



CIO OFFICE: Equity Market Update 19th May 2020

Developed Markets

- ✓ In the U.S. markets rallied, the S&P 500 rose 3.2% yesterday, after promising early results for an experimental vaccine sparked speculation economies could snap back quickly. Moderna Inc. said its vaccine tests yielded signs it can create an immune-system response in the body
- ✓ Companies that would benefit from a return toward more normal economic activity outperformed. Energy producers were up 7.5% and real-estate firms 5%
- ✓ European governments are reopening factories, shops and other businesses. The Stoxx Europe 600 jumped the most since March. The index advanced by +4.1%

Emerging Markets

- ✓ Asian stock markets were up this morning. The Shanghai Shenzhen CSI 300 index which is only -3.4% year to date had a more muted response
- ✓ Chinese data reported last week showed manufacturing and auto sales are recovering but consumer spending, the biggest driver of growth for the second-largest global economy, is still declining amid widespread job losses

GCC

- ✓ UAE indices start the week higher alongside GCC peers, amid rising oil prices. On Monday, the DFM index gained 0.9% to 1911, while the ADX index ended relatively flat at 4062
- ✓ Emirates NBD outperformed the index yesterday ahead of MSCI inclusion at the end of the month with expected passive inflows of USD200mn
- ✓ The KSA Index closed higher as Saudi has been seeing some international appetite ahead of its USD1bn MSCI rebalance at the end of the week. The index is approaching the 7000 level. We expect the markets to push higher today following global markets

Company News

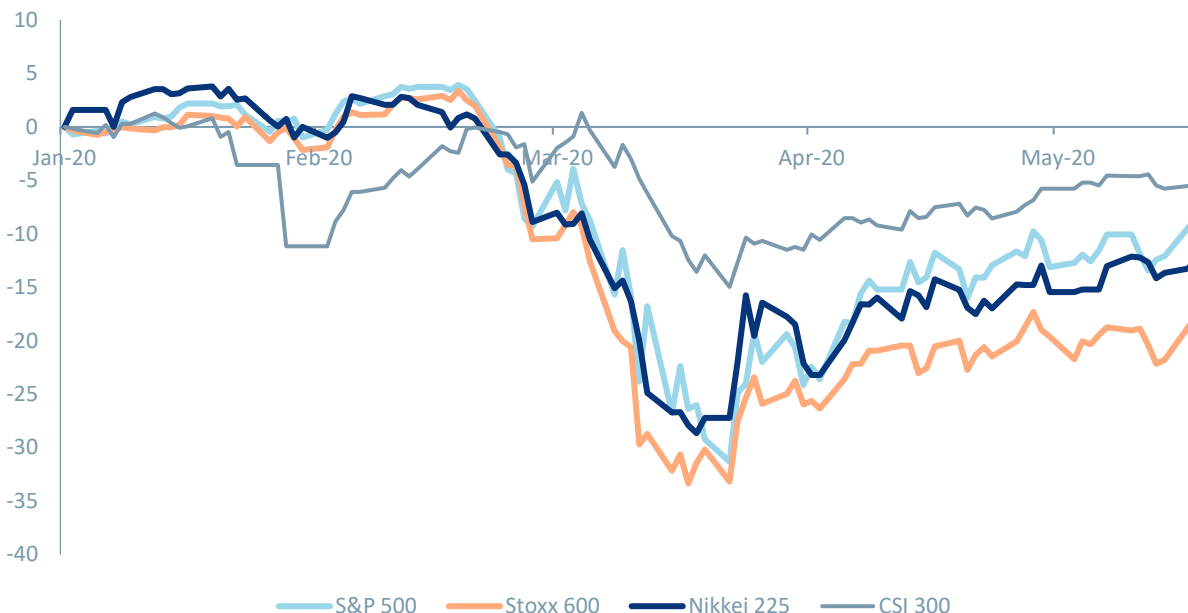
- ✓ After heavy restrictions put on Huawei's semiconductor supply, a report said that Nasdaq would tighten its rules, affecting Chinese companies. Baidu, one of China's leading technology companies surprised markets this morning by announcing spectacular quarterly sales, much better than the consensus' expectations
- ✓ SoftBank doubled the amount on planned share buybacks and announced changes to its board, including the resignation of long-time director Jack Ma, co-founder of Alibaba
- ✓ Panasonic sees strong demand from Tesla and is in talks to expand the Nevada battery plant, which is now profitable. The Tesla battery business provided a bright spot in Panasonic's otherwise disappointing earnings, hit by plant closures and supply chain disruptions for its products' components and factory equipment

