

— NOUVELLES —

OUR WEEKLY CAPITAL MARKETS UPDATE

US & Europe Market News

US Indices				
	Closing	Net		YTD
		Change	% Change	
DJIA	24,538.06	-771.93	-3.05%	-0.73%
S&P 500	2,691.25	-56.05	-2.04%	0.66%
NASDAQ Composite	7,257.87	-79.52	-1.08%	5.13%
TSX Composite Index	15,384.59	-253.86	-1.62%	-5.09%

Europe Indices				
	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	7,069.90	-174.51	-2.41%	-8.04%
Eurozone - STOXX 50	2,940.84	-117.80	-3.85%	-7.46%
France - CAC 40	5,136.58	-180.79	-3.40%	-3.31%
Germany - DAX	11,913.71	-570.08	-4.57%	-7.77%
Netherlands - AEX	518.72	-15.37	-2.88%	-4.75%
Switzerland - SMI	8,628.51	-319.68	-3.57%	-8.03%

(In Dollar Terms)

- ❖ US Stocks dropped last weeks on the back of comments from Trump and Jerome Powell, posting a weekly loss for the first time in three weeks.
- ❖ Trump announced that the U.S. will implement a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports next week. The news sent stocks reeling, with the Dow closing 420 points lower, while the S&P 500 and Nasdaq dropped more than 1 percent. It also raised concern that other countries may implement retaliatory tariffs.
- ❖ Comments from newly-appointed Fed Chairman Jerome Powell further put markets on edge, after he said there are no signs that the U.S. economy is overheating. Investors have become more certain that the Fed will increase rates at a faster pace in 2018.
- ❖ The Pan European Stoxx 50 posted a weekly decline of almost 4% on the back of US imposed Tariffs, with most sectors and countries ending significantly lower for the week.
- ❖ Growth numbers in Italy, released just two days before voters head to the polls in a key general election, showed an expansion of 0.3 percent in the fourth quarter from the previous three-month period. Preliminary estimates also showed a 1.6 percent growth figure for the year.

BRICS & Asia Market News

BRICS Indices				
	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	85,761.34	-1,531.90	-1.75%	12.25%
Russia - MICEX	2,288.84	-47.98	-2.05%	8.49%
India - SENSEX	34,046.94	+227.44	0.67%	-0.03%
China - Shanghai	3,254.53	-34.50	-1.05%	-1.59%
South Africa - JSE Africa	57,744.70	-970.76	-1.65%	-2.96%

Asia-Pacific Indices				
	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	21,181.64	-711.14	-3.25%	-6.95%
Hong Kong - Hang Seng	30,583.45	-683.72	-2.19%	2.22%
South Korea - KOSPI	2,402.16	-12.12	-0.50%	-2.65%
Australia - ASX 200	5,928.90	-70.89	-1.18%	-2.25%

(In Dollar Terms)

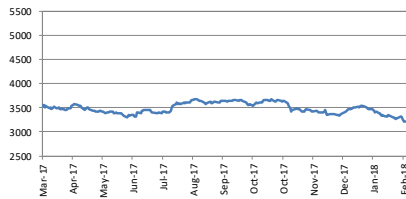
- ❖ Asian stocks slid on Friday, with the Nikkei 225 leading losses in the region. Steel producers and automakers in Asia declined sharply. Automakers and Technology stocks were the biggest losers in Japan – with Honda Motors and Softbank down over 3.5% each.
- ❖ Bank of Japan Governor Haruhiko Kuroda said the central bank would think about exiting easy monetary policy if its inflation target was met in fiscal year 2019.
- ❖ Hong Kong markets were down over 2% for the week, with big names like CCB, Tencent and AIA losing 2.68%, 1.88% and 1.98% respectively.
- ❖ Seeking to join forces with other agencies to check financial frauds, Indian regulator SEBI plans to make it mandatory for listed companies to make urgent disclosure about all major loan defaults. The fresh push by SEBI follows detection of an alleged loan fraud of over Rs 12,000 crore (\$1.87 billion) fraud at state-run Punjab National Bank.

Middle East Market News

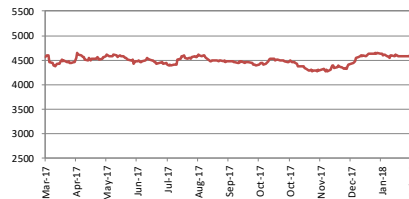
Key Indices	Net			
	Closing	Change	% Change	YTD
Dubai - DFM	3,212.03	-94.54	-2.86%	-4.69%
Abu Dhabi - ADX	4,604.46	+22.45	0.49%	4.68%
Saudi Arabia - TASI	7,368.85	-124.78	-1.67%	1.97%
Qatar - QE	8,730.06	-366.30	-4.03%	2.42%
Bahrain - BHSE	1,380.22	+18.57	1.36%	3.64%
Oman - MSM 30	5,003.19	+44.98	0.91%	-1.88%
Kuwait	6,767.54	+66.23	0.99%	5.61%

(In Dollar Terms)

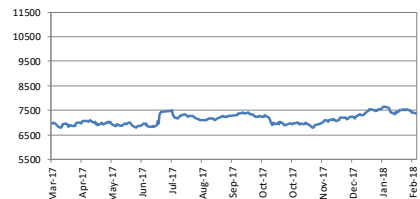
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



