

— NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

US & Europe Market News

| US Indices | | | | |
|---------------------|-----------|---------|----------|-------|
| | Closing | Net | | YTD |
| | | Change | % Change | |
| DJIA | 25,295.87 | +458.36 | 1.85% | 2.33% |
| S&P 500 | 2,743.15 | +55.61 | 2.07% | 2.60% |
| NASDAQ Composite | 7,136.56 | +186.40 | 2.68% | 3.38% |
| TSX Composite Index | 16,349.44 | +127.49 | 0.79% | 0.87% |

| Europe Indices | | | | |
|---------------------|-----------|---------|----------|-------|
| | Closing | Net | | YTD |
| | | Change | % Change | |
| UK - FTSE 100 | 7,724.22 | +101.34 | 1.33% | 0.47% |
| Eurozone - STOXX 50 | 3,232.09 | +53.52 | 1.68% | 1.71% |
| France - CAC 40 | 5,470.75 | +131.33 | 2.46% | 2.98% |
| Germany - DAX | 13,319.64 | +339.70 | 2.62% | 3.11% |
| Netherlands - AEX | 558.16 | +11.10 | 2.03% | 2.49% |
| Switzerland - SMI | 9,556.98 | +126.54 | 1.34% | 1.87% |

- ❖ The Dow and Nasdaq had their best start to a year since 2006 with the major indices closing at record highs. The Dow, S&P and Nasdaq rose 2.3 percent, 2.6 percent and 3.4 percent, respectively.
- ❖ Alphabet and Amazon shares hit record highs.
- ❖ The U.S. economy added 148,000 jobs in December, according to the Labor Department. Economists polled by Reuters expected a gain of 190,000.
- ❖ The pan-European Stoxx 600 closed provisionally up 0.8 percent, with almost all sectors and major bourses in positive territory.
- ❖ Gains in financials pushed Britain's FTSE 100 to another record high on Friday, while Switzerland's blue-chip SMI notched an all-time high
- ❖ Euro zone inflation slowed to 1.4 percent in December from 1.5 percent the month before, bringing into question an end to the European Central Bank's asset purchasing program.

BRICS & Asia Market News

| BRICS Indices | | | | |
|---------------------------|-----------|-----------|----------|-------|
| | Closing | Net | | YTD |
| | | Change | % Change | |
| Brazil - Ibovespa | 79,071.47 | +2,998.93 | 3.94% | 3.49% |
| Russia - MICEX | 2,207.41 | +101.24 | 4.81% | 4.63% |
| India - SENSEX | 34,364.22 | +551.47 | 1.63% | 0.90% |
| China - Shanghai | 3,404.50 | +97.33 | 2.94% | 2.94% |
| South Africa - JSE Africa | 59,717.20 | +212.53 | 0.36% | 0.36% |

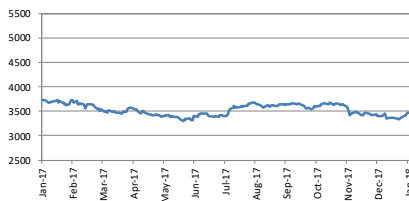
| Asia-Pacific Indices | | | | |
|-----------------------|-----------|---------|----------|-------|
| | Closing | Net | | YTD |
| | | Change | % Change | |
| Japan - Nikkei 225 | 23,714.53 | +821.84 | 3.59% | 4.17% |
| Hong Kong - Hang Seng | 30,788.99 | +869.84 | 2.91% | 2.91% |
| South Korea - KOSPI | 2,511.01 | +43.52 | 1.76% | 1.76% |
| Australia - ASX 200 | 6,130.40 | +65.27 | 1.08% | 1.08% |

- ❖ Asian indices hit multi-year highs as stocks climb on global optimism. The Nikkei 225 touched a 26-year high and the Hang Seng Index hit a fresh 10-year high.
- ❖ South Korea's Kospi saw gains steepen following news that the North had agreed to meet for talks on January 9.
- ❖ The gains in China were seen after positive data released during the week that showed manufacturing and services sector activity in December came in better than expected.
- ❖ China's central bank said it will gradually raise the reserve funds ratio of third-party payment firms to 50 percent by April 2018 from a current rate of 20 percent, as it continues to ramp up regulation of the industry.
- ❖ Indian shares advanced as the benchmark index and the gauges for mid- and small-sized companies touched new records. A gauge of drug makers paced the rally, rising the most among the 19 sector indexes compiled by Bombay Stock Exchange.

