

## — NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

### US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	26,071.72	+496.99	1.94%	5.47%
S&P 500	2,810.30	+42.74	1.54%	5.11%
NASDAQ Composite	7,336.38	+124.60	1.73%	6.27%
TSX Composite Index	16,353.46	+45.28	0.28%	0.89%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,730.79	-47.85	-0.62%	0.56%
Eurozone - STOXX 50	3,253.61	+10.73	0.33%	2.38%
France - CAC 40	5,526.51	+9.45	0.17%	4.03%
Germany - DAX	13,434.45	+189.42	1.43%	4.00%
Netherlands - AEX	569.30	+8.20	1.46%	4.54%
Switzerland - SMI	9,509.77	-36.84	-0.39%	1.36%

- ❖ US Stocks closed higher on Friday as investors shrugged off worries about a possible government shutdown. The S&P 500 and Nasdaq hit record highs.
- ❖ Of the companies that have reported quarterly results as of Friday morning, 79 percent have exceeded earnings expectations while 89 percent have surpassed sales estimates.
- ❖ The US government has been witnessing a partial shutdown since Friday, when the Senate failed to pass a resolution to temporarily fund the government through February 16.
- ❖ Euro zone stocks hit a 10-year high while the pan-European Stoxx 600 climbed to its highest level since August 2015, supported by a global equity rally.
- ❖ Basic resources were among the gainers following strong demand figures for metal in China.
- ❖ Euro area current account numbers showed Friday morning a wider account surplus in November compared to the previous month. Higher exports from the region helped the adjusted surplus to grow to 32.5 billion euros (\$39.92 billion) from 30.3 billion euros in October.

### BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	81,219.50	+1,870.38	2.36%	6.31%
Russia - MICEX	2,286.33	+23.95	1.06%	8.37%
India - SENSEX	35,511.58	+919.19	2.66%	4.27%
China - Shanghai	3,487.86	+58.92	1.72%	5.46%
South Africa - JSE Africa	60,912.88	+829.75	1.38%	2.37%

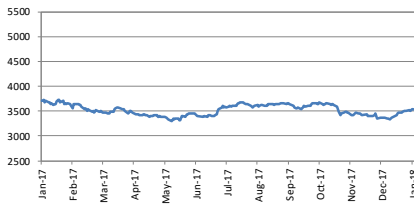
Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	23,808.06	+154.24	0.65%	4.58%
Hong Kong - Hang Seng	32,254.89	+842.35	2.68%	7.81%
South Korea - KOSPI	2,520.26	+23.84	0.95%	2.14%
Australia - ASX 200	6,005.81	-64.25	-1.06%	-0.98%

- ❖ Most major indexes in Asia closed with gains on Friday although the Australian benchmark tracked lower.
- ❖ China's economy grew 6.9 percent in 2017, ending the year on a positive note as official figures topped the government target of around 6.5 percent.
- ❖ SoftBank Group became Uber's largest shareholder after it officially closed a high-profile deal with the ride-hailing company. The deal had valued Uber at around \$48 billion, at a discount to a previous valuation of nearly \$70 billion. SoftBank shares closed lower by 0.28 percent, underperforming most other Japanese tech stocks.
- ❖ A report by IMF and World Bank praises RBI saying that most of the Basel III framework and related guidance has been implemented and cooperation arrangements are now firmly in place.
- ❖ Indian shares posted a record closing high on Thursday as a rally in global markets boosted sentiment, while banking stocks led gains on hopes that the government would raise the foreign investment ceiling in lenders.

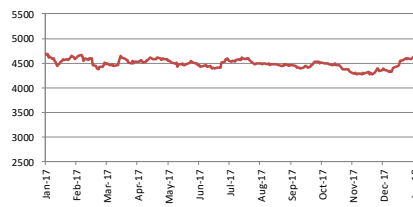
## Middle East Market News

Key Indices	Net			
	Closing	Change	% Change	YTD
Dubai - DFM	3,512.33	+12.97	0.37%	4.22%
Abu Dhabi - ADX	4,636.22	+56.48	1.23%	5.41%
Saudi Arabia - TASI	7,513.30	+73.66	0.99%	3.97%
Qatar - QE	9,145.44	-29.22	-0.32%	7.30%
Bahrain - BHSE	1,335.92	+16.52	1.25%	0.32%
Oman - MSM 30	4,978.60	-110.88	-2.18%	-2.37%
Kuwait	6,620.40	+13.46	0.20%	3.31%

