



**CIO OFFICE: Equity Market Update 15<sup>th</sup> October 2020**

**Developed Markets**

- ✓ U.S. stocks dropped after Treasury Secretary Steven Mnuchin downplayed the chances of striking a stimulus deal before the election. Traders also parsed earnings from big banks, with Wells Fargo tumbling 6% after reporting a 56% plunge in profit and warning that net interest income could “get a little bit softer” in 2021 (not on our recommended list)
- ✓ Energy stocks joined a rally in oil and as Concho Resources soared 10% on a news report that ConocoPhillips is in talks to acquire the company.
- ✓ The S&P 500 was down -0.7%.
- ✓ The Stoxx Europe 600 Index fell -0.1%.

**Emerging Markets**

- ✓ President Xi Jinping’s keynote address in Shenzhen failed to fuel China’s stock rally, leaving the market short of a five-year high, as traders’ expectations were dashed by the lack of policy details from his speech. Shenzhen’s hometown champion Tencent Holdings rose to a record high, keeping key indices in Hong Kong in positive territory.
- ✓ Shanghai’s Composite Index fell by -0.6% while the benchmark on the Shenzhen exchange fell by the same percentage, and the CSI 300 index that tracks both markets fell -0.7%. The three gauges were in negative territory throughout Xi’s nearly hour-long speech in Shenzhen.
- ✓ Hang Seng Index little changed.

**GCC**

- ✓ The DFM General Index fell -0.9%. Dubai Islamic Bank PJSC contributed the most to the index decline, decreasing -1.4%. Union Properties PJSC had the largest drop, falling -4.8%.
- ✓ The ADAMI Index rose +0.6% with Banks leading the market higher. FAB and ADCB both contributed the most to the index gain, increasing +1.4% and +2.1%.
- ✓ Dubai developer Union Properties has said that it recorded Dhs509.2m net profit in Q3 2020. With these realized profits, the group managed to clear its losses for 2019 and for the first and second quarter of 2020, bringing its accumulated losses below the threshold of 50% to 41.8%.
- ✓ The Tadawul All Share Index fell -0.1%, ending a 4-day gain. The loss follows the previous session's increase of +0.7%. Al Rajhi Bank contributed the most to the index decline, decreasing -0.7%. Shams had the largest drop, falling -3.2%.

**Company News**

- ✓ **Goldman Sachs** joined other big U.S. banks in cashing in on continuing pandemic-induced volatility, as the firm’s bond traders posted the biggest jump on Wall Street so far. 3Q revenue from buying and selling stocks and bonds increased 29%, driven by a 49% surge in fixed-income trading and mirroring similar gains reported Tuesday by **JPMorgan** and **Citigroup**. Revenue at each of Goldman’s four divisions rose from a year earlier, pushing earnings per share to a record that was almost twice as high as analysts predicted.
- ✓ **Bank of America** slid amid an increase in trading revenue that was just a fraction of its competitors’ gains.
- ✓ The FDA has approved **Regeneron’s** Inmazeb as the first FDA-approved treatment for Ebola virus infection in adult and pediatric patients

