



CIO OFFICE: Equity Market Update 4th June 2020

Developed Markets

- ✓ Global stocks extended their rally for an eighth straight day as investors clung to optimism for a quick economic recovery from the pandemic. The S&P 500 was up +1.36%. Banks led the S&P 500 index toward a three-month high, with four stocks gaining for every one that fell. The Nasdaq 100 briefly surpassed its February closing record. The index was up +0.49% on Wednesday.
- ✓ U.S. stocks are almost flat for the year with the S&P 500 at -2.3% YTD and the Nasdaq +8.5%. While we see some traction into value and cyclical sectors, we retain our preference for the healthcare, tech and consumer staple sectors.
- ✓ European stocks rallied led by automakers and insurers with the Stoxx 600 index up +2.54%. The euro strengthened for a seventh session as data showed the region's economic activity increased in May to the highest in three months after an easing of lockdowns.
- ✓ The reopening of global economies has turned into a tailwind for stocks and a flattening virus curve and Federal Reserve stimulus are also helping gains. Wednesday's advance was driven by financial companies, auto manufacturers and makers of durable goods, while tech shares lagged behind, indicating the rally is broadening out.
- ✓ Improving global PMIs though still in contraction territory supported investor sentiment.

Emerging Markets

- ✓ Chinese stocks closed mixed on Wednesday, with the Shanghai Shenzhen CSI 300 index ending flat.
- ✓ Indian markets continue to gain with the INR holding steady, leading to improved Dollar returns.

GCC

- ✓ UAE markets gained while the KSA had a slightly negative day.
- ✓ **ADNOC** is close to selling a multibillion-dollar stake in its natural gas pipelines to an investor group backed by Global Infrastructure Partners and Brookfield Asset Management Inc., in what is set to be one of the year's biggest infrastructure deals. The deal may value ADNOC's gas pipelines at more than USD 15bn.

Company News

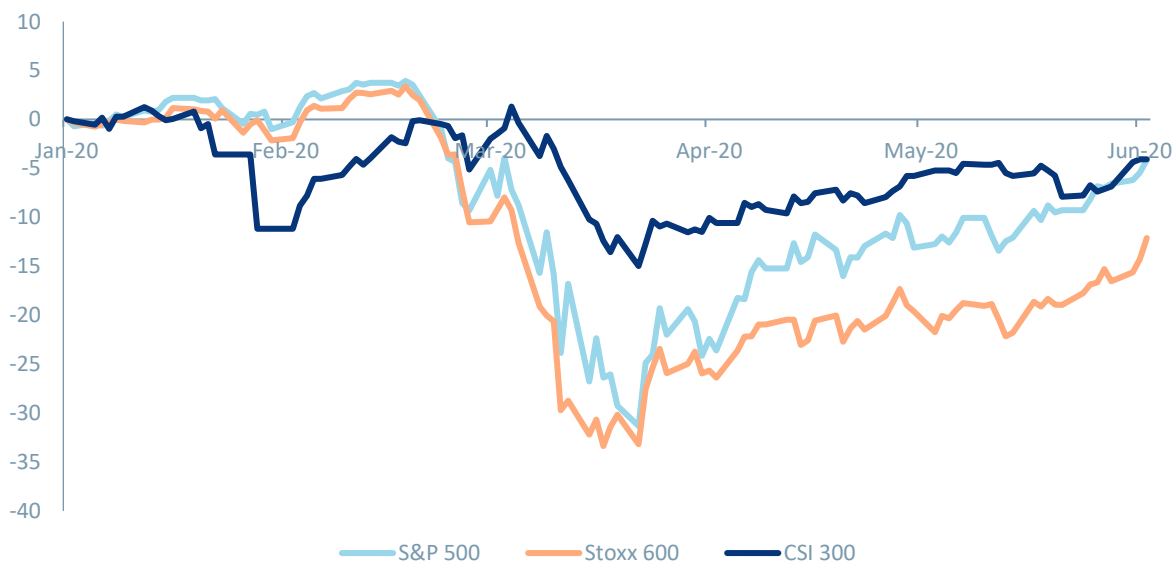
- ✓ The White House is working with seven pharmaceutical companies as part of its "Warp Speed" coronavirus vaccine program, including a bet on a rapid-but-unproven genetic technology. The companies include Johnson & Johnson, Merck & Co., Pfizer Inc., the Cambridge, Massachusetts-based biotech Moderna Inc., and the University of Oxford in collaboration with AstraZeneca Plc, as well as two other firms.

