



CIO OFFICE MORNING MARKET WRAP – 29th June, 2021. ALSO AVAILABLE ON ALEXA.

A flat day for global equities yesterday, with small gains from the U.S. and mixed Asian markets. European markets closed down. Globally sovereign debt yields fell with US Treasuries firmer with the curve flattening, with the 10-year yield at 1.48%. The German Bund fell 0.04% to minus 0.19% and the 10-year UK gilt was at 0.72%, down 0.06%. The US Dollar is a bit stronger against the euro and yen. Gold down to \$1775. Brent futures also trading slightly down at \$74.2/ barrel. This morning Asia markets have opened around a percent down from Hong Kong to China domestic indices and Japan, as virus resurgence worries dominate market sentiment.

It was tech's big day yesterday, helped by falling yields, with mega tech stocks rallying and semi's and EV stocks up too. Facebook crossed the one trillion market dollar cap as the antitrust suits against it were dismissed and Microsoft crossed the two trillion dollar market cap. Everything digital rallied, including cryptocurrencies as more regulatory scrutiny means institutions may increase participation and help in stabilising the volatile market in Ethereum and Bitcoin trading. The genomics sector gained following a break through in early trial data from Intellia Therapeutics, co-founded by Nobel Prize winner Jennifer Doudna, for Crispr-based treatments in internal organs.

The Dubai Index fell close to a percent yesterday while the Abu Dhabi Index gained 0.6%. New ADX listing Alpha Dhabi led “IHC” International Holding Company, to become the UAE’s largest listed company by market cap. Real estate stocks continue to gain, though yesterday was a dull day for them, as Dubai luxury home and villa sales rise led by buyers from India, the U.K , China and France. The KSA’s Tadawul Index just short of c 11,000 post a robust uptrend over the past 12 months. A good IPO pipeline in the region, both UAE and the KSA is boosting sentiment and trading volumes. Oil prices on the uptrend is boosting petchem stocks and Saudi Aramco’s longer term plans for blue hydrogen and ammonia – are more evidence of the growing emphasis on ESG.

Ongoing focus on the rise of the Delta coronavirus variant and the implications for economic reopening with U.K. reporting increasing cases. Several Australian states hit by outbreaks, Japan issued another emergency declaration for Tokyo, and there are worries in Europe about the impact to the region's summer tourist season. However, the efficacy of vaccines continues to be reinforced with continuing strong vaccinations drives.

On the macro front the US headline from the weekend was President Biden walking back his threat from last week that he would not sign the \$1.2 trillion bipartisan infrastructure deal if it was not paired with a big party-line bill focusing on Democratic priorities. In the U.K. Matt Hancock quit as Health Secretary after breaching Covid restrictions. China industrial profit growth slowed further as base effects fade and commodity prices continue to have an impact. OECD meets Wednesday to hash out details of the global minimum corporate tax rate. OPEC+ ministers main meeting is on Thursday. China President Xi to deliver a speech marking 100th anniversary of CCP's founding. Expectations build ahead to Friday's release of U.S. June employment data, with nonfarm payrolls expected to see a 530,000 m/m jump.

Stay safe.

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