



CIO OFFICE: Equity Market Update 2nd July 2020

Developed Markets

- ✓ U.S. stocks rose as positive vaccine developments and better than expected manufacturing data tempered concern over a jump in coronavirus cases. The S&P 500 rose for a third day while the Nasdaq Composite jumped to a record. An early trial of an experimental vaccine from Pfizer and BioNtech showed patients produced antibodies. S&P 500 closed +0.50%.
- ✓ The Stoxx 600 has started July, historically the best month of the year, with a gain. The Stoxx 600 index was up +0.24%. European stocks rose for a third day led by oil and gas stocks (energy shares led gains as oil climbed following a report pointing to the first drop in U.S. crude stockpiles since May). Also, investors focused on the release of minutes from the U.S. Federal Reserve's latest meeting. Following a downbeat first quarter, European stocks have rebounded in the second +13%, with technology, autos and mining sectors leading the rally.

Emerging Markets

- ✓ Asian markets had a good day as June Manufacturing PMI has shown that strict adherence to quarantine has largely allowed Asia to go back to work. Chinese manufacturers are increasingly focused on selling within China as other countries weather the economic consequences of quarantines. The Shanghai Shenzhen CSI 300 index was up +2.01%.

GCC

- ✓ The DFM General Index saw no major change falling for a sixth consecutive day, decreasing -0.04%. Aramex contributed the most to the index decline and had the largest drop, decreasing -4.9%. Damac had the biggest gain, increasing 7.15%.
- ✓ The Abu Dhabi General Index was close to flat yesterday at -0.02%.
- ✓ KSA Tadawul All Share Index increased by +0.4%. Banks stocks led the market higher and Al Rajhi Bank contributed the most to the index gain, increasing +0.9%. Dr Sulaiman Al Habib Medical Services had the greatest increase of 7.3%.
- ✓ Saudi Arabia's decision to raise VAT to 15% was enforced yesterday on all goods and services.

Company News

- ✓ AstraZeneca has doubled the manufacturing capacity for its potential COVID-19 vaccine to 2 billion doses after striking deals that include health organizations backed by Bill and Melinda Gates. AstraZeneca's share price is up +13.4% YTD.
- ✓ Tesla displaced Toyota as the world's most valuable automaker, highlighting the shift to EVs and investor sentiment. Tesla produced 103,000 vehicles in the first quarter, or about 4% of the 2.4 million produced by Toyota. Shares of Tesla, have more than doubled since the start of the year, lifting its market cap to about USD 205 bn. It's now worth more than twice Volkswagen AG, which it passed in January for the No. 2 spot.
- ✓ Apple has shifted the strategy of its Apple Arcade gaming service, canceling contracts for some games in development while seeking other titles that it believes will better retain subscribers.
- ✓ Ten of 26 major Asian airlines have current assets less than half of current liabilities, while the same number have debt more than twice equity. Regional airlines face a USD 10 bn bond maturity wall in the third quarter, even as only domestic flights have had a recovery in activity.
- ✓ McDonald's Corp. is pausing the reopening of dine-in service in the U.S. as coronavirus cases continue to spread across states. It would wait three weeks before any new U.S. restaurants add dine-in service to its drive-through, takeout and delivery operations.

