

— NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	21,858.32	-234.49	-1.06%	10.60%
S&P 500	2,441.32	-35.51	-1.43%	9.04%
NASDAQ Composite	6,256.56	-95.01	-1.50%	16.23%
TSX Composite Index	15,033.38	-158.58	-1.04%	-1.66%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,309.96	-201.75	-2.69%	2.34%
Eurozone - STOXX 50	3,030.83	-91.49	-2.93%	0.67%
France - CAC 40	5,060.92	-142.52	-2.74%	4.08%
Germany - DAX	12,014.06	-283.66	-2.31%	4.64%
Netherlands - AEX	516.97	-12.12	-2.29%	7.00%
Switzerland - SMI	8,884.04	-292.95	-3.19%	8.08%

- ❖ U.S markets had their second worst weekly performance of the year on the back of Trump's comments on North Korea.
- ❖ US Consumer Price Index growth for July was 0.1%, lower than the expected rate of 0.2%.
- ❖ The Chicago Board's Volatility Index (VIX) rose over 50% in the week due to political uncertainty.
- ❖ In Europe, EuroStoxx was down 1% for the week to end at a 5-week low.
- ❖ Britain could face a new risk of a Brexit fight in the international court if it tries to quit the EU's single market without giving other member countries the official 12-month notice.

BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	67,358.59	+460.61	0.69%	11.84%
Russia - MICEX	1,944.83	-8.66	-0.44%	-12.89%
India - SENSEX	31,213.59	-1,111.82	-3.44%	17.23%
China - Shanghai	3,208.54	-53.54	-1.64%	3.38%
South Africa - JSE Africa	55,155.13	-529.88	-0.95%	8.89%

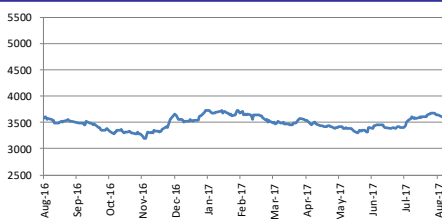
Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	19,729.74	-299.52	-1.50%	3.22%
Hong Kong - Hang Seng	26,883.51	-679.17	-2.46%	22.19%
South Korea - KOSPI	2,319.71	-75.74	-3.16%	14.47%
Australia - ASX 200	5,693.14	-27.44	-0.48%	0.48%

- ❖ US-North Korea tensions continue to weigh in on equities, with all Asian markets closed lower for the week.
- ❖ Hong Kong listed Tencent Holdings stock was down over 4% following news that Chinese regulators are investigating the company for cyber-security violations.
- ❖ Second quarter Singapore GDP growth was revised upward to 2.2%, above an earlier estimate of 0.4% growth.
- ❖ Jacob Zuma narrowly survived a non-confidence motion in South Africa, putting his Presidency at the highest risk since he took over as President.
- ❖ Japan's economy grew for a sixth straight quarter, extending the longest expansion in more than a decade, as a strong pick-up in demand at home compensated for softer exports.
- ❖ The Union Finance Ministry of India will launch a Bharat 22 ETF, managed by ICICI Prudential. This will help the Government speed up its disinvestment programme. Bharat 22 will comprise of 22 stocks including the likes of SBI, NTPC, ONGC, L&T, ITC, Axis Bank and GAIL. (Annexure on Bharat 22 attached)

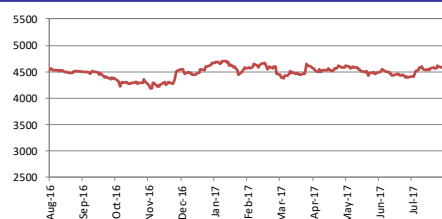
Middle East Market News

	Key Indices			
	Closing	Net Change	% Change	YTD
Dubai - DFM	3,613.59	-52.35	-1.43%	2.34%
Abu Dhabi - ADX	4,500.72	-84.79	-1.85%	-1.00%
Saudi Arabia - TASI	7,146.63	+52.35	0.74%	-0.88%
Qatar - QE	9,205.22	-140.15	-1.50%	-11.80%
Bahrain - BHSE	1,322.78	+2.80	0.21%	8.38%
Oman - MSM 30	4,969.87	-52.56	-1.05%	-14.06%
Kuwait	6,846.11	+34.12	0.50%	19.10%

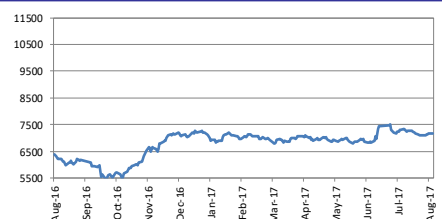
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Stronger than expected results in the second quarter of 2017 points to resilient performance of Saudi banks
- ❖ The Dubai index has been slightly outperforming its peers over the last several weeks, and technical analysts at NBAD Securities say the main trend remains bullish as the index is trading above its 14- and 21-day moving averages.
- ❖ Damac Properties, one of the largest Real Estate companies in the region, reported a fall in profits for the second quarter in a row.
- ❖ Saudi Arabia's second-quarter budget gap narrowed to 46.5 billion riyals (Dh45.5 billion, \$12.4 billion) from the same period last year after income from oil advanced.