- ❖ Saudi Arabia's planned \$16bn syndicated loan, one of the largest ever, will cut the kingdom's cost of funding by paying banks much less than on previous borrowings. Offers from international banks for the loan, which will refinance, extend and increase an existing \$10bn facility raised in 2016 and due in 2021, exceeded \$20bn.
- ❖ Saudi Arabia's Ministry of Culture and Information has approved new regulation governing the operation of cinemas as the kingdom lifts a decades-long ban. The government announced it would be lifting the 35-year cinema ban in December and the first screenings have already taken place in temporary settings. The government expects to open more than 300 cinemas with 2,000 screens by 2030 and build a local industry that will contribute more than SAR90bn (\$24bn) to the economy and create 30,000 permanent jobs.
- ❖ Abu Dhabi National Oil Company (ADNOC) awarded Japan's Inpex operating stakes in an offshore concession and extended existing partnerships on two others in agreements worth around \$850 million. Inpex, whose president and CEO is Toshiaki Kitamura, picked up a 10 per cent 40-year stake in the offshore Lower Zakum concession area valued at \$600m and had its concession agreements on the Satah and Umm Al Dalkh fields extended for 25 years for a fee of \$250m.
- ❖ Indonesia listed two Sukuks with a total value of US\$3 billion on Nasdaq Dubai. The collaboration underlines the close relations between the 2 countries as well as Dubai's growth as the global capital of the Islamic Economy.

Commodity Market News

Commodities	Net			
	Closing	Change	% Change	YTD
Gold Spot	1,322.75	-5.96	-0.45%	1.53%
Silver Spot	16.52	-0.01	-0.06%	-2.45%
Platinum Spot	966.15	-30.61	-3.07%	4.08%
Palladium Spot	994.07	-54.67	-5.21%	-6.53%
Crude Oil (WTI)	61.25	-2.30	-3.62%	1.37%
Crude Oil (Brent)	64.37	-2.94	-4.37%	-3.74%
Baltic Dry Ind	1,207.00	+22.00	1.86%	-11.64%

- ❖ Oil prices rose on Friday, but crude benchmarks posted their first weekly fall in three weeks on fears U.S. plans to impose tariffs on steel and aluminum could squeeze economic growth and a rise in U.S. crude inventories. The U.S. oil and gas industry slammed the tariff plan, saying it would kill energy jobs by raising costs for big infrastructure projects.

Currency Market News

Currencies			
	Closing		Closing
GBP/USD	1.380	EUR/USD	1.232
USD/JPY	105.750	AUD/USD	0.776
USD/CHF	0.937	EUR/AED	4.524
USD/INR	65.165	EUR/INR	79.404
USD/CNY	6.345	EUR/CHF	1.155
USD/RUB	56.816	AED/INR	17.750

- ❖ The dollar fell against most currencies on Friday, dropping to its lowest in more than two years against the yen, as President Donald Trump's proposal to impose hefty tariffs on steel and aluminium imports raised prospects of a trade war that could damage the U.S. economy. The dollar index, tracking it against a basket of major currencies, fell 0.4 percent to 89.957.
- ❖ The yen also rallied after Bank of Japan Governor Haruhiko Kuroda said the BoJ would consider an exit from its ultra-easy monetary policy if it met its inflation target in the year ending in March 2020.
- ❖ Sterling steadied close to a seven-week low against the dollar on Friday, as traders eyed a speech from Prime Minister Theresa May on her plans for a trade deal with the European Union.

Investment Banking Deals

- ❖ Nippon Life Insurance Co said on Friday it had agreed to buy an 85 percent stake in the domestic unit of U.S.-based MassMutual Financial Group for about 104.2 billion yen (\$980 million) as it aims to boost its bancassurance sales. The deal is part of the broader trend in the Japanese life insurance industry, which is diversifying sales channel beyond traditional door-knocking sales representatives.
- ❖ Microchip Technology Inc said on Thursday it would buy Microsemi Corp, the largest U.S. commercial supplier of military and aerospace semiconductor equipment, for about \$8.35 billion. The deal comes amid a new wave of consolidation in the semiconductor industry. The deal would strengthen Microchip's base in the computing and communications sectors, which together accounted for less than 15 percent of its full-year sales.
- ❖ Meal-delivery service DoorDash said on Thursday it had raised \$535 million in a funding round led by Japanese conglomerate SoftBank Group Corp, marking the largest financing to date for a U.S. restaurant delivery app. The financing gives San Francisco-based DoorDash a boost in a crowded field for on-demand food delivery, which includes the likes of Uber Eats. It also bucks a global trend of venture capitalists retreating from food-delivery investments amid concern over excessive competition and high valuations for companies that generally are not profitable.
- ❖ Chinese conglomerate HNA Group plans to sell some or all its 25 percent stake in Park Hotels & Resorts, the U.S. hotel chain said in a filing, potentially reaping up to \$1.4 billion to help tackle its liquidity crunch. The move is the latest in HNA's drive to restructure its far-flung operations, while raising cash by selling equity and prime real estate assets.

Sources: CNBC, Bloomberg, Wall Street Journal & Reuters

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