
EURO/SWEDISH KRONA	10.14	0.4%	0.0%	-0.9%	3.4%	10.18	10.14	10.50	10.50
EURO/INDIAN RUPEE	86.10	0.3%	2.6%	4.1%	0.5%	86.33	88.39	86.51	86.51
EURO/SWISS FRANC	1.08	0.2%	1.7%	0.2%	0.1%	1.08	1.10	1.08	1.08
EURO/BRITISH POUND	0.86	-0.1%	-0.2%	3.9%	5.3%	0.86	0.86	0.91	0.91
EURO/SOUTH KOREAN WON	1375.11	-0.3%	-2.5%	-3.2%	-0.2%	1371.66	1341.20	1371.82	1371.82
EURO/BRAZIL REAL	6.30	-3.6%	-7.0%	0.7%	4.2%	6.08	5.89	6.58	6.58

Source: Bloomberg

All market data to 30 September unless mentioned otherwise

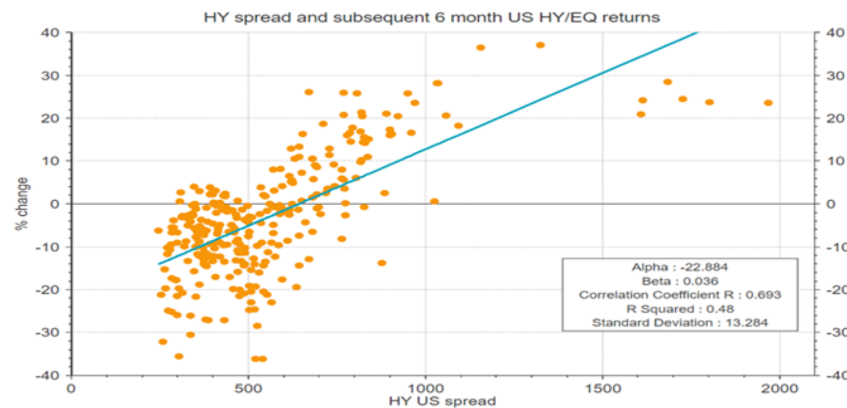
Theme of the month

Valuation: equities are more attractively valued than HY



Source: Refinitiv Datastream , Robeco

Equities tends to outperform high yield at current spread levels



Source: Refinitiv Datastream & Robeco

Markets face stagflationary turbulence for first time in decades (I)

> Surging natural gas prices, empty UK gas stations, and increased mentions of 'cost pressures' in earnings calls have led markets to upgrade the probability of a stagflationary outcome for the global economy. The stagflation narrative that is on the rise will only fade if global growth again surprises to the upside, or if evidence emerges that supply chain pressures ease, or if corporates say they are taking rising input costs in their stride and will still manage to report higher margins in the next few quarters.

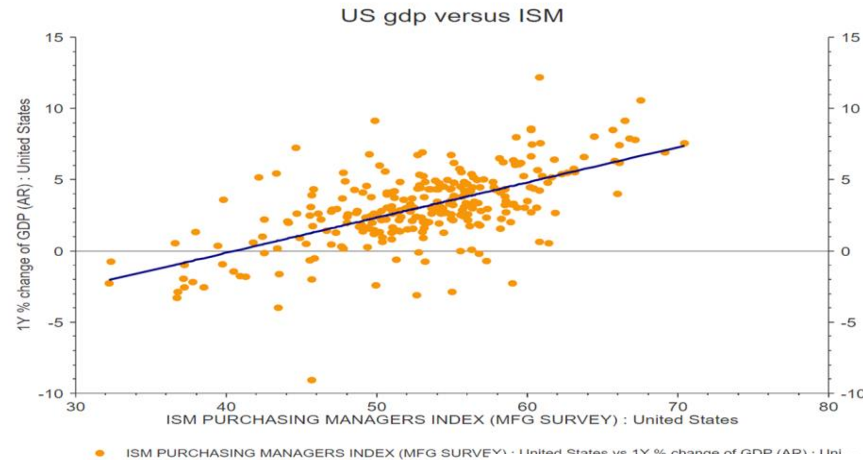
> Looking ahead at the macro landscape in the next 6-12 months, we think these stagflationary fears are overdone, and a more upbeat macro sentiment could re-emerge. A resilient consumer who is enjoying wage growth, elevated housing and financial wealth and excess savings will support the global economy in 2022. US excess household savings now amount to USD 3.3 trillion. Next to that, higher corporate capex and restocking will contribute to economic activity growth beyond the fourth quarter of 2021.

> With markets typically leading the cycle by nine months, a turnaround in macro sentiment could be around the corner, so investors need to be swift on their feet. Once supply pressures ease, macro surprises start to improve and corporate profitability holds up, we expect equities to continue to outperform high yield, where spreads have declined from 900 bps to 298 in the last 18 months. This leaves us with highly valued credit markets sitting in an early expansion phase of the business cycle in an apparent disconnect with the financial cycle. High yield and investment grade bonds are exhibiting the kind of behavior we would normally expect late in the business cycle when in fact it is in the early mid-cycle instead.