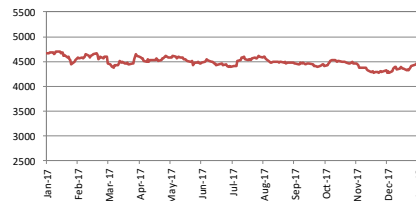
Middle East Market News

| | Key Indices | | | |
|---------------------|-------------|---------|----------|--------|
| | Closing | Net | | YTD |
| | | Change | % Change | |
| Dubai - DFM | 3,471.09 | +101.02 | 3.00% | 3.00% |
| Abu Dhabi - ADX | 4,556.41 | +157.97 | 3.59% | 3.59% |
| Saudi Arabia - TASI | 7,317.65 | +91.33 | 1.26% | 1.26% |
| Qatar - QE | 8,751.20 | +225.20 | 2.64% | 2.67% |
| Bahrain - BHSE | 1,318.76 | -12.96 | -0.97% | -0.97% |
| Oman - MSM 30 | 5,119.18 | +36.95 | 0.73% | 0.39% |
| Kuwait | 6,504.97 | +96.96 | 1.51% | 1.51% |

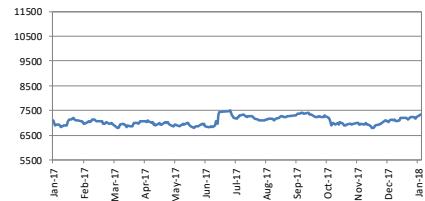
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ The market capitalisation of foreign shares traded on UAE stock markets amounted to AED101 billion by the end of 2017, according to official statistics which showed that non-Arab foreigners secured the largest gains after their market value increased by around AED3.6 billion by the end of December.
- ❖ Gulf states are expected to embark on a debt-raising spree in 2018, with Saudi Arabia taking the lion's share of issuance that could top \$50 billion. Raising debt is a key part of the Kingdom's strategy to finance its budget deficit, forecast to reach SR328 billion (\$87.5 billion) in the recent budget for 2018.
- ❖ Gulf Navigation Holding will sell new shares to existing investors in the first quarter to raise funds for expanding its business as the Dubai-based shipper targets a goal of increasing its revenues by 300 per cent by 2021. The Dubai-listed company said it will increase the company's capital by Dh448.3 million to raise the company's total paid up capital to Dh1 billion, distributed over one billion shares at a par value of Dh1 a share.

Commodity Market News

| | Commodities | | | |
|-------------------|-------------|--------|----------|-------|
| | Closing | Net | | YTD |
| | | Change | % Change | |
| Gold Spot | 1,318.33 | +15.53 | 1.19% | 1.19% |
| Silver Spot | 17.15 | 0.21 | 1.26% | 1.26% |
| Platinum Spot | 969.15 | 40.90 | 4.41% | 4.41% |
| Palladium Spot | 1,097.31 | 33.79 | 3.18% | 3.18% |
| Crude Oil (WTI) | 61.53 | +1.11 | 1.84% | 1.84% |
| Crude Oil (Brent) | 67.70 | +.83 | 1.24% | 1.24% |
| Baltic Dry Ind | 1,371.00 | -59.00 | -4.13% | 0.37% |

- ❖ Oil prices fell on Friday as soaring U.S. production undermined a 10 percent rally from December lows that were driven by tightening supply and political tensions in OPEC member Iran.
- ❖ Gold slips further from 3-month high after US jobs data misses forecasts. However, it has risen nearly 1 percent in the first trading week of the year, having climbed by 13 percent in 2017.



Currency Market News

| Currencies | | | |
|------------|---------|---------|---------|
| | Closing | | Closing |
| GBP/USD | 1.356 | EUR/USD | 1.202 |
| USD/JPY | 113.220 | AUD/USD | 0.784 |
| USD/CHF | 0.976 | EUR/AED | 4.415 |
| USD/INR | 63.371 | EUR/INR | 76.170 |
| USD/CNY | 6.488 | EUR/CHF | 1.173 |
| USD/RUB | 56.990 | AED/INR | 17.252 |

- ❖ The dollar rose on Friday, after a brief dip, as investors reckoned a weaker-than-expected U.S. December non-farm payrolls report would not deter the Federal Reserve from raising interest rates multiple times this year though at a gradual pace.
- ❖ Sterling steadied against the dollar on Friday, ending the week at much the same levels it started at, with traders keen to see new developments on Brexit negotiations before taking new positions on the British currency.

Investment Banking Deals

- ❖ U.S. biotech pharmaceutical firm Celgene Corp said on Sunday that it had agreed to acquire Impact Biomedicines for as much as \$7 billion, subject to certain milestones associated with regulatory hurdles and sales performance. The deal is structured in three parts, with Celgene paying \$1.1 billion in cash upfront for the San Diego-based company.
- ❖ Danish drug maker Novo Nordisk A/S said it had made a proposal to buy Belgian biopharma firm Ablynx NV for 28.00 euro per share in cash, representing a total equity value of about 2.6 billion euros (\$3.12 billion).
- ❖ Saudi Arabia has changed the status of its national oil giant Aramco to a joint-stock company as of Jan. 1, in a key step for an initial public offering (IPO) planned for later this year. The change, which was published in a cabinet decree in the kingdom's official bulletin on Friday, is a requirement for local companies in Saudi Arabia ahead of listing

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

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