



CIO OFFICE: Equity Market Update 13th August 2020

Developed Markets

- ✓ A broad global rally, with the MSCI All-Country World Index closing up 1.2% yesterday. The August equity rally has coincided with a rise in U.S. government bond yields, as investors are becoming optimistic about the economy.
- ✓ In the U.S. the S&P 500 closed up 1.4%, at 3380 within 0.2% of the Feb. 19 high. It is now up 3.4% in August and 4.6% for the year. This followed strong trading across European markets, where the Stoxx 600 rose 1% and the FTSE 100 closed 2% higher despite second-quarter data showing the UK falling into its deepest recession on record. U.S. equities have risen in all but one day in August, supported by declining coronavirus cases and hopes that a deal will be reached on the new stimulus package.
- ✓ Markets have also taken well Democratic presidential candidate Joe Biden's announcement that Kamala Harris would be his running mate. The recent rotation into Value paused as Growth outperformed Value with a strong performance from the Technology sector. The Nasdaq closed +2.1%, after 3 down days. Apple rose 3.3%, closer to a \$2 trillion market value and Tesla rose 13% post the announcement late Tuesday on the 5-for-1 stock split. The Nasdaq Composite outperformed the S&P as Apple, Microsoft and Tesla rallied.

Emerging Markets

- ✓ This morning Asian markets are mildly positive. Chinese stocks fell for a second straight session on Wednesday as domestic data showed softer growth in bank lending. The CSI 300 Index was down -0.73% on Wednesday.

GCC

- ✓ The DFM General Index gained for the third day, increasing +0.86%. Emirates NBD contributed the most to the DFM General Index gain, increasing +2.6%. Arabtec Holding saw the largest drop of the day, decreasing -5%. Ajman Bank had the largest increase, rising +3.3%. The Abu Dhabi General Index declined by -0.2%.
- ✓ The Tadawul All Share Index rose for the ninth day, climbing +0.3%. Al Rajhi Bank contributed the most to the index gain, increasing +1.0%. National Co. for Glass Manufacturing had the largest increase, rising +9.9%.
- ✓ Emaar Malls reported 1H20 numbers post-close Tuesday with revenue of AED 1.66bn (-26%yoy) Net income came in at AED 345mn (-69%yoy). Reported revenue from the malls business (excluding Namshi) of AED 993mn for 1H20 (-45%yoy). Meanwhile, Namshi (fully acquired by Emaar Malls in 2019) reported revenues of AED 664mn (+57%yoy), mainly driven by increased online shopping from the pandemic. Occupancy levels across Emaar Malls' assets remained stable at 92%, similar to FY19. Weak results were due to significant pressure on tenant sales affected by mall closure as well as weaker footfall. In addition, Emaar Properties reported 1H20 on Wednesday numbers with revenue of AED 9bn (-22%yoy) and net income of AED 2bn (-35%yoy). Property sales came in at AED 5.12bn for 1H20. In addition, other income came in at AED 933mn compared to AED 629mn for the similar period last year.

Company News

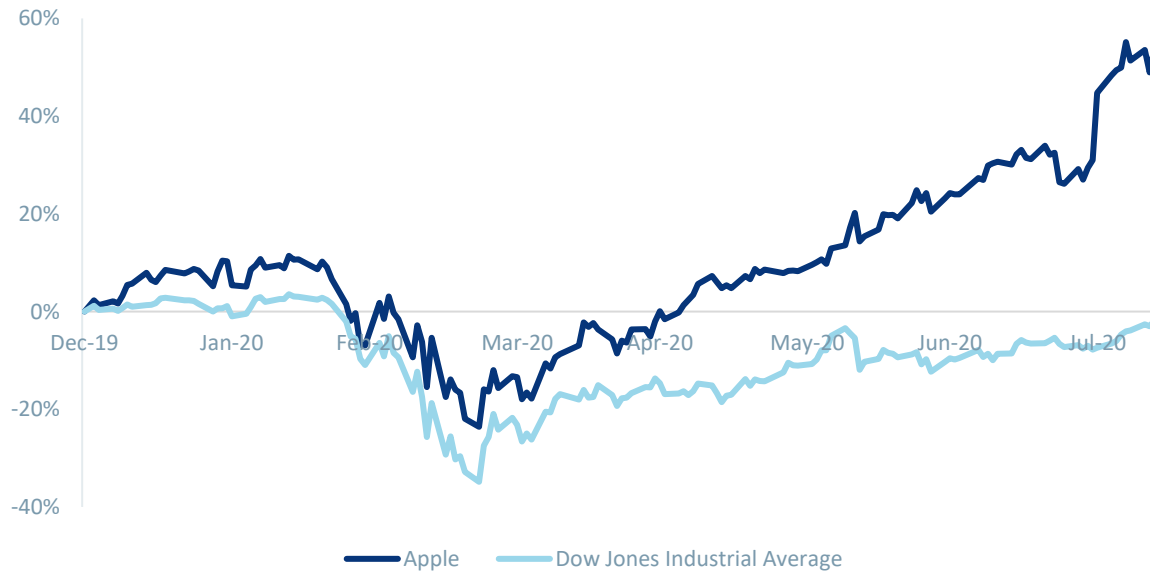
- ✓ **Moderna** reached a deal with the U.S. administration to supply 100 million doses of its experimental vaccine for Covid-19, in a pact valued at up to USD 1.5 bn, the latest in a string of supply agreements the U.S. has reached to stockpile the most advanced vaccines in testing. Their vaccine is priced at USD 15 a dose.
- ✓ **Tencent** tried to reassure investors, after results beat estimate, that U.S. President Donald Trump's ban on its WeChat messaging service may apply only to its overseas operations, suggesting the impact on its overall business would be modest. Tencent's revenue and net income beat estimate

