

**— NOUVELLES —**

OUR WEEKLY CAPITAL MARKETS UPDATE

16<sup>th</sup> April 2018

## US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	24,360.14	+427.38	1.79%	-1.45%
S&P 500	2,656.30	+51.83	1.99%	-0.65%
NASDAQ Composite	7,106.65	+191.54	2.77%	2.94%
TSX Composite Index	15,273.97	+66.56	0.44%	-5.77%
CBOE - VIX	17.41	-2.56	-12.80%	57.70%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,264.56	+80.92	1.13%	-5.50%
Eurozone - STOXX 50	3,042.66	+32.11	1.07%	-4.25%
France - CAC 40	5,315.02	+56.78	1.08%	0.05%
Germany - DAX	12,442.40	+201.13	1.64%	-3.68%
Netherlands - AEX	548.05	+8.76	1.62%	0.64%
Switzerland - SMI	8,776.17	+105.13	1.21%	-6.46%

- ❖ U.S. stocks had a strong week, although the indices fell on Friday as several banking companies weighed down the major indexes on the final day of an otherwise strong week for equities.
- ❖ Citigroup, Wells Fargo and J.P. Morgan Chase all reported quarterly earnings and revenue that surpassed analyst expectations. Bank shares initially traded higher before falling, as the strong results were already priced in. According to FactSet, S&P 500 earnings are forecast to have grown by 17.1 percent last quarter. Financials, meanwhile, are expected to see earnings increase by 24 percent.
- ❖ University of Michigan's consumer sentiment index ticked down to 97.8 in April from 101.4 in March
- ❖ Most European indices ended with week higher, with the pan-European Stoxx 50 closing 1.1% higher.
- ❖ Retail was the worst performing sector, dropping during late deals to close 0.8 percent to the downside. British stationer WHSmith dragged the sector lower and closed 6.5 percent down

## BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	84,334.41	-486.01	-0.57%	10.38%
Russia - MICEX	2,175.16	-106.07	-4.65%	3.10%
India - SENSEX	34,192.65	+565.68	1.68%	0.40%
China - Shanghai	3,159.05	+27.94	0.89%	-4.48%
South Africa - JSE Africa	56,563.17	+684.36	1.22%	-4.94%

(In Dollar Terms)

Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	21,778.74	+211.22	0.98%	-4.33%
Hong Kong - Hang Seng	30,808.38	+963.44	3.23%	2.97%
South Korea - KOSPI	2,455.07	+25.49	1.05%	-0.50%
Australia - ASX 200	5,829.08	+40.34	0.70%	-3.89%

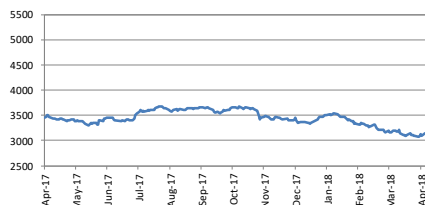
- ❖ Asian stocks closed mostly higher after recent trade war related fears waned.
- ❖ Investors also digested trade data out of China, which showed March exports in dollar terms declined 2.7 percent on year, missing expectations.
- ❖ Hong Kong's index gained over 3% for the week, reversing all the losses made in the previous weeks.
- ❖ America imposed harsh new sanctions on Russia in response to its "malign activity" abroad. Rattled investors sent stocks tumbling, with the index down almost 5% last week.
- ❖ Non Performing assets (NPAs) or bad loans in the banking sector are set to shoot up by at least Rs 8,000 crore (Approximately \$1.25 billion) as advances to the scam-hit Gitanjali Gems group have turned bad during the quarter ended March 31. Gross NPAs of all the banks in the country amounted to Rs 8,40,958 crore in December, led by industry loans followed by services and agriculture sectors.

## Middle East Market News

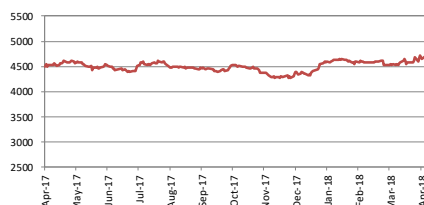
Key Indices	Net			YTD
	Closing	Change	% Change	
Dubai - DFM	3,150.93	+79.84	2.60%	-6.50%
Abu Dhabi - ADX	4,699.43	+96.55	2.10%	6.84%
Saudi Arabia - TASI	7,962.52	-5.92	-0.07%	10.19%
Qatar - QE	8,891.55	+109.72	1.25%	4.32%
Bahrain - BHSE	1,292.47	+7.98	0.62%	-2.95%
Oman - MSM 30	4,776.55	-22.35	-0.47%	-6.33%
Kuwait	6,633.44	+0.00	0.00%	3.52%

(In Dollar Terms)