Commodity Market News

	Commodities			
	Closing	Net Change	% Change	YTD
Gold Spot	1,289.31	+30.43	2.42%	12.36%
Silver Spot	17.12	0.85	5.21%	7.47%
Platinum Spot	985.00	20.77	2.15%	9.07%
Palladium Spot	894.20	16.12	1.84%	31.31%
Crude Oil (WTI)	48.82	-0.76	-1.53%	-9.12%
Crude Oil (Brent)	52.10	-0.32	-0.61%	-8.31%
Baltic Dry Ind	1,138.00	+106.00	10.27%	18.42%

- ❖ Oil prices ticked higher on Friday but posted another weekly decline after the International Energy Agency said market rebalancing was taking time due to weak OPEC compliance with output cuts.
- ❖ Gold prices climbed to two-month highs as investors sought refuge from escalating tensions between North Korea and the United States, while bullion also received support from weak U.S. inflation data.



Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.301	EUR/USD	1.182
USD/JPY	109.190	AUD/USD	0.789
USD/CHF	0.962	EUR/AED	4.342
USD/INR	64.138	EUR/INR	75.493
USD/CNY	6.664	EUR/CHF	1.137
USD/RUB	59.864	AED/INR	17.451

- ❖ The dollar fell against a basket of currencies on Friday, after data showed U.S. consumer prices rose less than expected in July, pointing to benign inflation that could make the Federal Reserve cautious about raising interest rates again this year.
- ❖ The Swiss franc and the yen are often sought in times of geopolitical tension. Both have logged big gains against the dollar this week amid escalating tensions between North Korea and the United States.
- ❖ Morgan Stanley raised its forecast for the Euro, predicting it would hit \$1.25 early next year.

Investment Banking Deals

- ❖ Softbank Group has invested \$2.5 billion into Indian e-commerce company, Flipkart, making it the third most funded startup in the world.
- ❖ Chinese news aggregator Toutiao, backed by Sequoia Capital and CCB International, is raising at least \$2 billion at a valuation of over \$20 billion in its latest funding round. The fundraising comes after the startup raised \$1 billion at an \$11 billion valuation toward the end of 2016.
- ❖ Tesla took a step toward financing its transformation from a niche builder of pricey luxury cars to a mass-market rival of Fords and Chevrolets, setting plans to raise \$1.5 billion in its first-ever sale of traditional bonds.

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Annexure on Bharat 22

Bharat 22 is an ETF that will track the performance of 22 stocks the government plans to pare its stake in. An ETF (exchange traded fund) pools money from investors and channels it into a basket of stocks, mirroring an index and its performance. An ETF unit represents a slice of the fund; issued units are listed on exchanges for anyone to buy or sell at the quoted price.

The Bharat-22 ETF will span six sectors — basic materials, energy, finance, FMCG, industrials and utilities. Besides public sector banks, miners, construction companies, and energy majors, the ETF will also include some of the government's holdings in SUUTI (Specified Undertaking of Unit Trust of India). In fact, the SUUTI heavyweights (L&T, ITC and Axis Bank) have a 40 per cent weight on the index. Other big names in the long roster include SBI, Power Grid, NTPC and ONGC (5 to 9 per cent each). Tail-enders include NALCO, Indian Oil, Coal India, Bharat Electronics, Bank of Baroda, NBCC (India), Indian Bank and SJVN. The Bharat 22 ETF will be managed by ICICI Prudential AMC while Asia Index will be the index provider. The index will be rebalanced annually.

Features of Bharat-22 ETF:

- ❖ Bharat-22 ETF consists of a diversified portfolio of 22 stocks.
- ❖ The ETF will consist of State Owned companies like ONGC, IOC and SBI
- ❖ The ETF will also consist of companies where the Government of India has partial stakes such as Axis Bank, ITC and Larsen & Toubro.
- ❖ Blue chip stocks, owned by the Government through its Specified Undertakings of the Unit Trust of India (SUUTI), will also be included.
- ❖ Bharat-22 ETF would be listed on the BSE & NSE.
- ❖ The Government of India has appointed ICICI Prudential Asset Management as a manager of the fund.
- ❖ The largest holdings of the ETF are Larsen & Toubro (17.1%), ITC (15.2%), State Bank of India (8.6%), Power Grid Corporation of India (7.9%) and Axis Bank (7.7%).

The Government plans to raise 72,500 crores (Approx \$11 billion) through this disinvestment.