All market data to 30 September unless mentioned otherwise

Theme of the month

US GDP: ISM leads GDP



Source: Refinitiv Datastream & Robeco

ISM: equity tends to outperform HY in the current ISM regime

MSCI World index versus BoFA Global HY index - monthly % returns		
ISM JAN 1998-AUG 2021	ISM Decreasing	ISM Increasing
<40	-1,48	-4,05
40-45	-1,12	1,28
45-50	0,25	-0,44
50-55	-0,65	0,43
55-60	0,55	0,91
>60	0,58	1,19

Source: Refinitiv Datastream , Robeco

Markets face stagflationary turbulence for first time in decades (II)

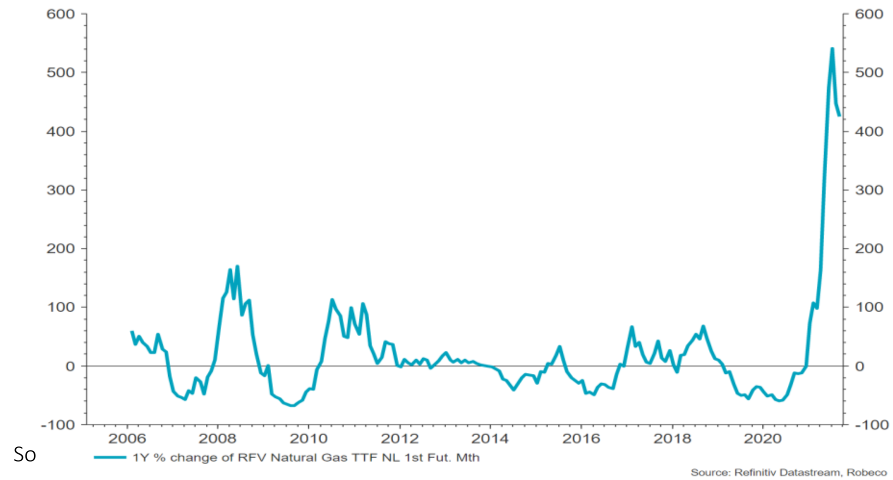
> From a relative point of view, US equities are less expensive compared to US high yield taking the low interest rate environment into account. A sizeable gap has opened up between the US implied equity risk premium and the US high yield spreads. Furthermore, a spread below 500 bps (the current global high yield spread is 360) has historically seen the outperformance of equities compared to high yield in the subsequent six months. This return pattern is explainable by the skew in relative returns of high yield versus equities. Further spread compression (and thereby price appreciation) is more limited as the market is getting close to becoming fully priced. We think that developed market central banks are increasingly recognizing the need to start withdrawing excess liquidity. The ECB is likely to wind down its Pandemic Emergency Purchase Program (PEPP) in 2022, while the Fed's famous 'dot plot' now hints at a rate hike in 2022. The downside risk from duration risk in credit is increasing while the upside risk from further spread compression is diminishing.

> Equities are better positioned to leverage above-trend GDP growth. If US GDP growth stays above trend in 2022 and 2023, equities would typically outperform high yield. The 3.8% 2022 GDP projection of the Fed, which is below consensus (4.2%), would correspond with a manufacturing ISM Index reading of 55, implying expansion.

> Looking at the relative monthly performance of the MSCI World index versus the global high yield index in a regime of decelerating expansion (a decreasing ISM) and above-trend growth (consistent with ISM 55-60 levels), equities typically manage to outperform high yield by 0.5% on a monthly basis. Only if the ISM were to drop below 55 would the equity upside versus high yield start to dwindle.

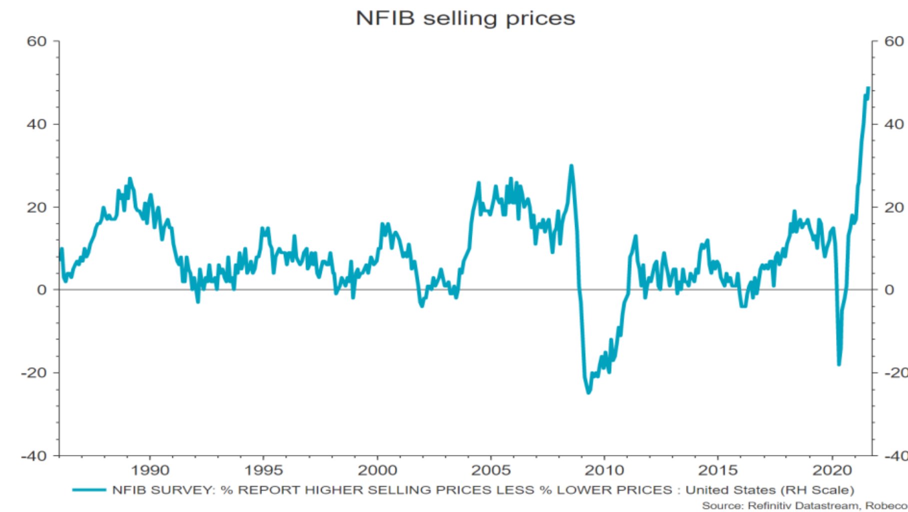
Economy (I)

Europe, like China, is facing an energy crunch



So

US corporates are raising selling prices at an historically high pace



Source: Refinitiv Datastream & Robeco

- The global recovery has been decelerating lately, notably towards the end of the third quarter. China, which delivers around 30% of global growth, has seen its manufacturing engine sputtering, with the latest official manufacturing producer confidence indicator declining from 50.1 in August to 49.6 in September, signaling a contraction of activity. The main culprit is a power crunch resulting from a coal shortage and tougher emission standards causing Chinese manufacturers to import more expensive LNG.
- Europe has been experiencing an energy crunch lately as well, with natural gas prices surging sixfold year-on year. The exponential rise in natural gas costs and the ongoing rally in oil in September has shifted the inflation debate from core to headline inflation, again bringing stagflationary concerns to the forefront in financial markets. While we think this stagflationary turbulence will pass – natural gas futures for Spring 2022 are 50% below front-end futures and Russian President Putin has made some gestures about increasing gas supply from Russia – the impact on near-term Eurozone and Chinese growth is likely to be negative.
- Another development within the world's second-largest economy is the Chinese policy crackdown in education, technology and real estate under its new 'common prosperity' policy. The real estate developer Evergrande has been the most prominent corporate to have crossed the red lines on balance sheet metrics set out by the Chinese government. Missing coupon payments in the last week of September, Evergrande has entered a 30-day grace period to prevent default.