Global Equity Indices

Ticker	Country	Index	Last Price	%1D	%5D	YTD	2019	P/E	P/B	Div. Yield	ROE
Developed Markets											
SPX Index	US	S&P 500 INDEX	3116	0.5%	2.2%	-2.6%	31.5%	25.03	3.41	1.9%	14.5%
INDU Index	US	DOW JONES INDUS. AVG	25735	-0.3%	1.1%	-8.7%	25.3%	23.63	3.72	2.4%	20.7%
CCMP Index	US	NASDAQ COMPOSITE INDEX	10155	1.0%	2.5%	13.8%	36.7%	37.84	5.29	0.9%	31.8%
RTY Index	US	RUSSELL 2000 INDEX	1429	-0.8%	2.8%	-13.7%	25.5%	180.21	1.61	1.3%	165.5%
SXXP Index	Europe	STXE 600 (EUR) Pr	361	0.2%	1.1%	-11.5%	27.9%	21.06	1.66	3.0%	4.5%
UKX Index	UK	FTSE 100 INDEX	6158	-0.2%	0.6%	-16.9%	17.2%	18.45	1.46	3.8%	3.3%
HSI Index	Hong Kong	HANG SENG INDEX	24427	0.5%	-0.3%	-11.4%	13.0%	11.43	0.96	3.5%	10.4%
NKY Index	Japan	NIKKEI 225	22122	-0.7%	-1.8%	-5.4%	20.7%	21.42	1.63	1.9%	7.6%
NDDUWI Index	DM	MSCI DM TR USD	6511	1.2%	1.0%	-5.8%	27.7%	22.98	2.37	2.2%	7.5%
Emerging Markets											
SHSZ300 Index	China	CSI 300 INDEX	4248	2.0%	3.6%	4.8%	39.2%	13.89	1.77	2.2%	10.9%
SENSEX Index	India	S&P BSE SENSEX INDEX	35414	1.4%	1.6%	-13.8%	15.7%	21.19	2.46	1.6%	11.6%
DFMGI Index	UAE	DFM GENERAL INDEX	2064	0.0%	-1.7%	-21.5%	14.2%	9.62	0.73	3.2%	7.2%
ADSMI Index	UAE	ADX GENERAL INDEX	4285	0.0%	-1.0%	-10.9%	8.4%	16.62	1.28	3.9%	9.2%
SASEIDX Index	KSA	TADAWUL ALL SHARE INDEX	7253	0.4%	0.6%	-11.6%	10.9%	21.42	1.80	3.2%	16.9%
NDUEGF Index	EM	MSCI EM TR USD	476	0.1%	-1.5%	-9.8%	18.4%	15.76	1.51	2.6%	9.8%
World Sectors											
MXWD0FN Index		MSCI ACWI/FINANCE	100	0.8%	0.1%	-23.2%	24.1%	13.21	0.91	3.7%	9.3%
MXWD0IT Index		MSCI ACWI/INF TECH	352	1.6%	1.8%	12.4%	47.5%	27.00	5.70	1.3%	23.0%
MXWD0HC Index		MSCI ACWI/HLTH CARE	285	1.0%	1.1%	2.5%	23.3%	19.39	3.99	1.8%	21.5%
MXWD0CD Index		MSCI ACWI/CONS DIS	282	1.3%	0.0%	1.4%	28.2%	40.23	3.31	1.1%	6.7%
MXWD0IN Index		MSCI ACWI/INDUSTR	227	0.6%	1.4%	-13.2%	27.2%	24.40	2.41	2.2%	8.3%
MXWD0TC Index		MSCI ACWI/COMM SVC	82	1.1%	-0.5%	0.5%	25.1%	21.50	2.74	1.6%	9.7%
MXWD0CS Index		MSCI ACWI/CON STPL	235	0.4%	0.4%	-5.8%	22.4%	20.80	3.70	2.8%	19.6%
MXWD0EN Index		MSCI ACWI/ENERGY	136	0.4%	-0.4%	-33.5%	13.9%	64.96	1.00	5.6%	2.0%
MXWD0MT Index		MSCI ACWI/MATERIAL	251	1.0%	1.2%	-8.3%	20.8%	20.75	1.60	2.9%	7.7%
MXWD0UT Index		MSCI ACWI/UTILITY	134	0.3%	-0.1%	-8.9%	22.3%	16.45	1.57	4.1%	10.7%
MXWD0RL Index		MSCI ACWI/REAL EST	945	1.0%	0.4%	-14.9%	24.0%	20.18	1.34	3.8%	9.8%
Key levels											
XAUUSD CMPL Curr	Gold	XAU-USD X-RATE	1771	0.0%	0.4%	0.4%	26.0%				
USGG10YR Index	10 Year Yield	US Generic Govt 10 Yr	0.67	2.5%	-1.0%	-1.0%	-66.8%				
USGG2YR Index	2 Year Yield	US Generic Govt 2 Yr	0.16	7.9%	-14.6%	-14.6%	-91.0%				
CO1 Comdty	Brent	Generic 1st 'CO' Future	41.9	1.6%	4.0%	4.0%	-35.5%				

Source: Bloomberg; 12:10 am 2nd July 2020

Exhibit: Tesla crosses Toyota in market cap. Share Price in USD since IPO



Source: Bloomberg 2nd July 2020

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