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	3129	1.6%	3.1%	-2.3%	31.5%	24.98	3.42	1.9%	14.5%
INDU Index	US	DOW JONES INDUS. AVG	26270	2.0%	2.8%	-6.9%	25.3%	23.96	3.77	2.4%	20.2%
CCMP Index	US	NASDAQ COMPOSITE INDEX	9683	0.8%	2.9%	8.5%	36.7%	35.58	5.04	0.9%	31.8%
RTY Index	US	RUSSELL 2000 INDEX	1456	2.7%	1.4%	-12.2%	25.5%	75.96	1.88	1.2%	206.0%
SXXP Index	Europe	STXE 600 (EUR) Pr	369	2.5%	5.5%	-9.8%	27.9%	20.90	1.67	3.1%	4.6%
UKX Index	UK	FTSE 100 INDEX	6382	2.6%	3.9%	-14.0%	17.2%	19.25	1.52	3.9%	3.5%
HSI Index	Hong Kong	HANG SENG INDEX	24326	1.4%	4.4%	-12.7%	13.0%	11.48	0.98	3.5%	10.5%
NKY Index	Japan	NIKKEI 225	22614	1.3%	5.6%	-3.5%	20.7%	20.50	1.61	2.0%	7.5%
NDDUWI Index	DM	MSCI DM TR USD	6459	1.1%	2.4%	-6.5%	27.7%	22.54	2.36	2.3%	7.7%
Emerging Markets											
SHSZ300 Index	China	CSI 300 INDEX	3984	0.0%	3.6%	-2.3%	39.2%	12.62	1.59	2.5%	10.8%
SENSEX Index	India	S&P BSE SENSEX INDEX	34110	0.8%	7.9%	-17.0%	15.7%	18.76	2.35	1.7%	12.5%
DFMGI Index	UAE	DFM GENERAL INDEX	2000	0.8%	0.8%	-24.4%	14.2%	9.28	0.68	3.4%	7.0%
ADSMI Index	UAE	ADX GENERAL INDEX	4285	0.2%	3.7%	-10.9%	8.4%	17.00	1.27	3.9%	#VALUE!
SASEIDX Index	KSA	TADAWUL ALL SHARE INDEX	7222	-0.9%	2.4%	-12.1%	10.9%	21.38	1.90	3.3%	17.2%
NDUEEGF Index	EM	MSCI EM TR USD	461	1.7%	4.4%	-12.6%	18.4%	15.47	1.39	2.7%	10.0%
World Sectors											
MXWD0FN Index		MSCI ACWI/FINANCE	100	1.9%	1.9%	-22.9%	24.1%	13.15	0.94	3.7%	9.5%
MXWD0IT Index		MSCI ACWI/INF TECH	332	1.0%	2.5%	6.0%	47.5%	25.48	5.38	1.3%	22.9%
MXWD0HC Index		MSCI ACWI/HLTH CARE	287	0.4%	2.7%	3.3%	23.3%	19.59	4.03	1.8%	21.2%
MXWD0CD Index		MSCI ACWI/CONS DIS	274	1.3%	2.8%	-1.3%	28.2%	36.82	3.23	1.2%	7.7%
MXWD0IN Index		MSCI ACWI/INDUSTR	226	1.6%	1.7%	-13.4%	27.2%	22.92	2.41	2.2%	8.4%
MXWD0TC Index		MSCI ACWI/COMM SVC	82	0.6%	1.9%	0.0%	25.1%	21.46	2.40	1.7%	10.0%
MXWD0CS Index		MSCI ACWI/CON STPL	237	0.4%	2.6%	-5.5%	22.4%	20.87	3.68	2.8%	19.6%
MXWD0EN Index		MSCI ACWI/ENERGY	144	2.9%	3.0%	-30.2%	13.9%	65.60	1.03	5.4%	1.8%
MXWD0MT Index		MSCI ACWI/MATERIAL	250	1.6%	4.3%	-9.1%	20.8%	20.58	1.59	2.9%	7.5%
MXWD0UT Index		MSCI ACWI /UTILITY	139	1.1%	5.4%	-5.8%	22.3%	16.79	1.63	3.8%	10.9%
MXWD0RL Index		MSCI ACWI/REAL EST	964	1.2%	3.8%	-13.7%	24.0%	20.03	1.37	3.8%	9.5%
Key levels											
XAUUSD CMPL Curn	Gold	XAU-USD X-RATE	1699	0.0%	-1.2%	-1.2%	28.4%				
USGG10YR Index	10 Year Yield	US Generic Govt 10 Yr	0.76	10.3%	10.8%	10.8%	-63.5%				
USGG2YR Index	2 Year Yield	US Generic Govt 2 Yr	0.19	19.5%	7.8%	7.8%	-89.4%				
CO1 Comdty	Brent	Generic 1st 'CO' Future	39.6	-0.1%	13.8%	13.8%	-35.5%				

Source: Bloomberg: 12:05 am 4th June 2020

Exhibit: S&P 500 (US), Stoxx 600 (Europe), CSI 300 YTD (China) (%) Performance



Source: Bloomberg 4th June 2020

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