



CIO OFFICE: Equity Market Update 23rd April 2020

Developed Markets

- ✓ U.S. stocks rebounded after a two-day slide as optimism about the reopening of the economy increased along with a rebound in oil and Senate approval of additional funding for the PPP. The S&P 500 Index closed +2.3% yesterday
- ✓ The Stoxx Europe 600 Index gained +1.8%. Tech shares outperformed, with STMicroelectronics +8.6% and Ericsson +4.8%, after posting strong results and on positive guidance. Kering (-20% year to date), fell c. 5% after the French fashion company gave a cautious assessment of luxury sales in China
- ✓ This week, about one-fifth of S&P 500 companies report earnings. So far, with close to 15% of companies having reported, earnings in Q1 are 25% lower than a year before, which illustrates the magnitude of the shock – and of the one ahead if the economies don't reopen in Q2

Emerging Markets

- ✓ Stocks climbed in major Asian markets. Headline indices of the Mainland China equity market advanced after recouping early losses as investors expect China to roll out a massive stimulus package to cushion the economic slowdown resulting from the coronavirus pandemic
- ✓ **Reliance Industries** India gained 10% yesterday as Facebook's investment in its digital unit Jio Platforms was viewed as a beneficial alliance with WhatsApp's strong penetration in India

GCC

- ✓ DFM launches first environment, social and governance index (ESG) aiming to measure listed companies embracing ESG best practices. The S&P/Hawkamah UAE ESG Index has been developed in cooperation with S&P Dow Jones Indices and the Hawkamah Institute for Corporate Governance in the UAE
- ✓ **Etisalat** posts AED 2.2 bn Q1 profit with a net profit margin of 17% as the group's subscriber base grew to 12.7 million subscribers. Additionally, the telecom company approved an interim dividend payout of 25 fils per share
- ✓ **Du** reported Q1 net income of AED 355 mn, down 21% compared to AED 449 mn in the corresponding period last year

Company News

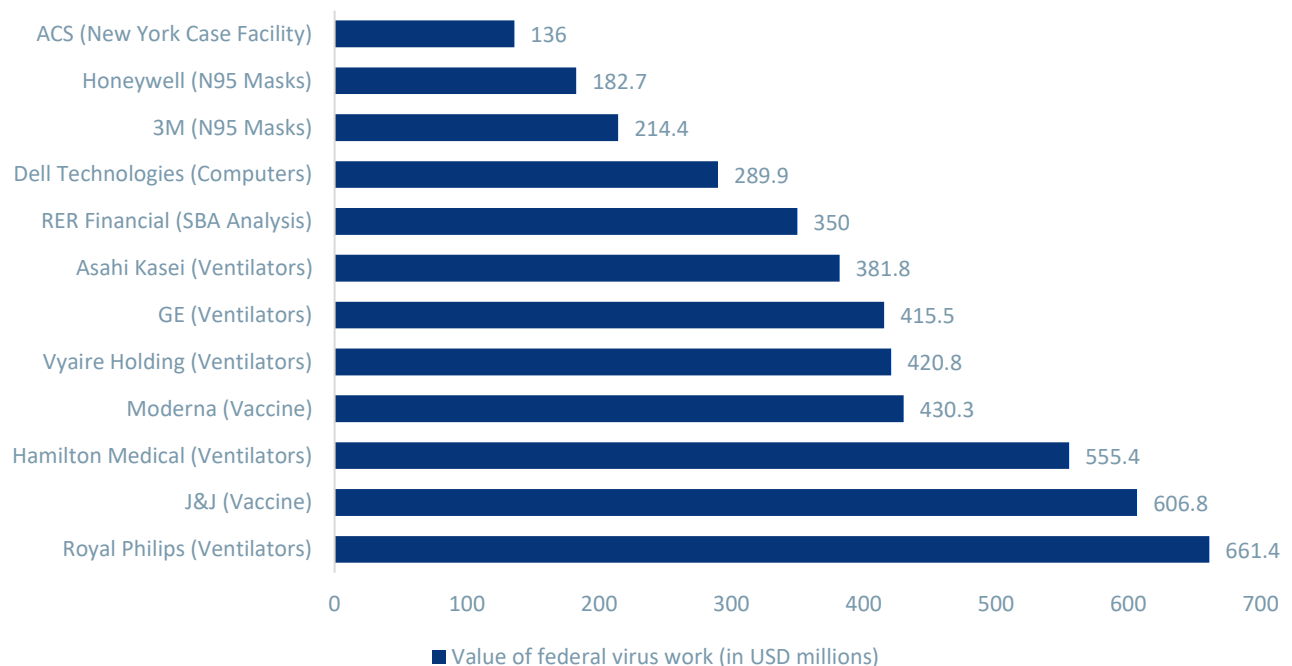
- ✓ **AT&T Inc.** posted a 4.5% drop in revenue from a year ago and withdrew its forecast of 2% revenue growth for the year, saying it can't provide a financial forecast for 2020 due to the coronavirus pandemic. \$600 million was knocked off revenue due to lower ad sales from canceled sports events like the NCAA men's basketball tournament
- ✓ **Thermo Fisher Scientific** rose by 5.0% as its first-quarter results beat expectations. The company said tailwinds related to COVID-19 in the second so far not affected supply. Organic growth was led by its Life Sciences segment as well as cost controls
- ✓ **Roche** maintained guidance and reported Q1 sales of CHF 15.14 bn, propelled by the strong performance of new drugs
- ✓ Amazon is spending USD 10 mn to help conserve and expand forests in the Eastern U.S.
- ✓ Beyond Meat soared 18% after announcing it will enter the Chinese market through a partnership with Starbucks