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	3383	1.5%	1.7%	5.9%	31.5%	26.22	3.69	1.7%	15.2%
INDU Index	US	DOW JONES INDUS. AVG	27977	1.0%	2.8%	-0.5%	25.3%	25.33	4.03	2.3%	21.2%
CCMP Index	US	NASDAQ COMPOSITE INDEX	11012	2.1%	0.1%	23.5%	36.7%	38.45	#N/A N/A	0.8%	33.8%
RTY Index	US	RUSSELL 2000 INDEX	1583	0.5%	2.4%	-4.4%	25.5%	95.08	#N/A N/A	1.2%	169.4%
SXXP Index	Europe	STXE 600 (EUR) Pr	375	1.1%	2.7%	-7.9%	27.9%	22.67	1.75	2.9%	4.5%
UKX Index	UK	FTSE 100 INDEX	6280	2.0%	2.9%	-15.0%	17.2%	20.31	1.56	3.6%	2.7%
HSI Index	Hong Kong	HANG SENG INDEX	25244	1.4%	0.6%	-8.2%	13.0%	11.79	0.99	3.3%	10.4%
NKY Index	Japan	NIKKEI 225	22844	0.4%	1.2%	-2.3%	20.7%	22.89	1.70	1.8%	7.9%
NDDUWI Index	DM	MSCI DM TR USD	6986	-0.1%	0.2%	1.1%	27.7%	24.02	2.50	2.1%	7.8%
Emerging Markets											
SHSZ300 Index	China	CSI 300 INDEX	4648	-0.7%	-2.7%	15.5%	39.2%	15.33	1.94	2.0%	10.9%
SENSEX Index	India	S&P BSE SENSEX INDEX	38370	-0.1%	1.9%	-6.1%	15.7%	24.41	2.77	1.4%	11.2%
DFMGI Index	UAE	DFM GENERAL INDEX	2115	0.9%	1.7%	-19.4%	14.2%	9.44	0.73	3.3%	7.3%
ADSMI Index	UAE	ADX GENERAL INDEX	4360	-0.2%	1.2%	-9.1%	8.4%	16.77	1.26	3.9%	9.3%
SASEIDX Index	KSA	TADAWUL ALL SHARE INDEX	7646	0.3%	2.3%	-6.6%	10.9%	22.78	1.86	3.0%	17.4%
NDUEEGF Index	EM	MSCI EM TR USD	525	0.4%	-1.0%	-0.6%	18.4%	17.84	1.64	2.3%	9.7%
World Sectors											
MXWD0FN Index		MSCI ACWI/FINANCE	106	1.6%	2.9%	-17.5%	24.1%	13.78	0.97	3.4%	9.2%
MXWD0IT Index		MSCI ACWI/INF TECH	378	-1.3%	-2.2%	21.2%	47.5%	27.84	5.79	1.2%	23.7%
MXWD0HC Index		MSCI ACWI/HLTH CARE	297	-0.2%	-1.2%	6.9%	23.3%	19.43	4.08	1.8%	23.5%
MXWD0CD Index		MSCI ACWI/CONS DIS	314	0.3%	-0.3%	12.9%	28.2%	43.88	3.62	0.9%	7.1%
MXWD0IN Index		MSCI ACWI/INDUSTR	251	1.3%	3.5%	-3.9%	27.2%	27.72	2.66	1.9%	7.7%
MXWD0TC Index		MSCI ACWI/COMM SVC	88	-0.7%	-0.5%	7.8%	25.1%	22.70	2.89	1.6%	9.5%
MXWD0CS Index		MSCI ACWI/CON STPL	250	-0.1%	-0.5%	0.3%	22.4%	21.62	3.81	2.7%	29.6%
MXWD0EN Index		MSCI ACWI/ENERGY	142	1.0%	1.6%	-30.4%	13.9%	89.91	1.05	5.2%	1.5%
MXWD0MT Index		MSCI ACWI/MATERIAL	280	0.0%	-0.6%	2.4%	20.8%	21.67	1.75	2.7%	7.2%
MXWD0UT Index		MSCI ACWI/UTILITY	142	-1.0%	0.0%	-3.1%	22.3%	16.99	1.64	3.8%	10.5%
MXWD0RL Index		MSCI ACWI/REAL EST	977	-0.4%	0.2%	-11.9%	24.0%	21.14	1.41	3.6%	9.7%
Key levels											
XAUUSD CMPL Curr	Gold	XAU-USD X-RATE	1912	-1.8%	-7.2%	-7.2%	27.3%				
USGG10YR Index	10 Year Yield	US Generic Govt 10 Yr	0.66	3.6%	21.4%	21.4%	-59.6%				
USGG2YR Index	2 Year Yield	US Generic Govt 2 Yr	0.16	5.4%	34.0%	34.0%	-90.1%				
CO1 Comdty	Brent	Generic 1st 'CO' Future	45.3	1.9%	0.4%	0.4%	-22.6%				

Source: Bloomberg; 12:05 am 13th August 2020

Exhibit: Apple has contributed most to the Dow's gain this year



Source: Bloomberg 12th August 2020

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