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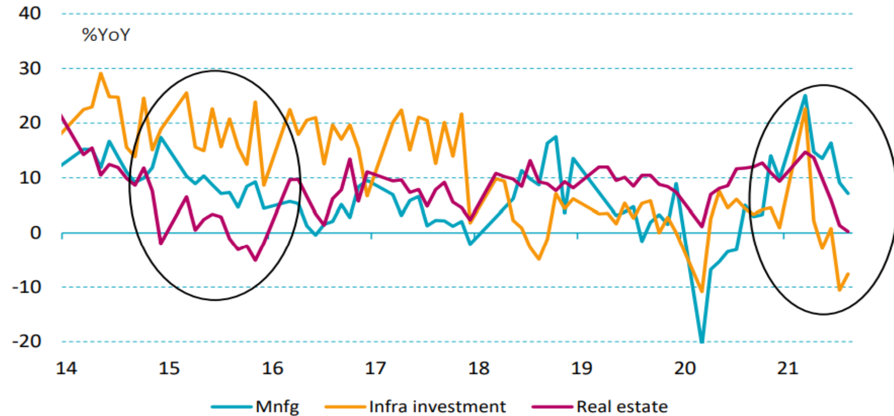
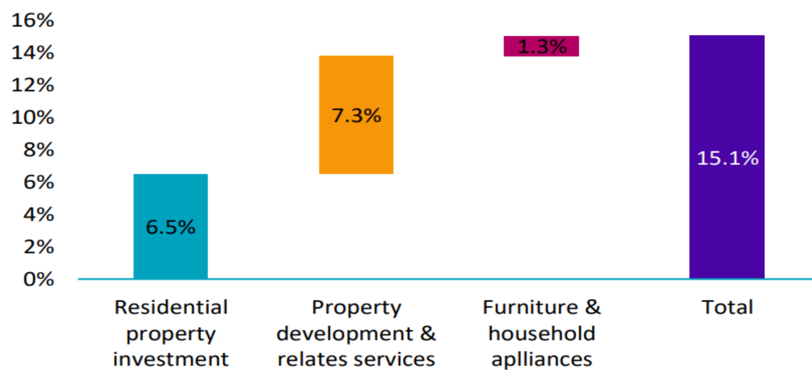
Economy (II)

Two of China's three growth engines are sputtering, unlike in 2015



Source: Bloomberg, GS, Robeco * Excludes monthly data for January & February

The Chinese property sector is sizeable chunk of GDP



* Taking into account the external sector lowers the estimate for China in 2017 to 24%.
Source: MS, Rogoff & Yang (2020), Robeco

> While Evergrande's bonds have slumped to 30 cents on the dollar, implying an imminent default, contagion to the global markets from the onshore Chinese real estate sector has been contained. Ahead of the November 2022 Communist Party Congress, which includes the re-election of the CCP leader, President Xi Jingping will likely strike a fine balance between preventing Lehman-like spillover effects in global financial markets while at the same time eliminating moral hazard domestically.

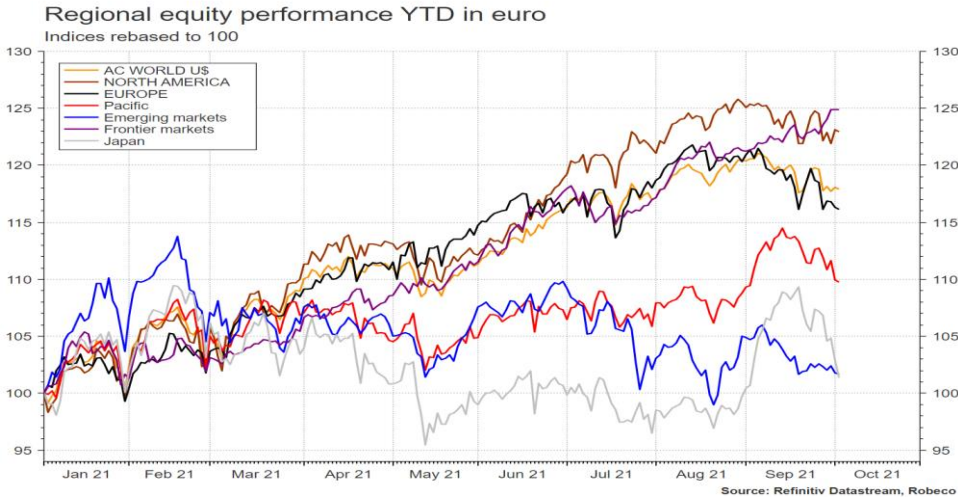
> In the US, President Biden is struggling to get his USD 3.5 trillion soft infrastructure package through Congress. Voting on the USD 1.5 billion hard infrastructure bill that has already been agreed by House Republicans has been postponed by the Senate, with no set timeframe given by the relevant policymakers. Moreover, there is a lot of pressure on Congress to raise the debt ceiling by 18 October to prevent a partial shutdown of the US government.

