



### CIO OFFICE: Equity Market Update 5<sup>th</sup> August 2020

#### Developed Markets

- ✓ U.S. equities rose higher after wavering between small losses and gains throughout the day. Energy companies led the advance as crude climbed. The S&P 500 Index was up +0.36% on Tuesday. The S&P 500 Index is less than 3% off its pre-pandemic high and U.S. equity investors are closely monitoring efforts in Washington to negotiate a new virus relief package that many see as key to keeping the economy afloat.
- ✓ Shares in Europe closed flat on Tuesday. Healthcare stocks declined while energy stocks climbed. Stocks had swung higher to begin the week after July's final IHS Markit manufacturing PMI (purchasing managers' index) reading showed manufacturing activity across the eurozone expanded for the first time since April 2019.

#### Emerging Markets

- ✓ Chinese equities closed flat on Tuesday. The Shanghai Shenzhen CSI 300 Index was up +0.09%.

#### GCC

- ✓ The DFM General Index increased by +0.65%. All Emaar Stocks saw a rise. Emaar Properties contributed the most to the DFM index gain, increasing +2.3%. Union Properties had the largest increase, rising 5.9%.
- ✓ The Abu Dhabi General Index fell -0.14%. Etisalat and Abu Dhabi National Energy (TAQA) contributed the most to the index decline decreasing by -0.6% and -3.5%. RAK Ceramics increased by +3.1%, the highest gain of the day.
- ✓ ADCB reported a 15% drop in 2Q20 net income due to higher impairment charges amid the Covid-19 pandemic and exposure to the troubled hospital operator NMC Health. Net profit for the three months to the end of June fell to AED 1.23 bn. Impairment charges during the quarter rose 56% to AED 668 mn from the year earlier period.
- ✓ Etisalat announced that the interim dividend of 15 fils per share for 2Q20 will be paid out starting August 11.
- ✓ Dubai Land Department rolls out fractional title deed scheme to boost the hospitality industry and offer more affordable property deals to small investors. This will allow investors to buy up to half or a quarter of a hotel or serviced apartment, rather than in full. This concept expects to encourage crowdfunding in Dubai's property market.

#### Company News

- ✓ **Amazon, Apple, and Facebook** all reported blowout earnings on Thursday. The companies' stock prices all soared following the reports. The moves come despite a contentious antitrust hearing in the US House of Representatives on Wednesday.
- ✓ **BP** slashed its dividend by half to 5.25 cents/share in a largely anticipated move after the USD 6.7 bn loss in Q2, walking away from its progressive dividend policy. However, their shift to renewable energy led to positive sentiment around the stock.
- ✓ **Alphabet Inc.'s Google** on Monday launched the Pixel 4a smartphone, the successor to its first budget-friendly Pixel device that finally gained sales momentum last year.
- ✓ **Microsoft** CEO Satya Nadella spoke with PresTrump by phone, in a bid to salvage a deal for the U.S. operations of **TikTok**, about how to secure the administration's blessing to buy the wildly popular video app. Microsoft confirms that it is in talks to buy TikTok in four countries.
- ✓ **Take-Two** gained as much as 7.7% Tuesday after boosting its fiscal 2021 profit outlook amid heightened levels of engagement. The Grand Theft Auto publisher's advance almost eliminated its YTD performance gap with rival **Activision Blizzard**, which reports results after the close of trading.
- ✓ **Salesforce.com** shares rose 4% on Monday and were on track for a record close after Cowen wrote that it was becoming more optimistic about the company ahead of its second-quarter results.

