

2nd April 2018

## — NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

### US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	23,644.19	+110.99	0.47%	-4.35%
S&P 500	2,581.88	-6.38	-0.25%	-3.43%
NASDAQ Composite	6,870.12	-122.55	-1.75%	-0.48%
TSX Composite Index	15,213.45	-10.29	-0.07%	-6.14%
CBOE - VIX	19.97	+5.33	36.41%	103.95%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,056.61	+104.02	1.50%	-8.21%
Eurozone - STOXX 50	2,965.44	+22.32	0.76%	-6.68%
France - CAC 40	5,167.30	+0.09	0.00%	-2.73%
Germany - DAX	12,096.73	-3.35	-0.03%	-6.35%
Netherlands - AEX	529.52	+1.15	0.22%	-2.77%
Switzerland - SMI	8,740.97	+103.10	1.19%	-6.83%

(In Dollar Terms)

- ❖ US Stocks rallied on Thursday, pairing losses for the quarter. The Dow and S&P 500 fell 2.3 percent and 1.2 percent, respectively, for the quarter. They also snapped nine-quarter winning streaks. The Nasdaq, meanwhile, rose 2.3 percent in the first quarter.
- ❖ The 10-year Treasury yield hit its lowest in seven weeks on Wednesday below 2.75 percent, with investors on edge following a decline in U.S. stock markets. The margin between U.S. two-year and 10-year Treasury yields shrank to its smallest in a decade.
- ❖ Stocks in Europe finished on the last trading day of the quarter, with a rally in the autos sector helping to boost investor sentiment.
- ❖ German unemployment figures reached a record low in March at 5.3 percent.
- ❖ U.K.'s current account deficit was £18.4 billion in the last quarter of 2017, lower than what analysts had expected.

### BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	85,365.56	+597.68	0.71%	11.73%
Russia - MICEX	2,285.53	-0.00	0.00%	8.33%
India - SENSEX	32,968.68	-167.50	-0.51%	-3.20%
China - Shanghai	3,168.90	+16.14	0.51%	-4.18%
South Africa - JSE Africa	55,474.52	-1,750.08	-3.06%	-6.77%

(In Dollar Terms)

Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	21,454.30	+836.44	4.06%	-5.76%
Hong Kong - Hang Seng	30,093.38	-977.67	-3.15%	0.58%
South Korea - KOSPI	2,445.85	+29.09	1.20%	-0.88%
Australia - ASX 200	5,759.37	-177.79	-2.99%	-5.04%

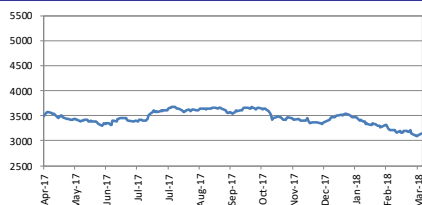
- ❖ Markets in Asia traded higher on Friday for the last trading day of the quarter, following a rally in U.S. stocks overnight.
- ❖ Japan released economic data that suggested an improvement in business activity last month. Japanese industrial output rose 4.1 percent in February from the previous month against a median forecast for a 5 percent increase and followed a revised 6.8 percent decline in January.
- ❖ Fears of a trade war between the United States and China appeared to ease and some analysts said they're confident the two countries will negotiate a deal.

## Middle East Market News

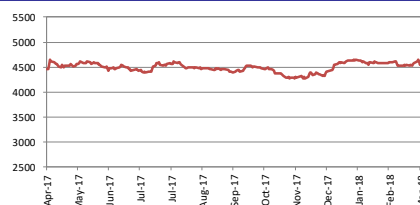
	Key Indices			
	Closing	Net		YTD
		Change	% Change	
Dubai - DFM	3,136.36	+21.20	0.68%	-6.93%
Abu Dhabi - ADX	4,583.53	-31.74	-0.69%	4.21%
Saudi Arabia - TASI	7,800.88	-41.75	-0.53%	7.95%
Qatar - QE	8,669.04	-83.62	-0.96%	1.71%
Bahrain - BHSE	1,303.14	-31.82	-2.38%	-2.15%
Oman - MSM 30	4,737.17	-65.39	-1.36%	-7.10%
Kuwait	6,633.44	+1.53	0.02%	3.52%

(In Dollar Terms)