> Judging from the decoupling between Covid-19 cases and hospitalizations, it is clear that the war on the virus has been won, thanks to vaccinations. However, the peace has not yet been won, as many countries are still struggling with the Delta variant of the virus, even as cases have peaked. Recent academic research shows that vaccinated people had a 13x higher risk of contracting a breakthrough infection with the Delta variant compared to those who were previously infected and therefore have natural immunity. That implies that the story about which countries are emerging first from this pandemic is more nuanced than just those countries that have the highest vaccination rate.

> The global recovery remains uneven, and the stagflation narrative will only fade if global growth again surprises to the upside, and/or evidence emerges that supply chain pressures will ease over the next few quarters.

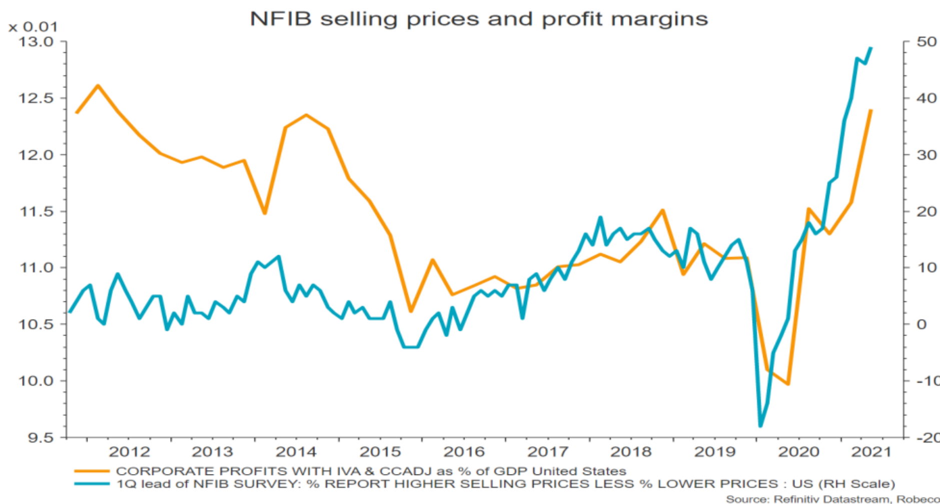
Equities (I)

Regional equity momentum is in deceleration mode again



Source: Refinitiv Datastream & Robeco

Surveys point to corporates raising selling prices



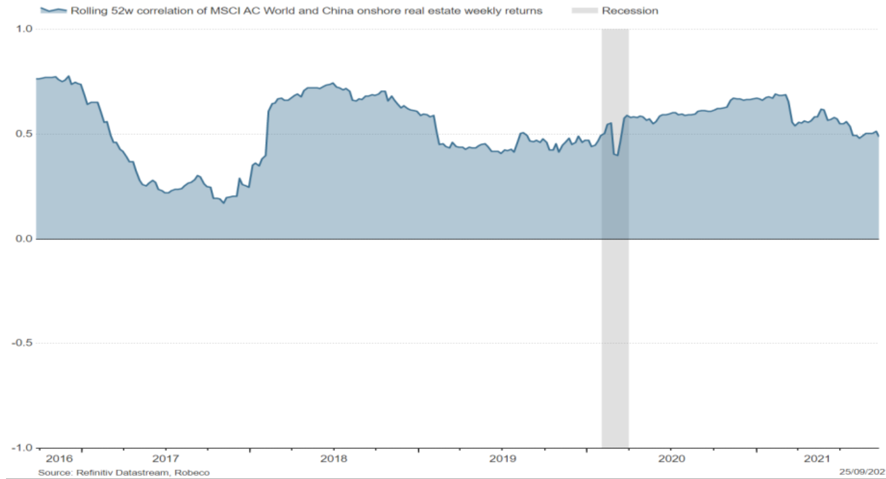
Source: Refinitiv Datastream , Robeco

> In September, positive momentum weakened for equities, with the MSCI World index in euros losing 2.4%. Japan (+5.5%), Russia and India where the exception in the monthly performance ranking, enjoying positive returns. However, the tide turned for Japanese stocks in the last weeks of September as the market increasingly became worried about stagflation, while the largest engine to global growth, China, showed signs of sputtering. A stagflation scenario, where growth stagnates while inflation typically surges, is typically a bad outcome for investment portfolios as corporate pricing power erodes. Market participants observed that macroeconomic outcomes since the early summer have surprised to the downside. As the fiscal impulse peaked, earnings peaked. The Fed delivered a hawkish surprise with FOMC members now evenly split between a 2022 and 2023 date for the first rate hike. In addition, corporate earnings calls now often highlight 'cost pressures' as supply constraints in the goods markets as well the labor market show few signs of abating.

> While we share the view that profits have made an early cycle peak this summer and economic activity is showing decelerating expansion, stagflation fears are overdone. First, it is the *level* of activity that matters, with advanced economies still likely growing above trend in the third quarter. Capex, restocking and export growth will contribute to growth. In the Eurozone, consumer confidence held up nicely in the wake of the Delta wave. Earnings may have peaked, but an implosion of corporate profitability is not in the cards. The Philly Fed surveys still indicate that selling prices are outpacing input costs. Also, the NFIB survey shows a record number of firms reporting increasing selling prices instead of lowering them. Although this pricing power could weaken in the medium term, in the near term this is no indication that we are on the verge of stagflation. Rather, it points to the risk of overheating instead, if employees start to demand higher wages in response to higher retail prices.

