



CIO OFFICE: Equity Market Update 9th June 2020

Developed Markets

- ✓ The S&P 500 jumped to a 15-week high on Monday, extending the benchmark's surge from its March low by almost 45%. New York reopening has been positive for U.S. investor sentiment and airline, cruise companies and leisure stocks were up in the double digits. However, like the energy sector, which was also a gainer +4% yesterday, the airline and leisure sectors are still deeply in the red for the year. Boeing was the major contributor to the Dow's gains yesterday.
- ✓ Tech remains the favorite with the Nasdaq making a new record with Apple and Tesla at new highs. The top 5 companies by market cap are all tech and constitute 20% of the S&P 500. Technology firms are part of a narrow group expected to continue growing earnings in 2020.
- ✓ European markets were marginally down yesterday with a historical 18% contraction in German industrial output weighing on sentiment. German autos, a mainstay of the economy, have seen sharp falls in production in April and May on account of the lockdowns.

Emerging Markets

- ✓ Emerging markets extended gains, although dismal China trade data underscored the damage wrought by the coronavirus pandemic. The MSCI EM index rose by 0.5%, and is at its highest level in three months and is on track for its longest winning streak since April last year.
- ✓ The Shanghai Shenzhen index rose by +0.5% yesterday. Insurance companies, petroleum firms, and the iron and steel sector all performed well.

GCC

- ✓ Oil is a little lower with Brent futures at USD 41.2. The KSA said it wouldn't continue its additional, deeper output curbs after June.
- ✓ The UAE and KSA markets saw above-average trading volumes on Monday. The Dubai Index continued its upward move and strengthened by 1.4%. Real estate stocks gained and banks held steady after their stupendous rally on Sunday. The Abu Dhabi Index dropped 0.8%, and foreigners were net sellers.
- ✓ The Tadawul Index gained 0.4% with Al Rajhi Bank, the most traded. There seems to be renewed optimism on the economy as the banking sector's performance has always been linked to underlying economic growth.

Company News

- ✓ **AstraZeneca** has made a preliminary approach to rival drugmaker **Gilead Sciences** about a potential merger, according to the media reports in the biggest health-care deal on record.
- ✓ **Apple** is preparing to allow customers to buy many of its products, including iPads, Macs and AirPods, over monthly installments via its Apple Card credit card.
- ✓ **Oil majors** are looking at saving costs and BP plans to shed 14% of its workforce, which follows Chevron's move to reduce theirs by 15%. Chesapeake is looking at restructuring its USD 9 bn of debt.