### Global Equity Indices

Country	Index	Last Price	%1D	%5D	YTD	2019	P/E	P/B	Div. Yield	ROE
<b>Developed Markets</b>										
US	S&P 500 INDEX	3489	-0.7%	2.0%	9.6%	31.5%	25.88	3.71	1.7%	24.0%
US	DOW JONES INDUS. AVG	28514	-0.6%	0.7%	1.8%	25.3%	24.22	4.31	2.2%	26.7%
US	NASDAQ COMPOSITE	11769	-0.8%	3.6%	32.2%	36.7%	38.41	5.86	0.8%	55.3%
US	RUSSELL 2000 INDEX	1622	-0.9%	0.7%	-1.8%	25.5%	92.85	1.88	1.2%	-1.1%
Europe	STXE 600 (EUR) Pr	371	-0.1%	1.4%	-8.7%	27.9%	22.41	1.73	2.9%	3.4%
UK	FTSE 100 INDEX	5935	-0.6%	-0.2%	-19.1%	17.2%	19.35	1.46	3.7%	2.5%
Hong Kong	HANG SENG INDEX	24392	-1.1%	0.6%	-10.7%	13.0%	12.85	1.04	3.0%	9.8%
Japan	NIKKEI 225	23503	-0.5%	-0.6%	1.0%	20.7%	23.48	1.75	1.7%	8.5%
DM	MSCI DM TR USD	7287	-0.4%	1.1%	5.5%	27.7%	24.42	2.57	2.0%	10.5%
<b>Emerging Markets</b>										
China	CSI 300 INDEX	4815	0.2%	5.0%	19.9%	39.2%	16.52	2.00	1.9%	10.4%
India	S&P BSE SENSEX INDEX	40636	-0.4%	1.1%	-0.5%	15.7%	25.81	2.89	1.3%	10.7%
UAE	DFM GENERAL INDEX	2218	-0.9%	0.2%	-15.4%	14.2%	11.18	1.10	3.0%	8.5%
UAE	ADX GENERAL INDEX	4573	0.6%	1.7%	-4.6%	8.4%	16.91	1.36	3.9%	10.1%
KSA	TADAWUL ALL SHARE INDEX	8592	-0.1%	2.8%	5.2%	10.9%	27.71	2.05	2.3%	16.9%
EM	MSCI EM TR USD	548	-0.1%	1.6%	3.8%	18.4%	18.20	1.72	2.2%	8.5%
<b>World Sectors</b>										
	MSCI ACWI/FINANCE	104	-0.5%	-0.9%	-19.2%	24.1%	13.09	0.92	3.5%	7.9%
	MSCI ACWI/INF TECH	415	-0.5%	2.9%	33.3%	47.5%	28.94	6.37	1.1%	40.7%
	MSCI ACWI/HLTH CARE	303	-0.6%	0.4%	9.4%	23.3%	19.71	4.10	1.8%	25.4%
	MSCI ACWI/CONS DIS	348	-0.8%	2.1%	25.3%	28.2%	46.04	3.94	0.8%	6.7%
	MSCI ACWI/INDUSTRIL	261	0.3%	0.5%	0.2%	27.2%	29.98	2.72	1.8%	7.3%
	MSCI ACWI/COMM SVC	92	-0.4%	2.4%	12.6%	25.1%	22.84	2.98	1.5%	9.7%
	MSCI ACWI/CON STPL	257	-0.2%	1.3%	3.9%	22.4%	22.06	3.87	2.6%	19.8%
	MSCI ACWI/ENERGY	120	0.0%	-1.4%	-40.8%	13.9%	82.63	0.90	6.1%	1.9%
	MSCI ACWI/MATERIAL	289	0.3%	0.6%	6.5%	20.8%	21.01	1.88	2.7%	8.3%
	MSCI ACWI /UTILITY	146	0.2%	0.5%	0.5%	22.3%	17.53	1.70	3.6%	10.6%
	MSCI ACWI/REAL EST	979	-0.9%	-1.7%	-11.1%	24.0%	21.38	1.45	3.5%	9.5%
<b>Key levels</b>										
Gold	XAU-USD X-RATE	1901	0.0%	0.8%	0.8%	28.4%				
10 Year Yield	US Generic Govt 10 Yr	0.71	-1.6%	-9.1%	-9.1%	-59.7%				
2 Year Yield	US Generic Govt 2 Yr	0.14	0.0%	-7.8%	-7.8%	-91.4%				
Brent	Generic 1st 'CO' Future	43.4	0.1%	0.1%	0.1%	-26.1%				

Source: Bloomberg: 9:10 am 15<sup>th</sup> October 2020

### Exhibit: S&P 500 1 Year Performance



Source: Bloomberg 14<sup>th</sup> October 2020

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