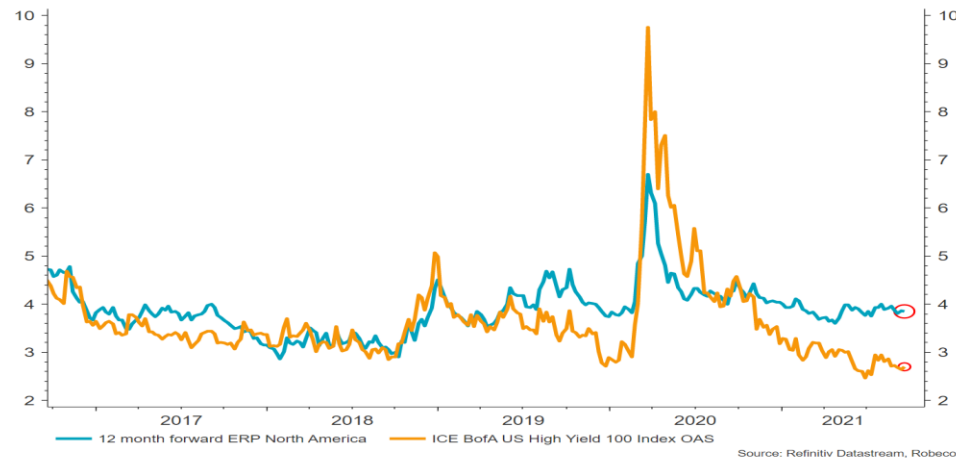
Equities (II)

China: Spillover risk from a regulatory crackdown is still absent



Source: Refinitiv, Robeco

US equities look attractive compared to US HY



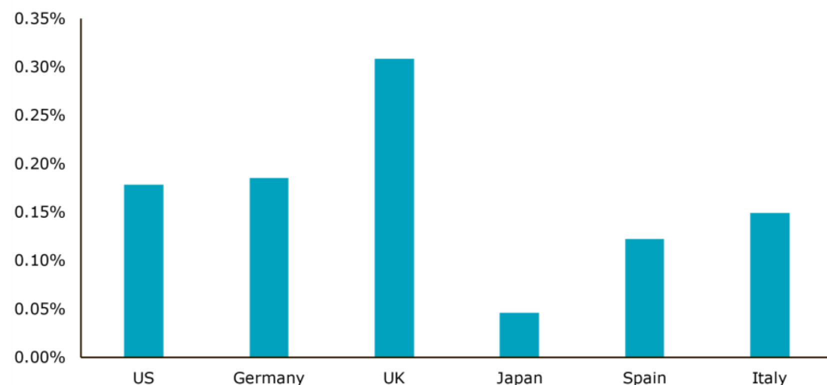
Source: Refinitiv, Robeco

- The Chinese regulatory crackdown seems a more relevant worry to us for the near term. The latest Caixin manufacturing PMI, which does not yet include the Evergrande saga, showed that the sector is contracting again. We do not yet observe a rising correlation between global equities and the hardest-hit onshore Chinese real estate sector. The market could underprice this risk as a contraction in Chinese growth will indirectly hurt global equity markets. Some local emerging market equities derive 25-45% of their revenue from China, but even some sectors in the US are not immune to a hard landing in China, as a sizeable chunk of their revenues come from the country. Uncertainty around further Chinese policy moves to promote economic equality and competition will linger for longer, which is likely to keep risk premiums in Chinese equities elevated for longer. A key factor to detect whether sentiment towards China could be improving is a clear bottoming out of the Chinese credit impulse.
- Absolute equity valuation levels still point to equities being expensive, but from a relative stance the story is more nuanced. For instance, the US equity risk premium on a 12-month forward EPS basis is still comfortably above its US high yield counterpart, the OAS spread. It seems that risk is better rewarded in the US equity market compared to the US high yield market. We therefore see opportunities in equity markets as we judge stagflationary fears to be unjustified.

