

— NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	24,231.59	+673.60	2.86%	22.61%
S&P 500	2,642.22	+39.80	1.53%	18.02%
NASDAQ Composite	6,847.59	-41.57	-0.60%	27.20%
TSX Composite Index	16,038.97	-69.12	-0.43%	4.91%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,300.49	-109.15	-1.47%	2.21%
Eurozone - STOXX 50	3,138.54	-31.95	-1.01%	4.25%
France - CAC 40	5,316.89	-73.57	-1.36%	9.35%
Germany - DAX	12,861.49	-198.35	-1.52%	12.02%
Netherlands - AEX	535.57	-5.06	-0.94%	10.85%
Switzerland - SMI	9,274.55	-51.05	-0.55%	12.83%

- ❖ U.S. stocks tumbled Friday, following a report that Michael Flynn was directed by President Trump to talk to Russians. Flynn has pleaded guilty to lying to the FBI and is reportedly now prepared to testify against Trump.
- ❖ On Thursday, Republicans were forced to delay a vote on their tax bill only hours before a planned final vote.
- ❖ The pan-European STOXX 600 closed down 0.7 percent, with the majority of sectors ending trade in negative territory.
- ❖ The high-flying tech sector was one of the worst performers Friday amid a sign of investors' anxiety about parts of the market that have seen robust performance inflows this year. The sector slipped 1.58 percent.
- ❖ Royal Mail tumbled near to the bottom of the European benchmark, after Deutsche Bank and Jefferies cut their target price for the stock. Shares fell almost 4 percent.

BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	72,264.45	-1,892.93	-2.55%	19.99%
Russia - MICEX	2,105.99	-39.88	-1.86%	-5.68%
India - SENSEX	32,922.36	-802.08	-2.38%	23.65%
China - Shanghai	3,310.03	-12.20	-0.37%	6.65%
South Africa - JSE Africa	59,449.38	-708.18	-1.18%	17.36%

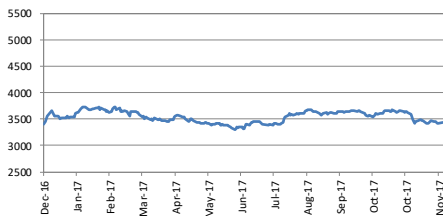
Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	22,707.16	+211.17	0.94%	18.80%
Hong Kong - Hang Seng	29,219.34	-466.85	-1.57%	32.81%
South Korea - KOSPI	2,501.67	-6.14	-0.24%	23.45%
Australia - ASX 200	5,985.59	-3.19	-0.05%	5.64%

- ❖ Asian markets ended mixed on Friday afternoon, giving up some of the early morning gains.
- ❖ Australian Prime Minister Malcolm Turnbull aims to introduce personal income tax cuts before the next federal election, due in 2019, to complement the government's drive to trim corporate rates. The planned cuts to personal tax are contingent on the government being able to maintain its commitment to get the budget back into surplus by 2021.
- ❖ A warning indicator for banking stress in China fell for a fifth-straight quarter, signalling that the leadership's drive to squeeze risk from the financial system is making progress. China's credit-to-gross domestic product "gap" declined to 18.9 percent in the second quarter from 22.1 percent in the first three months of this year.

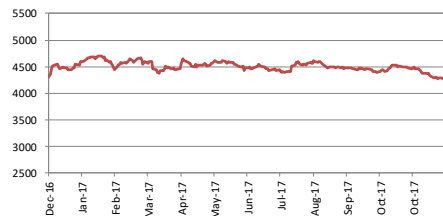
Middle East Market News

	Key Indices			
	Closing	Net Change	% Change	YTD
Dubai - DFM	3,440.09	-20.84	-0.60%	-2.57%
Abu Dhabi - ADX	4,314.78	+27.71	0.65%	-5.09%
Saudi Arabia - TASI	7,089.33	+155.56	2.24%	-1.68%
Qatar - QE	7,756.55	-11.15	-0.14%	-25.68%
Bahrain - BHSE	1,280.21	+3.18	0.25%	4.90%
Oman - MSM 30	5,109.62	+23.27	0.46%	-11.64%
Kuwait	6,227.13	-29.54	-0.47%	8.33%