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	3229	1.1%	5.7%	0.8%	31.5%	25.79	3.53	1.8%	14.4%
INDU Index	US	DOW JONES INDUS. AVG	27572	1.7%	8.2%	-2.3%	25.3%	25.25	3.96	2.3%	20.2%
CCMP Index	US	NASDAQ COMPOSITE INDEX	9925	1.1%	3.9%	11.2%	36.7%	36.49	5.19	0.9%	31.9%
RTY Index	US	RUSSELL 2000 INDEX	1536	1.9%	9.3%	-7.4%	25.5%	88.04	2.00	1.1%	237.9%
SXXP Index	Europe	STXE 600 (EUR) Pr	374	-0.3%	5.6%	-8.6%	27.9%	21.39	1.70	3.0%	4.5%
UKX Index	UK	FTSE 100 INDEX	6473	-0.2%	5.0%	-12.8%	17.2%	19.74	1.55	3.8%	3.4%
HSI Index	Hong Kong	HANG SENG INDEX	24777	0.0%	4.4%	-11.0%	13.0%	11.51	0.97	3.5%	10.4%
NKY Index	Japan	NIKKEI 225	23178	1.4%	5.1%	-1.0%	20.7%	21.30	1.66	1.9%	7.5%
NDDUWI Index	DM	MSCI DM TR USD	6696	2.2%	4.8%	-3.1%	27.7%	23.41	2.44	2.2%	7.6%
Emerging Markets											
SHSZ300 Index	China	CSI 300 INDEX	4022	0.5%	1.3%	-1.4%	39.2%	12.76	1.61	2.4%	10.8%
SENSEX Index	India	S&P BSE SENSEX INDEX	34371	0.2%	3.2%	-16.3%	15.7%	19.11	2.38	1.7%	12.2%
DFMGI Index	UAE	DFM GENERAL INDEX	2164	1.4%	9.6%	-18.2%	14.2%	10.07	0.74	3.1%	7.0%
ADSMI Index	UAE	ADX GENERAL INDEX	4369	-0.8%	4.8%	-9.1%	8.4%	17.59	1.31	3.6%	#VALUE!
SASEIDX Index	KSA	TADAWUL ALL SHARE INDEX	7300	0.4%	0.2%	-11.1%	10.9%	21.60	1.92	3.2%	17.2%
NDUEEGF Index	EM	MSCI EM TR USD	478	1.4%	5.4%	-9.3%	18.4%	15.95	1.52	2.6%	10.0%
World Sectors											
MXWDOFN Index		MSCI ACWI/FINANCE	109	3.3%	10.3%	-16.4%	24.1%	14.23	1.01	3.4%	9.5%
MXWDOIT Index		MSCI ACWI/INF TECH	341	2.2%	3.7%	9.0%	47.5%	26.15	5.53	1.3%	22.9%
MXWDOHC Index		MSCI ACWI/HLTH CARE	288	0.9%	0.8%	3.7%	23.3%	19.66	4.04	1.8%	21.2%
MXWDOCD Index		MSCI ACWI/CONS DIS	284	1.9%	4.9%	2.2%	28.2%	38.37	3.34	1.1%	7.6%
MXWDOIN Index		MSCI ACWI/INDUSTR	241	2.6%	8.1%	-7.8%	27.2%	24.72	2.56	2.0%	8.4%
MXWDOTC Index		MSCI ACWI/COMM SVC	83	1.3%	2.0%	1.3%	25.1%	21.73	2.75	1.6%	9.9%
MXWDOCS Index		MSCI ACWI/CON STPL	240	0.8%	1.9%	-4.1%	22.4%	21.12	3.72	2.8%	19.6%
MXWDOEN Index		MSCI ACWI/ENERGY	155	5.6%	11.1%	-24.5%	13.9%	70.39	1.12	5.0%	1.8%
MXWDOMT Index		MSCI ACWI/MATERIAL	259	1.6%	5.2%	-5.9%	20.8%	21.26	1.64	2.8%	7.5%
MXWDOU Index		MSCI ACWI /UTILITY	141	0.9%	2.6%	-4.3%	22.3%	16.96	1.66	3.8%	10.8%
MXWDORL Index		MSCI ACWI/REAL EST	1006	2.8%	5.6%	-10.0%	24.0%	20.95	1.41	3.6%	9.5%
Key levels											
XAUUSD CMPL Curn Gold		XAU-USD X-RATE	1699	0.1%	-1.5%	-1.5%	28.0%				
USGG10YR Index	10 Year Yield	US Generic Govt 10 Yr	0.87	-2.8%	32.0%	32.0%	-58.2%				
USGG2YR Index	2 Year Yield	US Generic Govt 2 Yr	0.22	7.8%	42.1%	42.1%	-88.0%				
CO1 Comdty	Brent	Generic 1st 'CO' Future	40.8	-3.5%	6.5%	6.5%	-35.5%				

Source: Bloomberg: 12:05 am 9th June 2020

Exhibit: The S&P 500 has erased its 2020 losses as easing lockdowns boost economic prospects



Source: Bloomberg 8th June 2020

Wealth Management CIO Office Equity Strategy Team

Anita Gupta
 Head of Equity Strategy
AnitaG@EmiratesNBD.com
 Contact: +971 (0)4 609 3564

Nawaf AlNaqbi
 Equity Strategist
NawafAlNa@emiratesnbd.com
 Tel: +971(0)4 609 3838

Rashed Bindrai
 Equity Analyst
RashedBl@emiratesnbd.com
 Tel: +971(0)4 609 3829

Kaltham Alhashimi
 Equity Analyst
KalthamS@emiratesnbd.com
 Tel: +971(0)4 609 3783

