

## — NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

### US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	25,219.38	+1,028.48	4.25%	2.02%
S&P 500	2,732.22	+112.67	4.30%	2.19%
NASDAQ Composite	7,239.47	+364.97	5.31%	4.87%
TSX Composite Index	15,452.64	+418.11	2.78%	-4.67%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,294.70	+202.27	2.85%	-5.11%
Eurozone - STOXX 50	3,057.75	+83.42	2.80%	-3.78%
France - CAC 40	5,281.58	+202.37	3.98%	-0.58%
Germany - DAX	12,451.96	+344.48	2.85%	-3.60%
Netherlands - AEX	532.27	+13.94	2.69%	-2.26%
Switzerland - SMI	8,986.72	+304.72	3.51%	-4.21%

(In Dollar Terms)

- ❖ US stocks regained most of its losses from last week, with the S&P 500 rising 4.25% - its best weekly performance in five years. The Nasdaq posted its biggest weekly gain since 2011. Utilities and Healthcare were the best performers sectors in the S&P 500 – with Pfizer being the best performing stock.
- ❖ The major indices ended off their session highs after news broke that special counsel Robert Mueller
- ❖ European markets all closed higher on the back of strong reported earnings and investor confidence. The French CAC was one of the best performers, closing the week almost 4% higher - erasing most of its losses from the corrections last week.
- ❖ The pan-European Stoxx 600 closed almost 1.1 percent higher, with all sectors and most major bourses in positive territory. Vopak was the top performer with the Dutch oil company closing 13.7% higher after posting stronger than expected earnings.

### BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	84,524.58	+1,757.85	2.12%	10.63%
Russia - MICEX	2,255.27	+58.15	2.65%	6.90%
India - SENSEX	34,010.76	-402.40	-1.17%	-0.14%
China - Shanghai	3,199.16	-110.10	-3.33%	-3.27%
South Africa - JSE Africa	59,122.34	+3,219.72	5.76%	-0.64%

Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	21,720.25	-170.61	-0.78%	-4.59%
Hong Kong - Hang Seng	31,115.43	+664.16	2.18%	4.00%
South Korea - KOSPI	2,421.83	+25.27	1.05%	-1.85%
Australia - ASX 200	5,904.04	+66.07	1.13%	-2.66%

(In Dollar Terms)

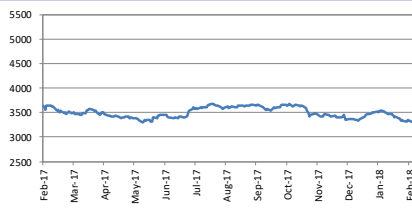
- ❖ Asian equities ended mixed for the week, but trading in the region was subdued with many markets including China, Hong Kong and Taiwan shut for the Lunar New Year holiday.
- ❖ Japanese Prime Minister Shinzo Abe's administration reappointed Bank of Japan Governor Haruhiko Kuroda for another five-year term in an indication that the country's stimulus policy will stay the course.
- ❖ The Reserve Bank of Australia plans to leave interest rates at their current record lows, hoping for an improvement
- ❖ Punjab National Bank, India's second largest state-run lender, has claimed that it is a victim of a scam involving fraudulent guarantees worth up to \$1.8 billion which have been linked to Nirav Modi, the celebrity jeweller to stars such as Kate Winslet and Dakota Johnson. Shares of the bank are down over 20% since the fraud was reported last week.

## Middle East Market News

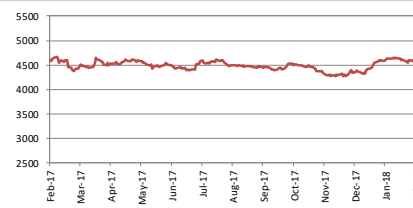
Key Indices				
	Closing	Net		YTD
		Change	% Change	
Dubai - DFM	3,292.05	-28.53	-0.86%	-2.32%
Abu Dhabi - ADX	4,582.48	-1.93	-0.04%	4.18%
Saudi Arabia - TASI	7,511.82	+184.67	2.52%	3.95%
Qatar - QE	9,079.43	+186.16	2.09%	6.52%
Bahrain - BHSE	1,332.51	-1.05	-0.08%	0.06%
Oman - MSM 30	5,014.41	+20.39	0.41%	-1.66%
Kuwait	6,720.97	+80.99	1.22%	4.88%

(In Dollar Terms)

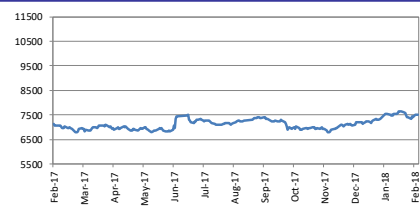
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ In a move that could attract fresh money to the United Arab Emirates' equity markets, the Nasdaq Dubai exchange launched futures contracts on Sunday covering the main indexes of the country's two main stock markets in Abu Dhabi and Dubai.
- ❖ Egypt raised \$4 billion in a dollar-denominated Eurobond sale last week in bonds issued in 5, 10 and 30-year tenors. The finance ministry is set to begin talks this month with European banks to issue euro-denominated Eurobonds expected to valued at 1-1.5 billion euros.
- ❖ Saudi stocks will account for a potential 2.3 per cent weighting in MSCI's Emerging Market Index in the event of an expected upgrade of the kingdom's equities to the widely tracked measure. The 2.3 per cent weighting would make it the third biggest market in the EMEA region on the index behind South Africa with 6.7 per cent and Russia with 3.4 per cent.