Global Equity Indices

Region	Index	Last Price	%1D	%5D	YTD	2019	P/E	P/B	Div. Yield	ROE
Developed Markets										
U.S.	S&P 500 INDEX	2799	2.3%	0.6%	-12.8%	31.5%	21.08	2.96	2.2%	15.6%
U.S.	DOW JONES INDUS. AVG	23476	2.0%	-0.1%	-17.1%	25.3%	20.30	3.35	2.7%	20.7%
U.S.	NASDAQ COMPOSITE INDEX	8495	2.8%	1.2%	-5.0%	36.7%	29.02	4.27	1.1%	33.6%
U.S.	RUSSELL 2000 INDEX	1202	1.4%	1.5%	-27.7%	25.5%	40.20	1.44	2.1%	195.2%
Europe	STXE 600 (EUR) Pr	330	1.8%	2.2%	-19.9%	27.9%	16.80	1.47	3.8%	6.3%
U.K.	FTSE 100 INDEX	5771	2.3%	3.1%	-22.6%	17.2%	14.87	1.36	5.0%	5.5%
Hong Kong	HANG SENG INDEX	23948	0.2%	-0.2%	-14.9%	13.0%	10.43	0.96	4.0%	10.7%
Japan	NIKKEI 225	19324	1.0%	0.2%	-17.6%	20.7%	15.82	1.37	2.4%	8.0%
DM	MSCI DM TR USD	5799	1.9%	0.2%	-16.1%	27.7%	18.84	2.06	2.7%	8.9%
Emerging Markets										
China	CSI 300 INDEX	3833	-0.2%	0.8%	-6.4%	39.2%	11.66	1.53	2.7%	11.1%
India	S&P BSE SENSEX INDEX	31601	0.7%	3.3%	-23.2%	15.7%	16.12	2.18	1.9%	13.8%
UAE	DFM GENERAL INDEX	1862	2.0%	-1.8%	-29.3%	14.2%	6.93	0.63	5.8%	8.2%
UAE	ADX GENERAL INDEX	3987	3.3%	-3.4%	-17.4%	8.4%	12.13	1.17	5.4%	12.0%
KSA	TADAWUL ALL SHARE INDEX	6541	0.7%	-4.0%	-20.7%	10.9%	16.77	1.69	4.0%	23.1%
EM	MSCI EM TR USD	423	1.2%	0.5%	-19.9%	18.4%	13.05	1.27	3.1%	11.0%
World Sectors										
	MSCI ACWI/FINANCE	90	0.8%	0.2%	-31.4%	24.1%	10.46	0.82	4.4%	10.7%
	MSCI ACWI/INF TECH	293	3.2%	-0.3%	-6.6%	47.5%	21.80	4.54	1.6%	23.9%
	MSCI ACWI/HLTH CARE	273	1.4%	0.7%	-2.2%	23.3%	18.19	3.78	1.9%	23.0%
	MSCI ACWI/CONS DIS	242	1.4%	0.0%	-13.2%	28.2%	26.39	2.68	1.5%	9.2%
	MSCI ACWI/INDUSTRAL	198	1.0%	0.5%	-24.6%	27.2%	17.90	2.04	2.6%	9.7%
	MSCI ACWI/COMM SVC	73	2.1%	-0.1%	-10.5%	25.1%	18.68	2.24	1.9%	10.2%
	MSCI ACWI/CON STPL	229	1.0%	-0.8%	-9.1%	22.4%	19.67	3.61	3.0%	19.9%
	MSCI ACWI/ENERGY	124	3.8%	5.3%	-40.5%	13.9%	40.13	0.86	6.9%	3.4%
	MSCI ACWI/MATERIAL	216	1.8%	0.7%	-21.7%	20.8%	16.62	1.36	3.5%	7.7%
	MSCI ACWI/UTILITY	132	2.4%	0.3%	-11.6%	22.3%	15.80	1.54	4.0%	11.3%
	MSCI ACWI/REAL EST	895	1.1%	-1.0%	-20.2%	24.0%	17.85	1.26	4.4%	9.7%

Source: Bloomberg; 9:00 am 23rd April 2020

Exhibit: COVID-19: As U.S. coronavirus-contract funds flow, top winners run the gamut worldwide



Source: Bloomberg 23rd April 2020

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