

- NOUVELLES -

OUR WEEKLY CAPITAL MARKETS UPDATE

June 18th, 2017

International Market News Update

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	21,384.28	+112.31	0.53%	8.21%
S&P 500	2,433.15	+1.38	0.06%	8.68%
NASDAQ Composite	6,151.76	-56.16	-0.90%	14.28%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,463.54	-63.79	-0.85%	4.49%
Eurozone - STOXX 50	3,192.89	-17.18	-0.54%	6.06%
France - CAC 40	5,263.31	-36.40	-0.69%	8.25%
Germany - DAX	12,752.73	-62.99	-0.49%	11.08%
Netherlands - AEX	520.67	-6.63	-1.26%	7.76%
Switzerland - SMI	8,963.29	+117.44	1.33%	9.04%

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	61,626.41	-1,129.16	-1.80%	2.32%
Russia - MICEX	1,822.91	-51.30	-2.74%	-18.35%
India - SENSEX	31,056.40	-205.66	-0.66%	16.64%
China - Shanghai	3,123.17	-35.23	-1.12%	0.63%
South Africa - JSE Africa	50,831.89	-1,126.63	-2.17%	0.35%

Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	19,943.26	-70.00	-0.35%	4.34%
Hong Kong - Hang Sen	25,626.49	-403.80	-1.55%	16.48%
South Korea - KOSPI	2,361.83	-19.86	-0.83%	16.55%
Australia - ASX 200	5,774.03	+97.44	1.72%	1.91%

Commodities				
	Closing	Net		YTD
		Change	% Change	
Gold Spot	1,253.73	-13.03	-1.03%	9.26%
Silver Spot	16.70	-0.50	-2.93%	4.87%
Platinum Spot	929.90	-10.25	-1.09%	2.97%
Palladium Spot	871.70	-13.87	-1.57%	28.01%
Crude Oil (WTI)	44.74	-1.09	-2.38%	-16.72%
Crude Oil (Brent)	47.37	-78	-1.62%	-16.63%
Baltic Dry Ind	851.00	+2.00	0.24%	-11.45%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	1.274	0.037	0.276	0.276
12M Libor	1.732	0.004	0.039	0.047
3M Euribor	(0.329)	0.002	(0.015)	(0.010)
12M Euribor	(0.154)	(0.014)	(0.073)	(0.072)
10Y US	2.151	(0.049)	(0.440)	(0.293)
10Y UK	1.018	0.013	(0.420)	(0.221)
10Y Germany	0.276	0.012	(0.038)	0.068
10Y Japan	0.056	-	(0.025)	0.010
10Y India	6.489	(0.014)	(0.017)	(0.026)

Currencies			
	Closing		Closing
GBP/USD	1.278	EUR/USD	1.120
USD/JPY	110.880	AUD/USD	0.762
USD/CHF	0.973	EUR/AED	4.113
USD/INR	64.429	EUR/INR	71.978
USD/CNY	6.811	EUR/CHF	1.090
USD/RUB	57.776	AED/INR	17.552

Source: Bloomberg

The S&P 500 ended marginally higher for the week on Friday following a deal that ignited a sell-off among big retail and grocery companies. Amazon announced it was buying Whole Foods for \$13.7 billion, or \$42 a share, sending their shares higher by 2.4 percent and 29 percent, respectively. In turn, shares of Kroger, Costco, Target, SuperValu, Sprouts Farmers Markets and Dow-component Wal-Mart all dropped sharply following the news. The Dow Jones industrial average managed a record closing high despite Wal-Mart's 4.6 percent fall. The 30-stock index has also posted four straight weekly gains. Investors also parsed through weaker-than-expected economic data on Friday, as housing starts and consumer sentiment figures both missed expectations.

The pan-European Stoxx 600 ended Friday 0.66 percent higher, with the majority of sectors in positive territory. All major bourses were little changed for the week however as a sell off in tech stocks continued to weigh. European retailers were down late Friday after Amazon announced plans to buy Whole Foods in an all cash, \$13.7 billion deal. Sainsbury's, Marks & Spencer, Carrefour, Ocado and Booker were all seen in the red, down between 1.8 percent and almost 5 percent. Tesco was down 4.9 percent by close of trade, despite reporting its strongest quarterly sales growth for seven years on Friday.

The International Monetary Fund agreed to join the Greek bailout program with a standby arrangement of less than \$2 billion. However, it will not disburse the money until the euro zone details debt relief measures, which is not expected until next year. Meanwhile, to keep the Greek economy afloat, creditors agreed to disburse \$9.5 billion that will allow Athens to complete payments next month.

The Bank of Japan kept its policy steady after a two-day meeting today, as was widely expected. The BOJ also had a more positive view on private consumption and other economies. Most Asian bourses closed cautiously higher on Friday after the Bank of Japan kept its policy unchanged and following the declines in tech stocks stateside.

Commodity in Focus

Oil posted the longest run of weekly losses since August 2015 as OPEC member Libya restored production and the surplus in the U.S. shows little sign of abating.

While futures rose 0.6 percent on Friday, they're down 2.4 percent for the week, a fourth straight decline. West Texas Intermediate for July delivery settled at \$44.74 a barrel on the New York Mercantile Exchange. Brent for August settlement fell 1.6% in the week to settle at \$47.37 a barrel on the London-based ICE Futures Europe exchange.