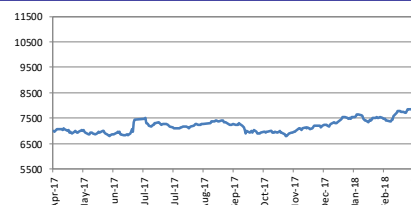
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Egypt's central bank cut interest rates for the second time in six weeks after inflation slowed into its target range, shrugging off rising US rates as it unwinds record-high borrowing costs. The monetary policy committee led by Governor Tarek Amer lowered the overnight deposit rate by 100 basis points to 16.75 per cent. The move was predicted by all eight economists surveyed by Bloomberg. The overnight lending rate was also reduced by 100 basis points to 17.75 per cent.
- ❖ Saudi Arabia won classification as an emerging market by a major index compiler for the first time, a key step toward the kingdom's goal of attracting billions in additional stock investor inflows. FTSE Russell said the Middle Eastern country will be included in its secondary emerging markets grouping effective March 2019, according to a statement on March 28, 2018. Saudi Arabia joins a category that already includes China, Russia and India.
- ❖ Kuwait's stock exchange will implement the latest set of changes aimed at attracting investors and increasing the number of initial public offerings. The index will divide its stocks into three sections, based on criteria including their market capitalisation and the volume of shares traded. It will introduce new indexes, including a Premier Market grouping together 16 of Kuwait's largest and most liquid companies.

## Commodity Market News

	Commodities			
	Closing	Net		YTD
		Change	% Change	
Gold Spot	1,325.48	-21.85	-1.62%	1.74%
Silver Spot	16.37	-0.20	-1.20%	-3.36%
Platinum Spot	932.06	-16.84	-1.77%	0.41%
Palladium Spot	953.44	-22.90	-2.35%	-10.35%
Crude Oil (WTI)	64.94	+.64	1.00%	7.48%
Crude Oil (Brent)	69.34	+.43	0.62%	3.69%
Baltic Dry Ind	1,055.00	-62.00	-5.55%	-22.77%

- ❖ Oil prices rose on Thursday as the equities markets rallied and as market participants weighed a rise in U.S. crude inventories and production against continued OPEC supply curbs. OPEC, Russia and other oil producers are expected to limit their output until the end of 2018. Crude ended the first quarter up by 7.5%.

## Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.402	EUR/USD	1.232
USD/JPY	106.280	AUD/USD	0.768
USD/CHF	0.954	EUR/AED	4.527
USD/INR	65.178	EUR/INR	80.808
USD/CNY	6.275	EUR/CHF	1.175
USD/RUB	57.131	AED/INR	17.720

- ❖ Sterling edged down on Thursday as end-of-quarter portfolio rebalancing by investors outweighed encouraging economic data, but the currency is still set for its best quarter against the dollar in almost three years. Hopes of a transition deal on Britain's departure from the European Union - which was eventually agreed earlier this month - and growing expectations that the Bank of England could soon raise interest rates have propelled the pound this year to its highest since the June 2016 Brexit referendum.
- ❖ The dollar stalled against its peers on Friday as the recovery seen earlier this week petered out ahead of the new quarter, which could potentially bring renewed pressure on the greenback. The dollar index was down more than 2 percent for the quarter, its fifth straight quarter of declines.

## Investment Banking Deals

- ❖ India announced that it plans to sell a controlling stake in Air India along with roughly \$5.1 billion of the state-run carrier's debt, one of the biggest divestments undertaken by Prime Minister Narendra Modi's government. The government plans to sell a 76 percent stake in the carrier that operates both domestic and international routes
- ❖ Japan's SoftBank Group Corp (9984.T) is looking to buy a 25 percent stake in Swiss Re AG (SRENH.S) worth about \$9.6 billion as the firms' talks over a potential deal advance. The talks are centering on 100 to 105 Swiss francs a share.
- ❖ U.S. exchange operator CME Group has agreed to buy NEX Group for \$5.5 billion to create a cross-border powerhouse for investors trading in the multi-trillion dollar foreign exchange and government debt markets. A union of the two firms would enable investors to access cash and futures trading and over-the-counter services via one provider for the first time, improving access to markets.
- ❖ Abraaj Group, the Middle East buyout firm roiled by allegations of misused funds, is considering the sale of a stake in its fund management business to raise cash amid heightened regulatory scrutiny and the departure of key executives, according to people with knowledge of the matter. The group has held discussions with advisers about selling part of the newly separated investment business, which oversees funds globally for institutional investors
- ❖ Saudi Arabia's National Agricultural Development Co, part owned by the sovereign wealth fund, will acquire Danone's venture in the country, creating one of the kingdom's largest dairy producers. NADEC, as the company is known, will fund the acquisition of privately held Al Safi Danone through a capital increase of 536 million riyals (\$143 million)

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

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