### Global Equity Indices

| Ticker                   | Country       | Index                   | Last Price | %1D   | %5D    | YTD    | 2019   | P/E    | P/B  | Div. Yield | ROE    |
|--------------------------|---------------|-------------------------|------------|-------|--------|--------|--------|--------|------|------------|--------|
| <b>Developed Markets</b> |               |                         |            |       |        |        |        |        |      |            |        |
| SPX Index                | US            | S&P 500 INDEX           | 3302       | 0.2%  | 2.6%   | 3.4%   | 31.5%  | 25.65  | 3.55 | 1.8%       | 14.9%  |
| INDU Index               | US            | DOW JONES INDUS. AVG    | 26828      | 0.6%  | 1.7%   | -4.7%  | 25.3%  | 24.23  | 3.86 | 2.3%       | 21.0%  |
| CCMP Index               | US            | NASDAQ COMPOSITE INDEX  | 10941      | 0.4%  | 5.2%   | 22.7%  | 36.7%  | 38.31  | 5.52 | 0.8%       | 33.9%  |
| RTY Index                | US            | RUSSELL 2000 INDEX      | 1516       | 0.6%  | 3.2%   | -8.4%  | 25.5%  | 108.85 | 1.73 | 1.3%       | 172.4% |
| SXXP Index               | Europe        | STXE 600 (EUR) Pr       | 363        | -0.1% | -1.2%  | -10.8% | 27.9%  | 21.99  | 1.65 | 3.0%       | 4.2%   |
| UKX Index                | UK            | FTSE 100 INDEX          | 6036       | 0.1%  | -1.5%  | -18.4% | 17.2%  | 19.71  | 1.24 | 3.8%       | 2.2%   |
| HSI Index                | Hong Kong     | HANG SENG INDEX         | 24947      | 2.0%  | 0.7%   | -9.3%  | 13.0%  | 11.57  | 0.97 | 3.4%       | 10.5%  |
| NKY Index                | Japan         | NIKKEI 225              | 22574      | 1.7%  | -0.4%  | -3.5%  | 20.7%  | 22.70  | 1.68 | 1.9%       | 7.9%   |
| NDDUWI Index             | DM            | MSCI DM TR USD          | 6879       | 0.8%  | 1.1%   | -0.4%  | 27.7%  | 23.72  | 2.44 | 2.1%       | 7.8%   |
| <b>Emerging Markets</b>  |               |                         |            |       |        |        |        |        |      |            |        |
| SHSZ300 Index            | China         | CSI 300 INDEX           | 4776       | 0.1%  | 4.5%   | 18.7%  | 39.2%  | 15.82  | 1.99 | 1.9%       | 10.9%  |
| SENSEX Index             | India         | S&P BSE SENSEX INDEX    | 37688      | 2.0%  | -2.1%  | -7.8%  | 15.7%  | 24.21  | 2.73 | 1.4%       | 11.3%  |
| DFMGI Index              | UAE           | DFM GENERAL INDEX       | 2079       | 0.7%  | 1.0%   | -20.8% | 14.2%  | 9.13   | 0.72 | 3.3%       | 7.2%   |
| ADSMI Index              | UAE           | ADX GENERAL INDEX       | 4318       | -0.1% | 1.3%   | -10.0% | 8.4%   | 16.77  | 1.26 | 4.0%       | 9.3%   |
| SASEIDX Index            | KSA           | TADAWUL ALL SHARE INDEX | 7459       | 0.0%  | 0.3%   | -9.1%  | 10.9%  | 22.30  | 1.83 | 3.1%       | 16.9%  |
| NDUEEGF Index            | EM            | MSCI EM TR USD          | 518        | -0.1% | -0.4%  | -1.8%  | 18.4%  | 17.60  | 1.63 | 2.3%       | 9.8%   |
| <b>World Sectors</b>     |               |                         |            |       |        |        |        |        |      |            |        |
| MXWD0FN Index            |               | MSCI ACWI/FINANCE       | 102        | 0.1%  | -1.4%  | -21.1% | 24.1%  | 13.23  | 0.93 | 3.5%       | 9.5%   |
| MXWD0IT Index            |               | MSCI ACWI/INF TECH      | 383        | 1.9%  | 5.3%   | 22.6%  | 47.5%  | 28.16  | 5.88 | 1.2%       | 23.7%  |
| MXWD0HC Index            |               | MSCI ACWI/HLTH CARE     | 300        | 1.2%  | 0.5%   | 8.2%   | 23.3%  | 19.73  | 4.11 | 1.8%       | 22.0%  |
| MXWD0CD Index            |               | MSCI ACWI/CONS DIS      | 306        | 0.6%  | 0.9%   | 10.3%  | 28.2%  | 42.75  | 3.54 | 1.0%       | 7.1%   |
| MXWD0IN Index            |               | MSCI ACWI/INDUSTR       | 236        | 0.9%  | -0.5%  | -9.4%  | 27.2%  | 26.04  | 2.50 | 2.1%       | 7.8%   |
| MXWD0TC Index            |               | MSCI ACWI/COMM SVC      | 87         | 0.5%  | 1.4%   | 7.2%   | 25.1%  | 22.88  | 2.86 | 1.6%       | 9.5%   |
| MXWD0CS Index            |               | MSCI ACWI/CON STPL      | 248        | -0.2% | -0.9%  | -0.3%  | 22.4%  | 21.50  | 2.99 | 2.7%       | 19.5%  |
| MXWD0EN Index            |               | MSCI ACWI/ENERGY        | 133        | 0.1%  | -3.1%  | -34.7% | 13.9%  | 93.23  | 0.99 | 5.6%       | 1.6%   |
| MXWD0MT Index            |               | MSCI ACWI/MATERIAL      | 272        | 0.4%  | -1.6%  | -0.5%  | 20.8%  | 21.27  | 1.71 | 2.7%       | 7.4%   |
| MXWD0UT Index            |               | MSCI ACWI/UTILITY       | 142        | -0.4% | -0.6%  | -3.1%  | 22.3%  | 16.92  | 1.64 | 3.8%       | 10.5%  |
| MXWD0RL Index            |               | MSCI ACWI/REAL EST      | 960        | -1.1% | -0.6%  | -13.4% | 24.0%  | 20.68  | 1.38 | 3.7%       | 9.8%   |
| <b>Key Levels</b>        |               |                         |            |       |        |        |        |        |      |            |        |
| XAUUSD CMPL Curr Gold    |               | XAU-USD X-RATE          | 2016       | 0.8%  | 2.8%   | 2.8%   | 37.5%  |        |      |            |        |
| USGG10YR Index           | 10 Year Yield | US Generic Govt 10 Yr   | 0.51       | -8.8% | -12.7% | -12.7% | -72.6% |        |      |            |        |
| USGG2YR Index            | 2 Year Yield  | US Generic Govt 2 Yr    | 0.11       | -1.8% | -22.6% | -22.6% | -93.7% |        |      |            |        |
| CO1 Comdty               | Brent         | Generic 1st 'CO' Future | 44.3       | 0.3%  | 2.5%   | 2.5%   | -28.4% |        |      |            |        |

Source: Bloomberg; 12:05 am 5<sup>th</sup> August 2020

### Exhibit: S&P 500 Index's biggest companies add far more market value than others



Source: Bloomberg 30<sup>th</sup> July 2020

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