DISCLAIMER

Reliance

Emirates NBD Bank PJSC ("Emirates NBD") uses reasonable efforts to obtain information from sources which it believes to be reliable, however, Emirates NBD makes no representation that the information or opinions contained in this publication are accurate, reliable or complete and should not be relied on as such or acted upon without further verification. Opinions, estimates and expressions of judgment are those of the writer and are subject to change without notice. Emirates NBD accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. Data/information provided herein are intended to serve for illustrative purposes and are not designed to initiate or conclude any transaction. In addition this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to the determination of whether a particular investment activity is advisable. This publication may include data/information taken from stock exchanges and other sources from around the world and Emirates NBD does not guarantee the sequence, accuracy, completeness, or timeliness provided thereto by unaffiliated third parties. Moreover, the provision of certain data/information in this publication is subject to the terms and conditions of other agreements to which Emirates NBD is a party. Anyone proposing to rely on or use the information contained in this publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts. Further, references to any financial instrument or investment product are not intended to imply that an actual trading market exists for such instrument or product. The information and opinions contained in Emirates NBD publications are provided for personal use and informational purposes only and are subject to change without notice. The material and information found in this publication are for general circulation only and have not been prepared with any regard to the objectives, financial situation and particular needs of any specific person, wherever situated

Confidentiality

This publication is provided to you upon request on a confidential basis for informational purposes only and is not intended for trading purposes or to be passed on or disclosed to any other person and/or to any jurisdiction that would render the distribution illegal. The investor may not offer any part of this publication for sale or distribute it over any medium including but not limited to over-the-air television or radio broadcast, a computer network or hyperlink framing on the internet without the prior written consent of Emirates NBD or construct a database of any kind.

Solicitation

None of the content in this publication constitutes a solicitation, offer, opinion, or recommendation by Emirates NBD to buy or sell any security, or to provide legal, tax, accounting, or investment advice or services regarding the profitability or suitability of any security or investment and further does not provide any fiduciary or financial advice.

Third party

The security or investment described in this publication may not be eligible for sale or subscription to certain categories of investors. This publication is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. It is the responsibility of any person in possession of this publication to investigate and observe all applicable laws and regulations of the relevant jurisdiction. This publication may not be conveyed to or used by a third party without the express consent of Emirates NBD. The investor may not use the data in this publication in any way to improve the quality of any data sold or contributed to by the investor to any third party.

Liability

Anything to the contrary herein set forth notwithstanding, Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries shall not, directly or indirectly, be liable, in any way, to you or any other person for any: (a) inaccuracies or errors in or omissions from the this publication including, but not limited to, quotes and financial data; or (b) loss or damage arising from the use of this publication, including, but not limited to any investment decision occasioned thereby. Under no circumstances, including but not limited to negligence, shall Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries be liable to you for direct, indirect, incidental, consequential, special, punitive, or exemplary damages even if Emirates NBD has been advised specifically of the possibility of such damages, arising from the use of this publication, including but not limited to, loss of revenue, opportunity, or anticipated profits or lost business.

This publication does not provide individually tailored investment advice and is prepared without regard to the individual financial circumstances and objectives of person who receive it. The appropriateness of an investment activity or strategy will depend on the person's individual circumstances and objectives and these activities may not be suitable for all persons. In addition, before entering into any transaction, the risks should be fully understood and a determination made as to whether a transaction is appropriate given the person's investment objectives, financial and operational resources, experiences and other relevant circumstances. The obligations relating to a particular transaction (and contractual relationship) including, without limitation, the nature and extent of their exposure to risk should be known as well as any regulatory requirements and restrictions applicable thereto.

Forward looking

Past performance is not necessarily a guide to future performance and should not be seen as an indication of future performance of any investment activity. The information contained in this publication does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. Certain matters in this publication about the future performance of Emirates NBD or members of its group (the Group), including without limitation, future revenues, earnings, strategies, prospects and all other statements that are not purely historical, constitute "forward-looking statements". Such forward-looking statements are based on current expectations or beliefs, as well as assumptions about future events, made from information currently available. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "seek", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. Undue reliance should not be placed on any such statements in making an investment decision, as forward-looking statements, by their nature, are subject to known and unknown risks and uncertainties that could cause actual results, as well as the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Estimates of future performance are based on assumptions that may not be realized.