All market data to 30 September unless mentioned otherwise

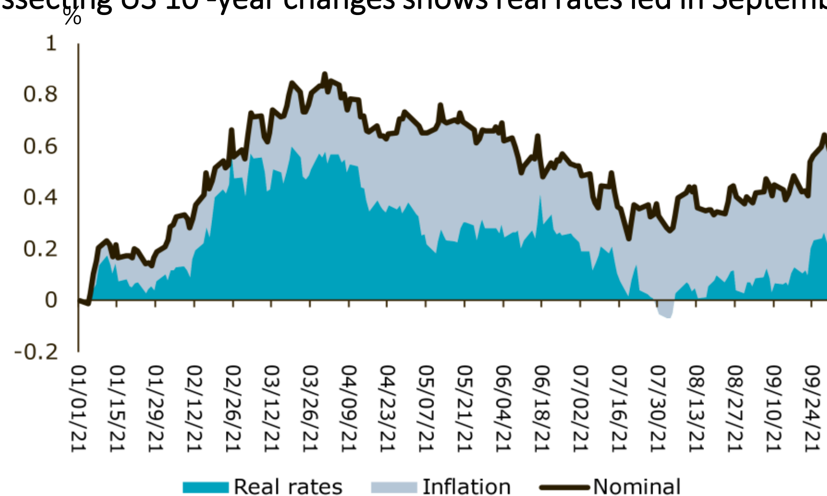
AAA Bonds

10-year yields rose across the board in September



Source: Bloomberg, Robeco

Dissecting US 10 -year changes shows real rates led in September

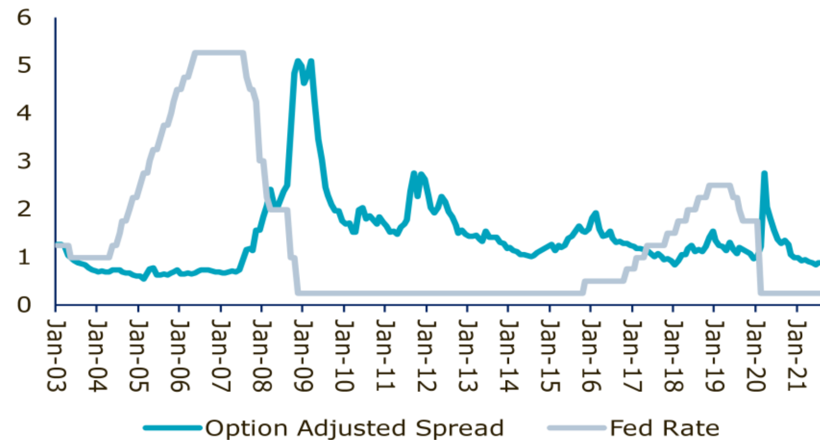


Source: Bloomberg, Robeco

- While in August the upward pressure on yields was still tentative, in September that no longer seemed to be the case. Rates took off to the upside across the board. The biggest upward moves were in Europe where the UK has led the way. While the upward pressure in yields was still tentative in the beginning of the month, yields started to push higher after several central bank meetings.
- That UK rates showed the biggest rise and reflects the hawkish tone of the Bank of England. The BOE is turning more hawkish as its concerns regarding inflation are growing. It looks that it is no longer the question of if the BOE will raise rates, but when. What also was a surprise is that the first UK rate hike could even happen before tapering has finished.
- The takeaway from the latest Fed meeting was not only that the tapering window is shorter, but also that rates could be raised earlier. While separating tapering from raising rates was always going to be a challenge for the Fed, this last meeting makes it much more difficult to credibly hold that line of reasoning. US inflation expectations have been relatively stable over the past period; the main driver of the recent rise in US yields has been real rates.
- The peak in monetary stimulus is not just a US development – it is a global phenomenon. Both the BOE and the Canadian central bank have already started to taper. Also, it is becoming increasing difficult for the ECB to justify the current pace of asset purchases amid the currently strong growth and inflationary backdrop.

