

## — NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

30<sup>th</sup> April 2018

### US & Europe Market News

US Indices	Net			
	Closing	Change	% Change	YTD
DJIA	24,311.19	-151.75	-0.62%	-1.65%
S&P 500	2,669.91	-.23	-0.01%	-0.14%
NASDAQ Composite	7,119.80	-26.33	-0.37%	3.13%
TSX Composite Index	15,668.93	+184.61	1.19%	-3.33%
CBOE - VIX	15.41	-1.47	-8.71%	39.58%

Europe Indices	Net			
	Closing	Change	% Change	YTD
UK - FTSE 100	7,502.21	+134.04	1.82%	-2.41%
Eurozone - STOXX 50	3,077.27	+36.15	1.19%	-3.16%
France - CAC 40	5,483.19	+70.36	1.30%	3.21%
Germany - DAX	12,580.87	+40.37	0.32%	-2.61%
Netherlands - AEX	554.94	+4.56	0.83%	1.90%
Switzerland - SMI	8,843.02	+35.22	0.40%	-5.74%

- ❖ U.S. stocks ended the week mostly flat.
- ❖ Overall, the earnings season has been mostly positive. Of the S&P 500 companies that have reported quarterly results thus far, 79.4 percent have topped analyst expectations. Microsoft and Intel both reported better-than-expected earnings, while Chevron and Colgate posted quarterly profits that beat expectations.
- ❖ In economic news, the U.S. economy grew by 2.3 percent in the first quarter against an expected a gain of 2 percent.
- ❖ The pan-European Stoxx 600 closed 1.2 percent higher for the week, with most sectors and major bourses in positive territory. Europe's technology stocks led the gains, up 0.8 percent amid earnings news. Consultancy giant Capgemini was the top sectoral performer after it reported upbeat first-quarter figures.
- ❖ At its April meeting, the ECB maintained its current stance on interest rates, as widely expected by markets and chose to reaffirm its ultra-easy monetary stimulus.

### BRICS & Asia Market News

BRICS Indices	Net			
	Closing	Change	% Change	YTD
Brazil - Ibovespa	86,444.66	+894.57	1.05%	13.14%
Russia - MICEX	2,297.30	+46.31	2.06%	8.89%
India - SENSEX	34,969.70	+554.12	1.61%	2.68%
China - Shanghai	3,082.23	+10.69	0.35%	-6.80%
South Africa - JSE Africa	57,453.04	-73.75	-0.13%	-3.45%

(In Dollar Terms)

Asia-Pacific Indices	Net			
	Closing	Change	% Change	YTD
Japan - Nikkei 225	22,467.87	+305.63	1.38%	-1.30%
Hong Kong - Hang Seng	30,280.67	-137.66	-0.45%	1.21%
South Korea - KOSPI	2,492.40	+16.07	0.65%	1.01%
Australia - ASX 200	5,953.65	+72.65	1.24%	-1.84%

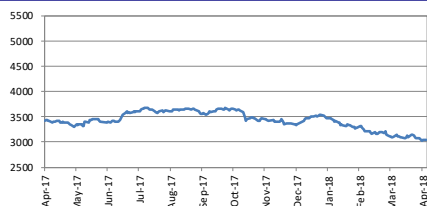
- ❖ Asia Pacific markets rose as investors watched for developments from the Korean peninsula. North Korean leader Kim Jong Un met South Korean President Moon Jae-in at the inter-Korean Summit for talks. Better-than-expected earnings on Wall Street also gave a boost to Asian equities.
- ❖ The Bank of Japan (BOJ) kept its monetary policy on hold, leaving the short-term interest rate target at minus 0.1 percent. It removed mentions of a time-frame by which it planned to achieve its 2 percent price stability target.
- ❖ Foreign investors have pulled out more than Rs 15,500 crore (Approximately \$2.3 billion) from the Indian capital markets so far this month due to weak rupee, surge in global crude prices and uncertainty over US-China trade relations.
- ❖ Hong Kong stocks rebounded on Friday, recovering most of the losses for the week, after gains by renewable energy companies as well as China Petroleum and Chemical.

## Middle East Market News

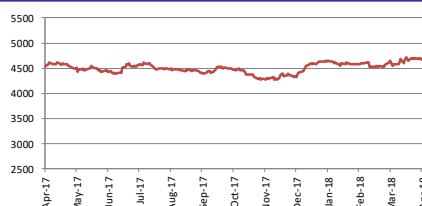
	Closing	Net		YTD
		Change	% Change	
Dubai - DFM	3,048.46	-31.05	-1.01%	-9.54%
Abu Dhabi - ADX	4,685.44	+2.97	0.06%	6.53%
Saudi Arabia - TASI	8,224.94	-31.66	-0.38%	13.82%
Qatar - QE	9,140.19	-15.36	-0.17%	7.24%
Bahrain - BHSE	1,262.78	-38.31	-2.94%	-5.18%
Oman - MSM 30	4,734.42	-26.63	-0.56%	-7.16%
Kuwait	6,633.44	+0.00	0.00%	3.52%