DISCLAIMER

Risk

Data included in this publication may rely on models that do not reflect or take into account all potentially significant factors such as market risk, liquidity risk, and credit risk. Emirates NBD may use different models, make valuation adjustments, or use different methodologies when determining prices at which Emirates NBD is willing to trade financial instruments and/or when valuing its own inventory positions for its books and records.

The use of this publication is at the sole risk of the investor and this publication and anything contained herein, is provided "as is" and "as available." Emirates NBD makes no warranty of any kind, express or implied, as to this publication, including, but not limited to, merchantability, non-infringement, title, or fitness for a particular purpose or use.

Investment in financial instruments involves risks and returns may vary. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, prices and other factors and there is the possibility that you may lose the principle amount invested. Before making an investment, investors should consult their advisers on the legal, regulatory, tax, business, investment, financial and accounting implications of the investment.

In receiving this publication, the investor acknowledges it is fully aware that there are risks associated with investment activities. Moreover, the responsibility to obtain and carefully read and understand the content of documents relating to any investment activity described in this publication and to seek separate, independent financial advice if required to assess whether a particular investment activity described herein is suitable, lies exclusively with the investor.

Intellectual property

This publication has been developed, compiled, prepared, revised, selected, and arranged by Emirates NBD and others (including certain other information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort, and money and constitutes valuable intellectual property of Emirates NBD and such others.

All present and future rights in and to trade secrets, patents, copyrights, trademarks, service marks, know-how, and other proprietary rights of any type under the laws of any governmental authority, domestic or foreign, shall, as between the investor and Emirates NBD, at all times be and remain the sole and exclusive property of Emirates NBD and/or other lawful parties. Except as specifically permitted in writing, the investor may not copy or make any use of the content of this publication or any portion thereof. Except as specifically permitted in writing, the investor shall not use the intellectual property rights connected with this publication, or the names of any individual participant in, or contributor to, the content of this publication, or any variations or derivatives thereof, for any purpose.

This publication is intended solely for non-commercial use and benefit, and not for resale or other transfer or disposition to, or use by or for the benefit of, any other person or entity. By accepting this publication, the investor agrees not to use, transfer, distribute, copy, reproduce, publish, display, modify, create, or dispose of any information contained in this publication in any manner that could compete with the business interests of Emirates NBD. Furthermore, the investor may not use any of the trademarks, trade names, service marks, copyrights, or logos of Emirates NBD or its subsidiaries in any manner which creates the impression that such items belong to or are associated with the investor or, except as otherwise provided with Emirates NBD, prior written consent. The investor has no ownership rights in and to any of such items.

Emirates NBD is licensed and regulated by the UAE Central Bank.

United Kingdom

This publication was prepared by Emirates NBD Bank PJSC in the United Arab Emirates. It has been issued and approved for distribution to clients by the London branch of Emirates NBD Bank PJSC which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority in the UK. Some investments and services are not available to clients of the London Branch. Any services provided by Emirates NBD Bank PJSC outside the UK will not be regulated by the FCA and you will not receive all the protections afforded to retail customers under the FCA regime, such as the Financial Ombudsman Service and the Financial Services Compensation Scheme. Changes in foreign exchange rates may affect any of the returns or income set out within this publication.

Singapore

This publication was prepared by Emirates NBD Bank PJSC in the United Arab Emirates. It has been issued and approved for distribution to clients by the Singapore branch of Emirates NBD Bank PJSC which is licensed by the Monetary Authority of Singapore (MAS) and subject to applicable laws (including the Financial Advisers Act (FAA) and the Securities and Futures Act (SFA)). Any services provided by Emirates NBD Bank PJSC outside Singapore will not be regulated by the MAS or subject to the provisions of the FAA and/or SFA, and you will not receive all the protections afforded to retail customers under the FAA and/or SFA. Changes in foreign exchange rates may affect any of the returns or income set out within this publication. Please contact your Relationship Manager for further details or for clarification of the contents, where appropriate.

For contact information, please visit www.emiratesnbd.com