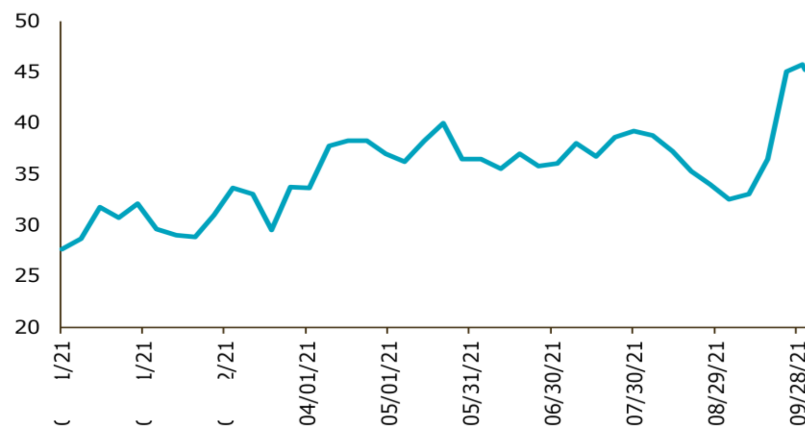
Investment Grade Credits

Investment grade credits have tightened marginally



Source: Bloomberg, Robeco

China's 5-year CDS is rising



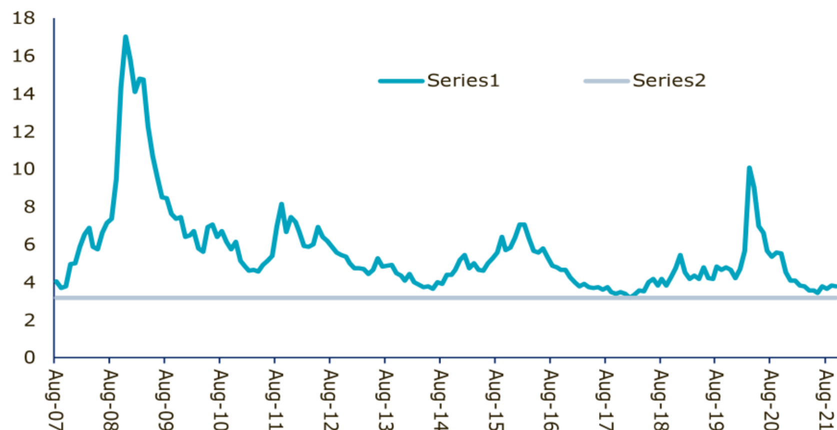
Source: Morgan Stanley, Bloomberg

- Global investment grade bonds delivered a negative return of 154 basis points unhedged to US dollars and a negative return 103 basis point hedged to euros in September. The spread continued to trade in a narrow range and tightened marginally. The losses were mainly driven by the rise in US Treasury yields.
- Event risk has increased over the past weeks. The ground zero for this has been China. After the crackdown on internet and educational companies, a major Chinese property company is now experiencing liquidity problems. The uncertainty that has gripped the Chinese market all have their root in the policy choices of the government. As with most developments within China, it is unclear how things will eventually play out. While the Chinese high yield spread has doubled, there is no sign of major contagion in non-Chinese assets so far. Still, we should be very aware that the developments in China might not be transmitted through the financial channel but rather through economic linkages. This does tend to take longer.
- Besides the developments in China, another worry for investors should be that central banks have turned more hawkish. The latest Fed meeting was just another confirmation of this. Not only could the tapering window be shorter, but we could also see earlier and more frequent hikes. Given our view that spreads are too tight to absorb many rate rises, moving past peak monetary stimulus is a concern to us.

All market data to 30 September, unless mentioned otherwise

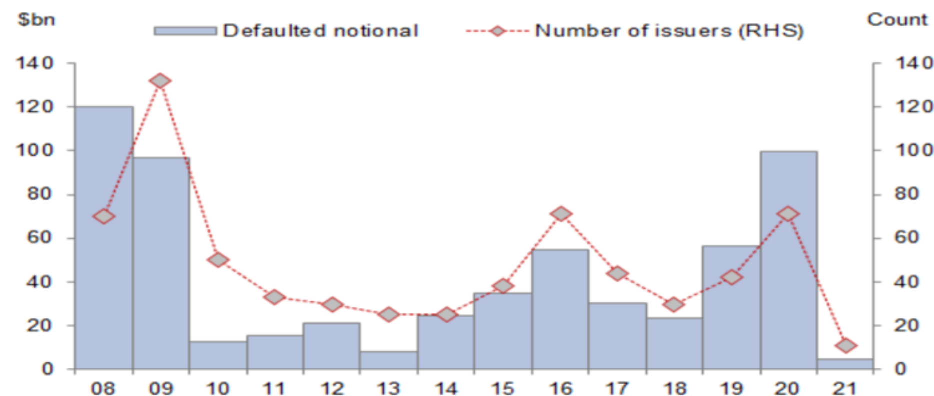
High Yield

Global high yield spreads widened in September



Source: Bloomberg, Robeco

Default rates for high yield issuers are at record lows



Source: Moody's & Goldman Sachs Investment Research

> Global high yield bonds lost 110 basis points of value in September. The average spread widened more than 16 basis points to 381. High yield suffered as market sentiment turned negative towards the end of the month.

> In September, the market started to grow more anxious as the growth slowdown continued and inflationary fears started to resurface as energy prices grew rapidly. The messages coming from central banks were also somewhat more hawkish.

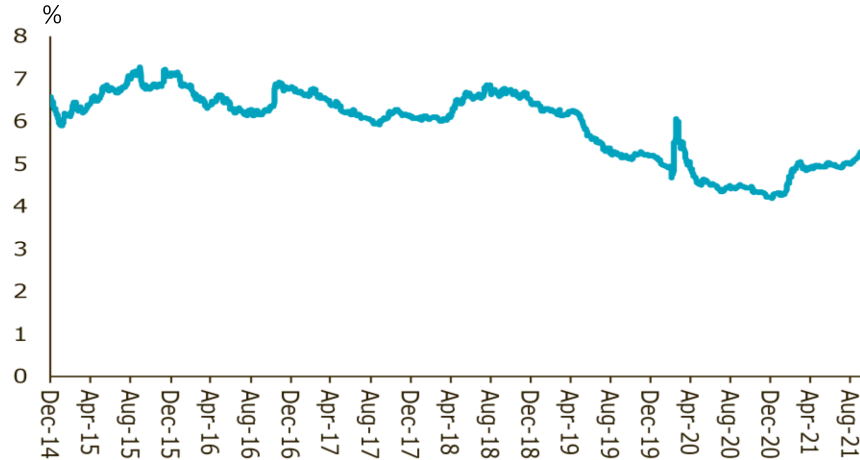
> We are past the peak of maximum monetary stimulus and this in combination with waning fiscal support is pointing to a less growth friendly environment. Still, we see this as just a transition towards more normal growth levels, and it doesn't mean that spreads must widen. Spreads are currently roughly 150 basis points above their 20-year low and default rates are at a record low, so there is room for spreads to compress further.

> We do, however, think that the road to further compression will be slower and harder. Valuation is seldom a good timing indicator, but it does give an indication of the risk/reward profile of an asset class. Within the fixed income space, high yield remain attractive on a relative basis given high carry it still enjoys.