(In Dollar Terms)

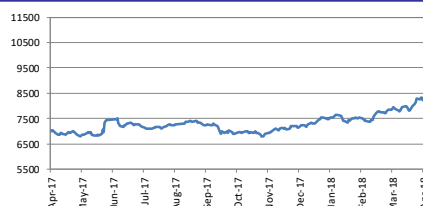
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Mubadala Investment Company reported an operating profit of \$2.9 billion for 2017 up 11.5 percent on the previous year. According to the company, the growth in revenue was driven by a strong performance across all four of its global platforms, with particularly significant contributions from its upstream and integrated, petrochemical and semiconductor business sectors.
- ❖ Fitch Ratings has assigned UAE-based MAF's benchmark-size subordinated perpetual hybrid notes a final rating of BB+. The notes qualify for 50 per cent equity credit. The recently placed \$400 million notes was priced at 6.37 per cent and will be used to refinance MAF's existing 2013 hybrid notes and for general corporate purposes.
- ❖ Qatar Petroleum (QP) said on Sunday it has signed an agreement to supply Vietnam with up to 2 million tonnes per year of LPG and naphtha. It signed the 15-year agreement with Long Son Petrochemicals Company Limited, a subsidiary of The Siam Cement Public Company Limited, QP said in a statement. "The agreement will commence with the start of Vietnam's first green-field petrochemical complex, which is being constructed on Long Son Island.

## Commodity Market News

Commodities	Closing	Net		YTD
		Change	% Change	
Gold Spot	1,324.00	-12.36	-0.92%	1.63%
Silver Spot	16.51	-0.61	-3.56%	-2.52%
Platinum Spot	915.33	-11.11	-1.20%	-1.39%
Palladium Spot	972.14	-58.14	-5.64%	-8.59%
Crude Oil (WTI)	68.10	-.28	-0.41%	12.71%
Crude Oil (Brent)	74.64	+.58	0.78%	11.62%
Baltic Dry Ind	1,361.00	+80.00	6.25%	-0.37%

- ❖ Brent crude posted its third week of gains amid supply concerns should the United States reimpose sanctions on Iran.
- ❖ A strong dollar, coupled with rising US treasury yields weighed on Gold, which closed almost 1% lower for the week. The prospect of a Korean denuclearization deal also eroded bullion's safe-haven appeal.

## Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.378	EUR/USD	1.213
USD/JPY	109.050	AUD/USD	0.758
USD/CHF	0.988	EUR/AED	4.544
USD/INR	66.661	EUR/INR	80.542
USD/CNY	6.332	EUR/CHF	1.198
USD/RUB	62.156	AED/INR	18.112

- ❖ The dollar held steady last week despite a government report showing slower U.S. first-quarter economic growth, with the currency having its strongest week since November 2016, gaining 1.4 percent.
- ❖ Sterling fell to a 6-week low versus the dollar as investors awaited British economic growth data that could determine whether the Bank of England raises interest rates in May. Governor Mark Carney marred confidence that a hike would happen when he said last week economic data in Britain was “mixed” and that there were several other MPC meetings later this year.

## Investment Banking Deals

- ❖ India’s Bharti Infratel Ltd (BHRI.NS) has agreed to merge with Indus Towers, in a deal that creates the world’s No. 2 telecom tower company with an estimated equity value of \$14.6 billion. Seeking to capitalize on rapid growth in smartphone usage in the country, the transaction, which values Indus Towers at roughly \$10 billion, will create an infrastructure giant with more than 163,000 towers, lagging only China Tower.
- ❖ Japan’s Softbank Group and Alphabet Inc’s venture capital fund CapitalG are among investors pouring \$1.9 billion into a truck hailing service platform Manbang. Manbang, formally known as Full Truck Alliance Group, said the investment was led by SoftBank’s Vision Fund - which counts Apple Inc, Foxconn and Saudi Arabia’s sovereign wealth fund among its backers.
- ❖ U.S. media group Comcast (CMCSA.O) submitted a 22 billion pound(\$30.7 billion) bid for Sky (SKYB.L) on Wednesday, prompting the European pay TV group to drop its support for a lower offer from Rupert Murdoch’s Twenty-First Century Fox. Sky’s independent directors welcomed Comcast’s 12.50 pound per share bid and said they would now engage with both Comcast and Fox.
- ❖ Mozambique’s national oil company appointed Lazard Frères SAS and Lion’s Head Global Partners as advisers to help raise as much as \$2 billion to refinance its portions of two gas-development projects. Empresa Nacional de Hidrocarbonetos EP will begin a roadshow next month to regions including Asia, the Middle East and South Africa. Lazard will advise ENH on refinancing its portion of the project Anadarko Petroleum Corp. is developing.

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