



CIO OFFICE: Equity Market Update 11th June 2020

Developed Markets

- ✓ Global equities had a slightly negative day across the board. Global equities remain up about 40% from their March lows as central-bank asset purchases and record stimulus has sparked demand for risk assets.
- ✓ U.S. equities ended down for a second day however the Nasdaq remains resilient, setting another record high. Rotation into large-cap tech continues giving growth the advantage overvalue.
- ✓ Takeaways from the U.S. Federal Bank meeting include their keeping rates unchanged with a target level of 0-0.25% with plans to keep this range through 2022 or until they are confident in the recovery. They see unemployment at 9.3% in the final quarter of 2020 from 13.3% in May, and indicated U.S. GDP could contract by 6.5% this year before rebounding 5% next year. They see the economic path as uncertain and dependent on the path of the virus.
- ✓ European shares closed slightly lower; the Stoxx 600 index declined by -0.38%.

Emerging Markets

- ✓ Chinese stocks retreated slightly on Wednesday. China's Shanghai Shenzhen CSI 300 index declined by -0.18% after data showed industrial prices sliding deeper into deflation in May.

GCC

- ✓ An uneventful trading day in GCC markets with the UAE and KSA closing flat.
- ✓ **ADNOC** will host a virtual roundtable discussion this month that will gather chief executives of global energy companies to discuss the challenges facing the industry in the wake of the coronavirus pandemic.
- ✓ Saudi Arabia has approved a new mining investment law to boost GDP by USD 64 bn and aiming at encouraging more foreign investment into the sector as the Kingdom continues to diversify its economy away from a reliance on hydrocarbons.

Company News

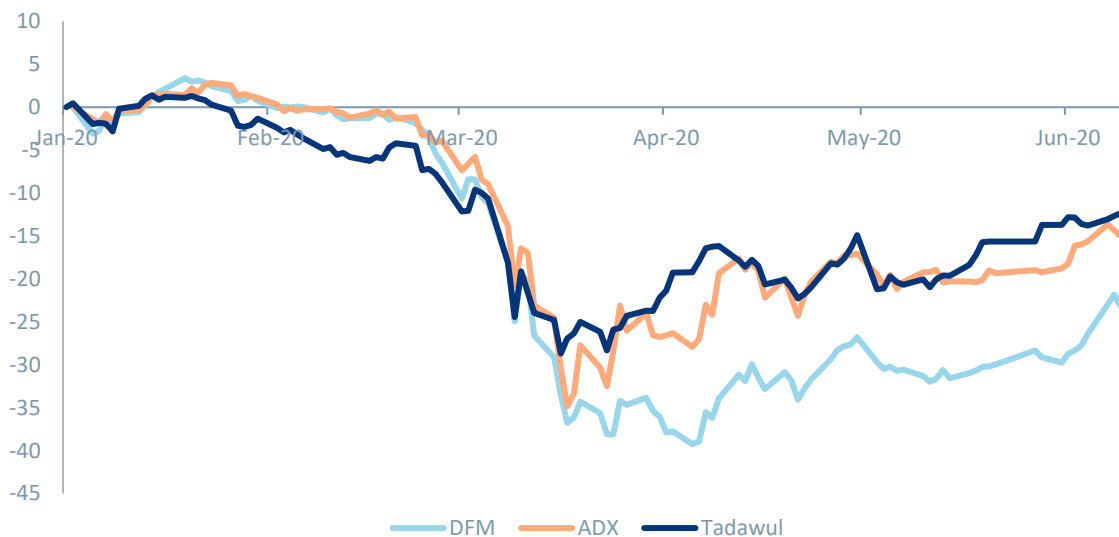
- ✓ **Tesla** soared past USD 1,000; Elon Musk tells staff to 'go all out' getting Semi into production. Shares of newly listed Nikola sold off after days of hype about its plans to bring battery-electric and fuel-cell haulers to market in the coming years. Tesla's stock price is up 145.0% YTD.
- ✓ **Airbus** ruled out further production cuts in the near-term, deeming a one-third reduction in monthly output enough to offset the virus-related hit on demand. Airbus's stock price is down -42.6% YTD.
- ✓ **Citigroup's** traders are on track to have their best second quarter in more than a decade. Citigroup's stock price is down -28.8% YTD.
- ✓ **AstraZeneca** wins U.S. funding in the race for COVID-19 treatment. On Tuesday, the company received USD 23.7mn in funding from a U.S. government agency to advance the development of antibody-based COVID-19 treatments as the British drugmaker ramps up efforts beyond its potential vaccine to combat the pandemic. AstraZeneca's stock price is up 12.8% YTD.
- ✓ **Johnson & Johnson** announced it will start Phase 1/2a first-in-human clinical trial of its investigational SARS-CoV-2 vaccine in the second half of July, earlier than the initial schedule for September. Johnson & Johnson's stock price is up 2.7% YTD.
- ✓ **Starbucks** expects the coronavirus pandemic to reduce sales this quarter by as much as USD 3.2bn, dragging down the coffee chain's performance as it sees a recovery stretching into next year. The company is rethinking store formats due to changing preferences. Starbucks's stock price is down -9.2% YTD.

