



CIO OFFICE: Equity Market Update 3rd June 2020

Developed Markets

- ✓ A positive day for global equities, U.S. stocks rose alongside equities in Europe and Asia amid new bouts of stimulus and positive economic signals as coronavirus lockdowns ease.
- ✓ Two shares rose on the S&P 500 index (+0.82%), for every one that fell, lifting the benchmark to its highest since March 4. Markets are focusing on the re-opening of economies and ignoring the protesters that marched in cities across the U.S. and authorities taking various measures to contain the violence.
- ✓ Stimulus hopes powered Europe's Stoxx 600 (+1.57%) to a 12-week high as German Chancellor Angela Merkel sought to finalize a second aid package for Germany.
- ✓ The dollar slumped for a fourth consecutive day whilst Brent crude is trading near USD 40, in anticipation of the OPEC+ potential extension of production cuts.

Emerging Markets

- ✓ A risk-on rally for the Asian EM markets following DM.
- ✓ Equities in China finished the session higher as investor sentiment was boosted by China's central bank steps to help businesses and Beijing announced a plan to build Hainan province into a free-trade port by 2025. Hainan is an island in China and the nation's southernmost point. The Shanghai Shenzhen index was up +0.31% on Tuesday.

GCC

- ✓ The regional PMI surveys for the UAE and Saudi Arabia showed an improvement in May, in line with an easing in some restrictions in these countries. Nevertheless the surveys continued to show a contraction in the non-oil private sectors.
- ✓ **Etisalat** powered to an all-time high yesterday on the best volume of the year so far. We continue to recommend investing in the telecom sector in the UAE.
- ✓ In the KSA though sentiment has improved around the re-opening of the economy and strength in oil prices as well as news that SAMA will be injecting SAR 50bn into the sector, the banks underperformed EM banks for the first time in many days.
- ✓ Shopping malls and private sector businesses in Dubai will be back to operating at 100% capacity from today.

Company News

- ✓ **Sony** announced it's postponing a virtual news conference for the upcoming PlayStation 5 game console, one of the most high-profile corporate events to be put on hold in deference to protests against police brutality in the U.S. Sony's stock price is down -3.0% YTD.
- ✓ **Pfizer** stock fell sharply on Monday after halting a phase 3 breast cancer treatment trial on lower hopes for success. The company also announced that it will invest up to USD 500mn in biotechnology companies as part of its new Pfizer Breakthrough Growth Initiative. Pfizer's stock price is down -5.1%.

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	3081	0.82%	2.98%	-3.82%	31.48%	24.59	3.36	1.9%	14.5%
INDU Index	US	DOW JONES INDUS. AVG	25743	1.05%	2.99%	-8.75%	25.34%	23.48	3.70	2.4%	20.2%
CCMP Index	US	NASDAQ COMPOSITE INDEX	9608	0.59%	2.87%	7.62%	36.74%	35.31	5.00	0.9%	31.8%
RTY Index	US	RUSSELL 2000 INDEX	1418	0.91%	1.80%	-14.50%	25.49%	73.97	1.83	1.2%	206.0%
SXPP Index	Europe	STXE 600 (EUR) Pr	362	0.71%	3.59%	-11.46%	27.89%	20.52	1.64	3.1%	4.6%
UKX Index	UK	FTSE 100 INDEX	6279	0.94%	2.19%	-15.42%	17.23%	18.93	1.49	3.9%	3.5%
HSI Index	Hong Kong	HANG SENG INDEX	24296	1.25%	4.27%	-12.92%	13.01%	11.49	0.98	3.6%	10.5%
NKY Index	Japan	NIKKEI 225	22614	1.29%	5.58%	-3.45%	20.73%	20.47	1.61	2.0%	7.6%
NDDUWI Index	DM	MSCI DM TR USD	6459	1.07%	2.37%	-6.52%	27.67%	22.54	2.36	2.3%	7.7%
Emerging Markets											
SHSZ300 Index	China	CSI 300 INDEX	3984	0.00%	3.59%	-2.36%	39.19%	12.62	1.59	2.5%	10.8%
SENSEX Index	India	S&P BSE SENSEX INDEX	34279	1.34%	8.46%	-16.55%	15.66%	18.85	2.37	1.7%	12.5%
DFMGI Index	UAE	DFM GENERAL INDEX	1995	0.51%	0.51%	-24.60%	14.18%	9.26	0.68	3.4%	7.0%
ADSMI Index	UAE	ADX GENERAL INDEX	4261	-0.38%	3.08%	-11.38%	8.39%	16.91	1.27	3.9%	#VALUE!
SASEIDX Index	KSA	TADAWUL ALL SHARE INDEX	7296	0.15%	3.48%	-11.20%	10.92%	21.60	1.92	3.2%	17.2%
NDUEEGF Index	EM	MSCI EM TR USD	461	1.70%	4.41%	-12.56%	18.42%	15.47	1.39	2.7%	10.0%
World Sectors											
MXWDOFN Index		MSCI ACWI/FINANCE	100	1.88%	1.87%	-22.86%	24.12%	13.15	0.94	3.7%	9.5%
MXWDOIT Index		MSCI ACWI/INF TECH	332	0.95%	2.50%	6.02%	47.51%	25.48	5.38	1.3%	22.9%
MXWDOHC Index		MSCI ACWI/HLTH CARE	287	0.41%	2.72%	3.27%	23.31%	19.60	4.03	1.8%	21.2%
MXWDOCD Index		MSCI ACWI/CONS DIS	274	1.32%	2.84%	-1.32%	28.22%	36.82	3.23	1.2%	7.7%
MXWDOIN Index		MSCI ACWI/INDUSTRIL	226	1.56%	1.69%	-13.37%	27.15%	22.92	2.41	2.2%	8.4%
MXWDOTC Index		MSCI ACWI/COMM SVC	82	0.59%	1.93%	-0.04%	25.13%	21.52	2.40	1.7%	10.0%
MXWDOCS Index		MSCI ACWI/CON STPL	237	0.38%	2.61%	-5.54%	22.40%	20.87	3.68	2.8%	19.6%
MXWDOEN Index		MSCI ACWI/ENERGY	144	2.92%	2.99%	-30.18%	13.86%	65.57	1.03	5.4%	1.8%
MXWDOMT Index		MSCI ACWI/MATERIAL	250	1.62%	4.31%	-9.10%	20.77%	20.56	1.59	2.9%	7.5%
MXWDOUT Index		MSCI ACWI/UTILITY	139	1.10%	5.36%	-5.77%	22.30%	16.79	1.63	3.8%	10.9%
MXWDORL Index		MSCI ACWI/REAL EST	964	1.25%	3.76%	-13.74%	23.96%	20.04	1.37	3.8%	9.5%
Key levels											
XAUUSD Cmpl Curr Gold		XAU-USD X-RATE	1722	-0.15%	0.82%	0.82%	30.40%				
USGG10YR Index	10 Year Yield	US Generic Govt 10 Yr	0.70	2.63%	3.12%	3.12%	-66.05%				
USGG2YR Index	2 Year Yield	US Generic Govt 2 Yr	0.17	2.46%	-7.56%	-7.56%	-90.92%				
CO1 Comdty	Brent	Generic 1st 'CO' Future	40.3	1.79%	15.95%	15.95%	-34.27%				

Source: Bloomberg; 11:19 am 3rd June 2020

Exhibit: S&P 500's five most valuable companies outperform the balance 495 by a large margin (YTD)



Source: Bloomberg 2nd June 2020

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