Global Equity Indices

Region	Index	Last Price	%1D	%5D	YTD	2019	P/E	P/B	Div. Yield	ROE
Developed Markets										
1FY										
U.S.	S&P 500 INDEX	2954	3.2%	0.8%	-7.9%	31.5%	23.50	3.21	2.0%	14.4%
U.S.	DOW JONES INDUS. AVG	24597	3.9%	1.5%	-13.0%	25.3%	22.45	3.53	2.6%	19.6%
U.S.	NASDAQ COMPOSITE INDEX	9235	2.4%	0.5%	3.4%	36.7%	33.51	5.03	1.0%	32.2%
U.S.	RUSSELL 2000 INDEX	1334	6.1%	0.9%	-19.6%	25.5%	68.58	1.70	1.7%	204.6%
Europe	STXE 600 (EUR) Pr	342	4.1%	0.6%	-16.6%	27.9%	18.86	1.53	3.4%	4.3%
U.K.	FTSE 100 INDEX	6049	4.3%	1.8%	-18.6%	17.2%	17.45	1.41	4.3%	3.1%
Hong Kong	HANG SENG INDEX	24389	1.9%	0.6%	-13.0%	13.0%	11.31	0.98	3.5%	10.6%
Japan	NIKKEI 225	20534	2.0%	0.8%	-12.3%	20.7%	18.41	1.45	2.2%	7.7%
DM	MSCI DM TR USD	6107	3.0%	1.8%	-11.6%	27.7%	21.11	2.19	2.4%	7.5%
Emerging Markets										
China	CSI 300 INDEX	3951	0.7%	-0.2%	-3.4%	39.2%	12.47	1.58	2.5%	10.9%
India	S&P BSE SENSEX INDEX	30704	2.2%	-2.1%	-25.3%	15.7%	16.42	2.10	1.9%	13.0%
UAE	DFM GENERAL INDEX	1920	0.4%	1.9%	-27.4%	14.2%	8.25	0.66	4.0%	7.7%
UAE	ADX GENERAL INDEX	4061	-0.1%	-1.5%	-15.5%	8.4%	13.29	1.18	4.9%	11.7%
KSA	TADAWUL ALL SHARE INDEX	6921	1.4%	4.8%	-15.9%	10.9%	20.25	1.83	3.4%	17.2%
EM	MSCI EM TR USD	434	1.3%	0.4%	-17.7%	18.4%	14.12	1.29	2.9%	10.7%
World Sectors										
	MSCI ACWI/FINANCE	91	3.5%	0.8%	-29.7%	24.1%	11.73	0.84	4.0%	10.1%
	MSCI ACWI/INF TECH	318	2.1%	1.7%	1.5%	47.5%	23.91	5.01	1.4%	23.1%
	MSCI ACWI/HLTH CARE	281	1.2%	1.2%	1.2%	23.3%	18.85	3.93	1.9%	21.3%
	MSCI ACWI/CONS DIS	257	3.2%	2.6%	-7.5%	28.2%	33.46	3.01	1.3%	7.7%
	MSCI ACWI/INDUSTRIL	208	4.7%	2.1%	-20.5%	27.2%	20.86	2.16	2.4%	8.6%
	MSCI ACWI/COMM SVC	78	2.0%	1.8%	-4.2%	25.1%	20.82	2.33	1.8%	10.1%
	MSCI ACWI/CON STPL	229	1.9%	0.1%	-8.7%	22.4%	20.18	3.58	2.9%	19.8%
	MSCI ACWI/ENERGY	136	5.9%	1.9%	-34.3%	13.9%	69.76	0.97	5.7%	2.3%
	MSCI ACWI/MATERIAL	233	3.9%	3.3%	-15.4%	20.8%	19.13	1.47	3.2%	7.4%
	MSCI ACWI/UTILITY	130	3.3%	1.2%	-12.5%	22.3%	15.65	1.51	4.1%	11.0%
	MSCI ACWI/REAL EST	888	3.8%	0.8%	-20.6%	24.0%	18.22	1.25	4.2%	9.5%

Source: Bloomberg; 9:40 am 19th May 2020

Exhibit: S&P 500, Stoxx 600, Nikkei 225, CSI 300 YTD Performance



Source: Bloomberg 19th May 2020

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