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	3197	-0.3%	2.4%	-0.2%	31.5%	25.51	3.50	1.8%	14.5%
INDU Index	US	DOW JONES INDUS. AVG	26990	-1.0%	2.7%	-4.3%	25.3%	24.66	3.87	2.3%	20.2%
CCMP Index	US	NASDAQ COMPOSITE INDEX	10020	0.7%	3.5%	12.3%	36.7%	36.85	5.42	0.9%	31.9%
RTY Index	US	RUSSELL 2000 INDEX	1470	-2.5%	1.2%	-11.4%	25.5%	85.70	1.91	1.2%	239.3%
SXXP Index	Europe	STXE 600 (EUR) Pr	368	-0.4%	-0.2%	-10.0%	27.9%	21.05	1.67	3.0%	4.6%
UKX Index	UK	FTSE 100 INDEX	6329	-0.1%	-0.8%	-14.7%	17.2%	19.41	1.52	3.8%	3.4%
HSI Index	Hong Kong	HANG SENG INDEX	25050	0.0%	3.0%	-10.0%	13.0%	11.63	0.98	3.4%	10.4%
NKY Index	Japan	NIKKEI 225	23125	0.1%	2.3%	-1.3%	20.7%	21.51	1.66	1.9%	7.4%
NDDUWI Index	DM	MSCI DM TR USD	6722	-0.6%	2.4%	-2.7%	27.7%	23.49	2.46	2.2%	7.6%
Emerging Markets											
SHSZ300 Index	China	CSI 300 INDEX	4040	-0.2%	1.4%	-0.8%	39.2%	12.82	1.62	2.4%	10.9%
SENSEX Index	India	S&P BSE SENSEX INDEX	34247	0.9%	0.4%	-16.6%	15.7%	19.07	2.37	1.7%	12.2%
DFMGI Index	UAE	DFM GENERAL INDEX	2125	0.0%	6.3%	-19.7%	14.2%	9.87	0.73	3.1%	7.0%
ADSMI Index	UAE	ADX GENERAL INDEX	4331	0.0%	1.1%	-9.9%	8.4%	17.37	1.29	3.7%	#VALUE!
SASEIDX Index	KSA	TADAWUL ALL SHARE INDEX	7328	0.0%	1.5%	-10.8%	10.9%	21.66	1.91	3.2%	17.2%
NDUEEGF Index	EM	MSCI EM TR USD	482	0.2%	2.2%	-8.7%	18.4%	16.07	1.53	2.5%	10.0%
World Sectors											
MXWD0FN Index		MSCI ACWI/FINANCE	109	-1.2%	4.6%	-16.3%	24.1%	14.24	1.01	3.4%	9.5%
MXWD0IT Index		MSCI ACWI/INF TECH	344	0.4%	2.4%	9.8%	47.5%	26.34	5.57	1.3%	23.0%
MXWD0HC Index		MSCI ACWI/HLTH CARE	288	-0.4%	0.4%	3.7%	23.3%	19.65	4.04	1.8%	21.1%
MXWD0CD Index		MSCI ACWI/CONS DIS	287	-0.1%	2.5%	3.1%	28.2%	38.93	3.52	1.1%	7.5%
MXWD0IN Index		MSCI ACWI/INDUSTRL	240	-1.3%	2.9%	-8.0%	27.2%	24.70	2.55	2.0%	8.5%
MXWD0TC Index		MSCI ACWI/COMM SVC	84	0.1%	1.9%	2.3%	25.1%	21.97	2.78	1.6%	9.9%
MXWD0CS Index		MSCI ACWI/CON STPL	241	-0.3%	0.9%	-3.8%	22.4%	21.14	3.72	2.8%	19.6%
MXWD0EN Index		MSCI ACWI/ENERGY	155	-2.6%	4.9%	-24.7%	13.9%	70.24	1.12	5.0%	2.2%
MXWD0MT Index		MSCI ACWI/MATERIAL	259	-0.3%	1.8%	-5.8%	20.8%	21.22	1.64	2.8%	7.5%
MXWD0UT Index		MSCI ACWI/UTILITY	142	-1.3%	0.2%	-3.8%	22.3%	16.98	1.66	3.8%	10.9%
MXWD0RL Index		MSCI ACWI/REAL EST	1017	-0.4%	3.2%	-8.9%	24.0%	21.18	1.43	3.5%	9.5%
Key levels											
XAUUSD CMPL Curn Gold		XAU-USD X-RATE	1738	1.4%	1.2%	1.2%	30.8%				
USGG10YR Index	10 Year Yield	US Generic Govt 10 Yr	0.73	-12.0%	-2.6%	-2.6%	-66.2%				
USGG2YR Index	2 Year Yield	US Generic Govt 2 Yr	0.17	-15.7%	-10.2%	-10.2%	-91.0%				
CO1 Comdty	Brent	Generic 1st 'CO' Future	41.2	0.0%	3.5%	3.5%	-33.9%				

Source: Bloomberg: 12:10 am 11th June 2020

Exhibit: DFM, ADX, Tadawul YTD (%) Performance



Source: Bloomberg 11th June 2020

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