- NOUVELLES -

OUR WEEKLY CAPITAL MARKETS UPDATE

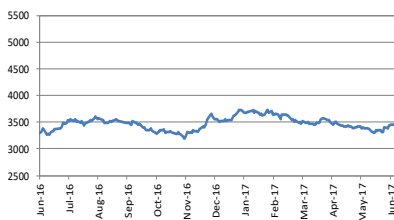
June 18th, 2017

Middle East Market News Update

Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,444.13	+56.18	1.66%	-2.46%
Abu Dhabi - ADX	4,500.86	+2.14	0.05%	-1.00%
Saudi Arabia - TASI	6,881.39	+72.20	1.06%	-4.56%
Qatar - QE	9,188.09	+128.16	1.41%	-11.96%
Bahrain - BHSE	1,323.12	-23	-0.02%	8.41%
Oman - MSM 30	5,249.24	-81.83	-1.53%	-9.23%
Kuwait	6,853.09	+98.55	1.46%	19.22%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Dana Gas has obtained an injunction from the English High Court of Justice in London restraining holders of its \$700 million of sukuk from taking any hostile action against the company in relation to the Islamic bonds. Last week, the company obtained similar injunctions from the Sharjah Federal Court of First Instance in the United Arab Emirates and from the Commercial Division of the High Court of Justice in the British Virgin Islands. The Abu Dhabi-listed energy company announced last week that its outstanding sukuk were not sharia-compliant and were therefore unlawful and unenforceable in the UAE. The company said it would therefore halt coupon payments on the sukuk, and proposed to its creditors exchanging the sukuk for new Islamic bonds with lower profit distributions.

Egypt's central bank will remove restrictions on dollar deposits in the coming months. The move will form part of a package of economic reforms Egypt has to implement to bring back foreign investment, in return for a \$12 billion IMF lending programme. In a long-awaited move, the central bank removed limits on international currency transfers last week, scrapping a \$100,000 monthly limit on individual bank transactions.

En Bref..... Biggest Market News

The merger between Amazon.com Inc. and Whole Foods Market Inc. is a boon for their shareholders but a pain for their competitors. From Wal-Mart Stores Inc. to Kroger Co. to Target Corp., retailers saw their shares tumbling Friday, erasing \$32 billion in combined market value. That's double the total that Amazon and Whole Foods added. The \$13.7 billion deal heightens a years-long battle between Amazon, the Internet darling, and powerhouse merchants such as Walmart, which recently beefed up its online operations with a \$3.3 billion purchase of an Amazon competitor. The Whole Foods deal signals a turning point for Amazon, after it struggled for years to break into the \$800 billion U.S. grocery business.

Events in the week ahead

19 June – Commencement of Formal Brexit Negotiations.

23 June – French Gross Domestic Product (Year on Year - Q1).

- NOUVELLES -

OUR WEEKLY CAPITAL MARKETS UPDATE

June 18th, 2017

DISCLAIMER: This material was prepared by the Morgan Gatsby limited based out of Dubai International Financial Centre, United Arab Emirates ("U.A.E.") and regulated by the Dubai Financial Services Authority (DFSA). This material is provided for informational purposes and private circulation only and should not be construed as an offer to sell or a solicitation to buy any security or any other financial instrument or adopt any hedging, trading or investment strategy. The information, opinions, forecasts (if any), assumptions or estimates contained in this material are as of the date indicated and are subject to change at any time without prior notice. The stated price of any securities mentioned in this material is as of the date indicated and is not a representation that any transaction can be effected at this price. Past performance is no guarantee of current or future returns, and the investor may receive back less than he invested. The investments mentioned in this document may carry risks that are difficult to quantify and integrate into an investment assessment. In general, products such as equities, bonds, securities lending, forex, or money market instruments bear risks, which are higher in the case of derivative, structured and private equity products; these are aimed solely at sophisticated investors who are able to understand and accept the risks. The value of any investment in a currency other than the base currency of a portfolio is subject to foreign exchange rate risk. These rates may fluctuate and adversely affect the value of the investment when it is realized and converted back into the investor's base currency. The liquidity of an investment is subject to supply and demand. Some products may not have a well-established secondary market or in extreme market conditions may be difficult to value, resulting in price volatility and making it difficult to obtain a price to dispose of the asset. Neither Morgan Gatsby nor its officers, directors or shareholders or other persons shall be liable for any direct, indirect, incidental or other damages including loss of profits arising in any way from the information contained in this material. This material is intended solely for the use by a PROFESSIONAL CLIENT, as defined by the DFSA rulebook via COB section 2.3.2. Professional clients as defined by DFSA need to have net assets of USD 1,000,000/- and have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks. The contents shall not be reproduced, redistributed or copied in whole or in part for any purpose without Morgan Gatsby's prior express consent. This e-mail message may contain confidential, proprietary or legally privileged information. It should not be used by anyone who is not the original intended recipient. If you have erroneously received this message, please delete it immediately and notify the sender. The information in this emails has not been independently verified nor the Firm makes any representations or warranties (express or implied) in relation to the truth, accuracy or completeness of this document or as to any opinion expressed herein. While based on information believed to be reliable, we do not guarantee and make no express or implied representation as to the accuracy, reasonableness or achievability of such statements, estimates, targets and projections and nothing in this document is or should be relied on as a promise or representation as to the future