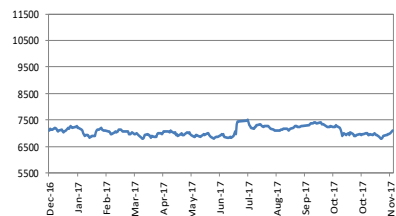
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Favourable market conditions supported the robust growth of corporate and infrastructure sukuk issuance across the GCC in the first nine months of 2017, but the outlook for 2018 is uncertain, according to rating agency Standard & Poor's. In the first nine months of 2017, issuance in this segment increased to \$6.8 billion (Dh24.97 billion), up from \$2.8 billion during the same period of 2016. And sukuk issuance came to more than half the total of all corporate and infrastructure debt of \$12 billion for the 2017's first three quarters.
- ❖ The total number of shares traded on Tawadul jumped 30 per cent in November. The total number of shares traded reached 4.02 billion shares last month, compared to 3.09 billion shares in the previous month. The total value of shares traded for the month of November 2017 reached 75.24 billion Saudi riyals (Dh73.7 billion, \$20.06 billion), increasing by 13.04 per cent over the previous month.
- ❖ Dana Gas PJSC on Monday said it will appeal against a British court's ruling on a \$700 million sukuk, after a UAE court lifted an injunction preventing the energy producer from participating in the British proceedings. Dana previously said it had been advised that the evolution of Islamic financial instruments meant its Islamic bonds were no longer compliant with sharia law and therefore invalid under UAE law.

Commodity Market News

	Commodities			
	Closing	Net Change	% Change	YTD
Gold Spot	1,274.43	-20.09	-1.55%	11.06%
Silver Spot	16.38	-0.67	-3.94%	2.82%
Platinum Spot	934.70	-13.50	-1.42%	3.50%
Palladium Spot	1,022.27	14.31	1.42%	50.12%
Crude Oil (WTI)	57.97	-.14	-0.24%	7.91%
Crude Oil (Brent)	63.42	-.42	-0.66%	11.62%
Baltic Dry Ind	1,626.00	+168.00	11.52%	69.20%

- ❖ Gold was steady on Friday as the dollar and stocks fell on a delay to U.S. tax reforms but the precious metal still ended the week lower.
- ❖ Crude oil futures built on gains made Thursday after OPEC and non-OPEC producers agreed to extend supply cuts until the end of 2018. The world's major oil producers also signaled a possible early exit from the deal if the market overheats.



Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.346	EUR/USD	1.186
USD/JPY	112.900	AUD/USD	0.759
USD/CHF	0.984	EUR/AED	4.357
USD/INR	64.380	EUR/INR	76.387
USD/CNY	6.616	EUR/CHF	1.167
USD/RUB	58.850	AED/INR	17.530

- ❖ The US Dollar (\$) slipped against a basket of currencies on Friday after news reports that Michael Flynn, a former adviser to U.S. President Donald Trump, said he was prepared to testify that Trump directed him to make contact with the Russians when he was a presidential candidate. The greenback slipped against a basket of currencies on Friday after ABC News reported that Michael Flynn, a former adviser to U.S. President Donald Trump, said he was prepared to testify that Trump directed him to contact the Russians when he was a presidential candidate.
- ❖ Sterling slipped from a two-month high against the dollar on Friday, with some investors concerned that optimism around Britain getting a deal with the EU - which this week lifted the pound to six-month highs - might have gone a little too far.

Investment Banking Deals

- ❖ U.S. drugstore chain operator CVS Health Corp has agreed to acquire U.S. health insurer Aetna Inc for \$69 billion, seeking to tackle soaring healthcare spending through lower-cost medical services in pharmacies. Aetna shareholders stand to receive \$207 per share in the deal with CVS.
- ❖ Denmark's largest insurance company Tryg has agreed to buy unlisted competitor Alka Forsikring for 8.2 billion Danish crowns (\$1.31 billion) in a bid to strengthen its presence in the property and casualty insurance markets. Tryg said it has identified 300 million crowns per annum in merger benefits to be delivered by 2021. It expects the deal to add to earnings from 2019 with a high single-digit boost to earnings by 2021.
- ❖ Italian cable maker Prysmian has agreed to buy General Cable (BGC.N) for \$30 a share in an all-cash deal that values its Kentucky-based rival at about \$3 billion, including debt and other liabilities. The purchase price represents a premium of 38 percent to General Cable's closing price on Friday of \$21.80 and more than 80 percent higher than its price last July, when it started a strategic review to identify a possible merger partner to boost growth and maximize shareholder value.

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

DISCLAIMER: This material was prepared by the Morgan Gatsby Limited based in the Dubai International Financial Centre, United Arab Emirates ("U.A.E.") and regulated by the Dubai Financial Services Authority ("DFSA"). The information contained in this communication is intended for Professional Clients only, and no other persons should act upon it. 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 material is provided for informational purposes and private circulation only and, unless otherwise stated, 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. Past performance is no guarantee of current or future returns, and the investor may receive back less than he invested. Investments may carry risks that are difficult to quantify and integrate into an investment assessment. 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. The information in this document has not been independently verified nor does the Firm make 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.