## Commodity Market News

Commodities				
	Closing	Net		YTD
		Change	% Change	
Gold Spot	1,346.96	+30.31	2.30%	3.39%
Silver Spot	16.64	0.28	1.71%	-1.73%
Platinum Spot	1,005.41	39.99	4.14%	8.31%
Palladium Spot	1,047.64	69.98	7.16%	-1.49%
Crude Oil (WTI)	61.68	+2.48	4.19%	2.09%
Crude Oil (Brent)	64.84	+2.05	3.26%	-3.04%
Baltic Dry Ind	1,084.00	-41.00	-3.64%	-20.64%

- ❖ Gold eased from a three-week high on Friday as the dollar index rebounded from an earlier three-year low, but still clocked its biggest weekly gain in nearly two years on the back of weakness in the U.S. currency and inflation concerns.
- ❖ Oil prices rose last week as global equities headed for their biggest weekly gain in six years as the dollar slipped to a three-year low. Also supporting oil prices was a statement from the United Arab Emirates energy minister late on Thursday saying oil producers led by Saudi Arabia and Russia aimed to draft an agreement on a long-term alliance by the year end.

## Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.403	EUR/USD	1.241
USD/JPY	106.210	AUD/USD	0.791
USD/CHF	0.927	EUR/AED	4.558
USD/INR	64.215	EUR/INR	80.192
USD/CNY	6.342	EUR/CHF	1.151
USD/RUB	56.401	AED/INR	17.538

- ❖ The dollar limped back from a three-year low against a basket of currencies on Friday but still marked its fifth weekly loss out of seven weeks this year, driving the euro up to its highest level since December 2014.
- ❖ The Japanese yen rose to a five-month high on Tuesday on the back of broad-based selling of the dollar and speculation the Bank of Japan could be close to dialling back record levels of monetary stimulus. The yen has gained 1.5 percent against the dollar this month, benefiting last week from a rush by investors into currencies deemed safer amid the rout in equity markets.

## Investment Banking Deals

- ❖ Uber Technologies is preparing to sell its Southeast Asia ride-hailing business to Singapore-based Grab in return for a substantial stake in the company. SoftBank Group's multi-billion-dollar investment in Uber had opened up the possibility of combining it with other ride-hailing assets that the Japanese group owns.
- ❖ Walmart Inc is in talks to buy a stake of more than 40 percent in Indian e-commerce firm Flipkart, a direct challenge to Amazon.com Inc in Asia's third-largest economy. Terms under discussion were not immediately available, but Flipkart would be valued at more than the \$12 billion figure given when Japan's SoftBank Group Corp's Vision Fund took roughly a fifth of the firm last year for \$2.5 billion.
- ❖ Careem, a Middle East competitor to Uber Technologies, has acquired RoundMenu and would start trialing food delivery services through the restaurant listing and reservation online platform this month. RoundMenu has a presence in 18 cities across nine Arab countries, including Saudi Arabia, the United Arab Emirates, and Egypt, according to its website.
- ❖ Broadcom's \$100 billion loan package backing its proposed \$121 billion acquisition of Qualcomm, is set to become the biggest-ever syndicated loan globally if the hostile deal goes ahead. Twelve banks are providing the financing, which is on track to beat the prior record of \$75 billion issued by Brazilian/Belgian brewer AB Inbev to finance its purchase of rival SAB Miller in 2015.

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters



## Annexure on Family Offices

Family offices are private wealth management advisory firms that serve ultra-high-net-worth investors. They are different from traditional wealth management firms in that they offer a total outsourced solution to managing the financial and investment side of an affluent individual or family. For example, many family offices offer budgeting, insurance, charitable giving, family-owned businesses, wealth transfer and tax services. There are two types of family offices: *single family offices* and *multi-family offices* (sometimes referred to as MFOs). Single family offices serve one ultra-affluent family, while MFOs are more closely related to traditional private wealth management practices, seeking to build their business upon serving many clients.

Providing the advice and services for ultra-wealthy families under a comprehensive wealth management plan is far beyond the capacity of any one professional advisor. It requires a well-coordinated, collaborative effort by a team of professionals from the legal, insurance, investment, estate, business and tax disciplines to provide the scale of planning, advice and resources needed. Most family offices combine asset management, cash management, risk management, financial planning, lifestyle management and other services to provide each family with the essential elements for addressing the pivotal issues it faces as it navigates the complex world of wealth management.

It helps for the family and its advisers to understand how they perceive risk as individuals. 'The risks a family must consider go far beyond investment - they include health, safety, potential for dispute and dysfunction, liability, property damage and poor marriage'. While investment risks (return expectations, costs, diversification and longevity) are often perceived as the greatest threat to a family office, it is estimated that most family fortunes fail to get past the third generation because of poor decision-making elsewhere. Some of the non-investment risks faced by family offices include: security of data; physical safety and health of family members; preparing the next generation to take charge; protection against divorce and fraud. Additionally, there is the 'key man risk' to manage, which could be at the level of chief executive or family principal. A well-structured family governance programme and a clear succession plan for key roles can largely mitigate these risks.

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- ❖ Investment Banking
- ❖ Private Wealth Management
- ❖ Corporate Advisory

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Source: Family Capital

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