ROBECO

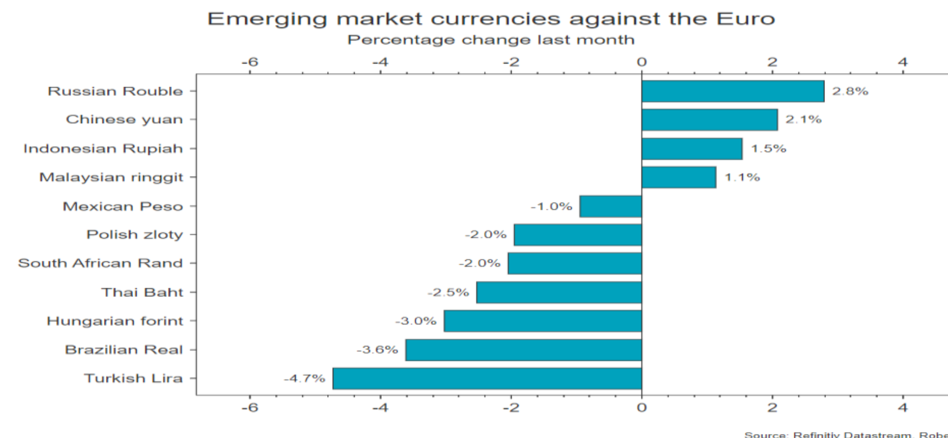
Emerging Market Debt

Yields for emerging market debt in local currency are picking up



Source: Bloomberg, Robeco

EM currencies: ruble benefits from rising oil and gas prices



Source: Refinitiv, Robeco

> Short momentum for emerging market debt has turned negative after a strong August performance. The JP Morgan GBI-EM Global Diversified index has been one of the weakest performing fixed income markets in September, losing 1.6% in euros.

> Local sovereign debt market yields widened in response to a worsening global backdrop. Headwinds include a more hawkish Fed, rising energy prices and the potential for emerging market current account surpluses to decrease if the Chinese economy slows more dramatically because of the recently launched 'common prosperity' program. Credit spreads have widened in the second half of September and risk appetite towards EM currencies declined.

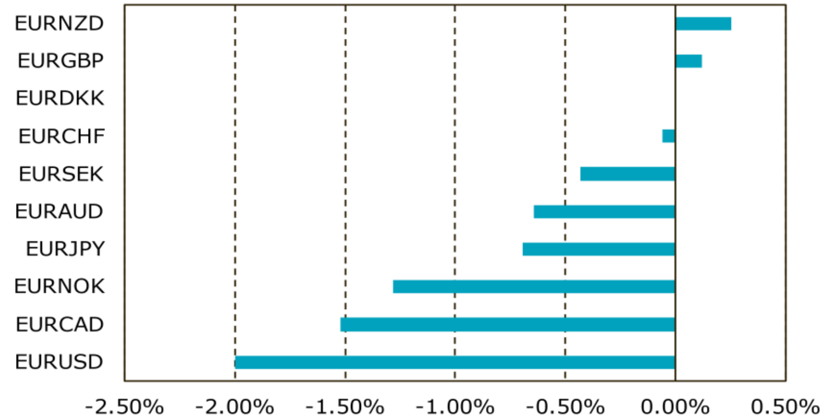
> From a valuation perspective, emerging market debt in local currency does not look very attractive from an absolute point of view, as yields remain below historical averages. Yet, EM currencies continue to look cheap on a relative purchasing power parity basis, which suggests upside for the medium term. In addition, from a relative perspective the risk/reward balance in EMD LC looks more favorable compared to global high yield.

> The outperformance of the ruble shows that high real carry, improving current accounts and prudent fiscal policy can materialize in FX appreciation. At the other side of the spectrum is Turkey, a country with risks of premature easing and clear external financing needs.

All market data to 30 September unless mentioned otherwise

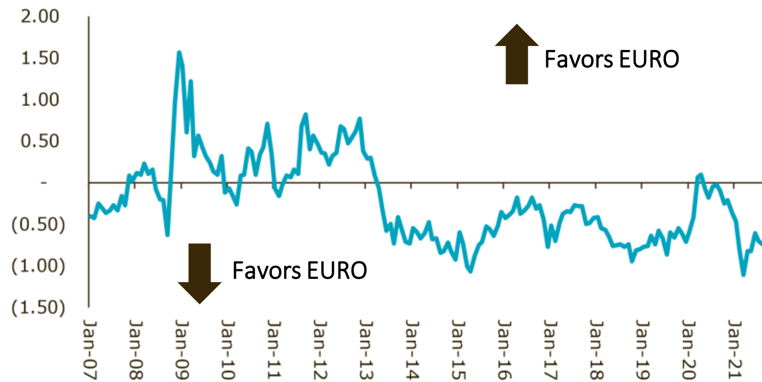
FX

G-10 currencies: the Norwegian krona leads the pack



Source: Bloomberg, Robeco

5-year/5-year real rates differentials are moving in favor of the USD



Source: Bloomberg, Robeco

> Two of the best-performing currency pairs within G-10 have a strong connection to the energy sector. Both the Norwegian krona and the Canadian dollar benefitted from the rise in oil prices. That is not all that these pairs have in common; the central banks of both are mostly seen as early movers when it comes to tightening monetary policy. The Bank of Canada was the first to taper, while the central bank of Norway was one of the first to actually raise rates within G-10. Rates and monetary policy divergence will continue to be the dominant driver of currency pairs.

> While the narrative for most central banks remains that inflation is transitory in September, a shift towards a more hawkish stance was noticeable among central bankers. The Fed's flexible average inflation targeting framework allows for a milder inflation overshoot than we initially expected when the framework was introduced. A recalibration of tightening expectations is not only necessary for the Fed but also for the Bank of England, as it became clear that the first rate hike may even happen before tapering has ended.

> In such an environment, low yielders like the Swiss franc, euro and yen will have a natural tendency to depreciate. The ECB, however, did signal that the current pace of asset buying is not tenable. This might give some support for the euro as some adjustment of expectations might need to take place about the future size of the asset purchase program.

All market data to 30 September, unless mentioned otherwise

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