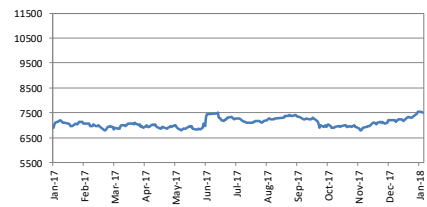
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Egypt is looking to offer shares in eight to 10 state companies on the stock exchange over the next 18 months. The flotations will be the first batch in a programme to float stakes in dozens of state-owned companies over the next three to five years in areas including oil, services, chemicals, shipping and real estate.
- ❖ Dubai Investments has acquired additional 50% stake in Emirates District Cooling, Emicool, from Union Properties for AED500 million. Following this acquisition, Dubai Investments owns 100% stake in Emicool.
- ❖ Oman LNG and BP Singapore signed a major Sales and Purchase Agreement (SPA) for the supply of LNG to BP Singapore. The SPA contract starting January 2018, will span over a period of seven years lifting 1.1 million tonnes per annum which is equivalent to approximately 18 LNG cargoes annually.
- ❖ International equity index compiler MSCI said it expected to include Saudi Aramco in its Saudi Arabia Index from the time of the oil giant's IPO, potentially triggering a big flow of funds into the shares as soon as they list in Riyadh. MSCI also plans to decide in June this year whether it will upgrade Saudi Arabia to emerging market status - a step that would trigger fresh inflows of foreign money into Aramco and other Saudi stocks.

## Commodity Market News

Commodities	Net			
	Closing	Change	% Change	YTD
Gold Spot	1,331.84	-5.80	-0.43%	2.23%
Silver Spot	17.02	-0.19	-1.08%	0.50%
Platinum Spot	1,013.20	18.88	1.90%	9.15%
Palladium Spot	1,107.57	-17.78	-1.58%	4.14%
Crude Oil (WTI)	63.37	-.43	-0.67%	4.88%
Crude Oil (Brent)	68.61	-1.26	-1.80%	2.60%
Baltic Dry Ind	1,125.00	-154.00	-12.04%	-17.64%

- ❖ Oil prices slid about 1 percent on Friday, posting their first weekly loss in five weeks, as a bounce-back in U.S. production outweighed ongoing declines in crude inventories. The International Energy Agency (IEA), in its monthly report, said that global oil stocks have tightened substantially, aided by OPEC cuts, demand growth and Venezuelan production hitting near 30-year lows. However, it warned that rapidly increasing production in the United States could threaten market balancing.
- ❖ Gold prices recovered on Friday, still closing lower for the week, supported by a falling dollar amid worries of a possible Government shutdown. Prices have risen to their highest levels since September 2017, with the dollar falling.



## Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.386	EUR/USD	1.222
USD/JPY	110.770	AUD/USD	0.800
USD/CHF	0.963	EUR/AED	4.490
USD/INR	63.845	EUR/INR	78.326
USD/CNY	6.404	EUR/CHF	1.178
USD/RUB	56.717	AED/INR	17.384

- ❖ The dollar held steady above a three-year low versus a basket of currencies on Friday, marking a fifth week of falls and its longest losing streak since May 2015 as worries over a possible U.S. government shutdown weighed.
- ❖ Sterling weakened on Friday after disappointing UK retail sales data dented broadening optimism about a currency that is enjoying its best winning streak against the dollar since 2014. Before Friday's drop, sterling had been rallying against the dollar, with traders welcoming positive noises from the European Union about negotiations for Britain's exit and growing risk appetite encouraging sterling bulls to add to their positions against a widely weakened dollar.
- ❖ Bitcoin fell as much as 20 percent on Wednesday, piercing below \$10,000, while other cryptocurrencies took similar spills due to investor fears that regulators could clamp down on them to curb speculation.

## Investment Banking Deals

- ❖ Top U.S. grain merchant Archer Daniels Midland Co has proposed a takeover of Bunge Ltd, according to a person familiar with the approach, which could set up a bidding war with Swiss-based rival Glencore Plc. Bunge, which has a market capitalization of \$9.79 billion, closed 11.4 percent higher at \$77.56 on Friday. ADM has a market cap of \$22.64 billion.
- ❖ India's biggest explorer Oil and Natural Gas Corp has agreed to buy the government's majority stake in state-refiner Hindustan Petroleum Corp for 369 billion rupees (\$5.78 billion). It will pay a premium of about 14 percent on HPCL's current market price for the 51.1 percent stake, the company said in a statement to the stock exchange. It expects to complete the transaction by end-January.
- ❖ SoftBank shares have risen about 3 percent this week since it said it was considering what would be the largest IPO by a Japanese company in nearly two decades, a deal that would accelerate the group's transformation into one of the world's biggest tech investors. The company aims to sell about 30 percent of SoftBank Corp, Japan's No. 3 wireless carrier, for about 2 trillion yen (\$18 billion). The proceeds would be invested in growth assets such as foreign information technology companies.

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

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