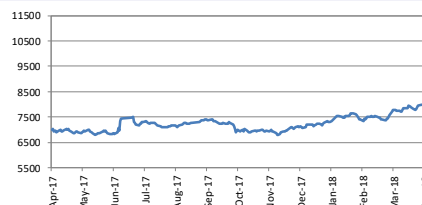
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Most United Arab Emirates interbank offered rates (EIBOR) rose as the central bank introduced a new way of calculating them, seeking to make the system more transparent and reflect market conditions more accurately.
- ❖ Moody's Investors Service has maintained its A1 credit rating for Saudi Arabia, affirming the government's fiscal consolidation plans introduced to lessen the country's reliance on oil. Cuts to government expenditure and new non-oil revenue generating initiatives — including lower subsidies on water and electricity — saw the Kingdom's debt to GDP ratio come in at 17.3 percent for 2017, well below Moody's initial forecast of 28 percent.
- ❖ Abraaj has hired Deloitte to examine its business, including its troubled \$1 billion healthcare fund, after investors questioned an earlier review by KPMG of the embattled fund, people familiar with the matter said. Abraaj has been trying to stem the fallout from a row with four of its investors, including the Bill & Melinda Gates Foundation and the International Finance Corp (IFC), over the use of their money in the fund. A Deloitte team, including specialists in forensic services, is working inside Abraaj's office to help the healthcare fund review its governance and control mechanisms.

## Commodity Market News

Commodities	Net			YTD
	Closing	Change	% Change	
Gold Spot	1,346.20	+13.17	0.99%	3.33%
Silver Spot	16.66	0.27	1.66%	-1.67%
Platinum Spot	931.33	13.98	1.52%	0.33%
Palladium Spot	988.36	83.01	9.17%	-7.07%
Crude Oil (WTI)	67.39	+5.33	8.59%	11.54%
Crude Oil (Brent)	72.58	+5.47	8.15%	8.54%
Baltic Dry Ind	1,014.00	+66.00	6.96%	-25.77%

- ❖ Gold prices rose on Friday, heading for a second weekly gain on lingering uncertainty over Western military action in Syria. U.S. President Donald Trump and his national security aides on Thursday discussed options on Syria, where he has threatened missile strikes in response to a suspected poison gas attack, as a Russian envoy voiced fears of wider conflict between Washington and Moscow.
- ❖ Oil prices were higher on Friday, posting their largest weekly gain since July after U.S. President Donald Trump's comments about possible military action in Syria and reports of dwindling global oil stocks. Both oil benchmarks hit their highest since late 2014 on Wednesday.

## Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.424	EUR/USD	1.233
USD/JPY	107.350	AUD/USD	0.776
USD/CHF	0.962	EUR/AED	4.529
USD/INR	65.211	EUR/INR	80.341
USD/CNY	6.275	EUR/CHF	1.187
USD/RUB	62.028	AED/INR	17.756

- ❖ Sterling rose to a new 10-week high against the dollar on Friday and pulled itself out of a six-month trading range against the euro, prompting investors to unwind their long euro positions. Against the euro, sterling rallied 0.4 percent to 86.32 pence per euro, its highest since late May 2017. On a weekly basis, it is set for its biggest gain since December.
- ❖ Hong Kong's central bank bought the local currency on Friday, as part of its first intervention in foreign exchange markets since 2015 after the Hong Kong dollar hit the weaker end of its trading range, nudging up a key lending rate that could push borrowing costs higher.

## Investment Banking Deals

- ❖ Bratz doll maker MGA Entertainment said on Friday its billionaire founder and chief executive, Isaac Larian, had made an \$890 million bid for Toys 'R' Us stores in the United States and Canada. Larian has offered \$675 million for U.S. stores and \$215 million for Canadian stores.
- ❖ India's Fortis Healthcare has received an investment offer worth 12.5 billion rupees (\$191.5 million) from Hero Enterprise Investment Office and the Burman Family Office. In a letter, the two firms said they were making a new investment offer as they were "concerned" as shareholders about the company's financial health given that it has less than 700 million rupees of cash available.
- ❖ Saudi Aramco signed an initial deal with a consortium of Indian refiners to build a \$44 billion refinery and petrochemical project on India's west coast, as the kingdom moves to secure buyers for its crude in a market awash with oil. The project includes a 1.2-million-barrels-per-day (bpd) refinery integrated with petrochemical facilities with a total capacity of 18 million tons per year.
- ❖ Chipmaker Broadcom Inc (AVGO.O) said on Thursday it would buy back up to \$12 billion of its common stock, sending its shares up 4.5 percent to \$250 in extended trading. The company, which last month ended its efforts to acquire rival Qualcomm Inc, said the repurchase program is effective immediately until the end of Broadcom's fiscal year 2019.

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

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