



CIO OFFICE: Equity Market Update 28th April 2020

Developed Markets

- ✓ After falling last week, U.S. equities closed higher (S&P 500 +1.5%) yesterday as talks of additional states beginning to re-open boosted investor sentiment. Governor Cuomo of New York began to discuss the possibility of a phased approach, as early as May 15th. In Europe too, Spain & Italy plan to begin easing restrictions, as early as next week
- ✓ On the U.S. sector level, Financials +3.61% led as weakness in the bond market pushed yields higher; U.S. 10yr yield climbed to 0.66% (+11% for the session)
- ✓ WTI Crude June futures contract fell 25%; settling below \$13bbl. Bankruptcies in the oil & gas space began with Diamond Offshore Drilling (DO), reported to have a restructuring plan in the works

Emerging Markets

- ✓ The MSCI Asia Pacific Index advanced 2% yesterday but Asian shares are trading down this morning

GCC

- ✓ FAB 1Q20 net income AED2.4bn, down 22% q/q and y/y. Weaker non-interest income and higher bad asset charges, partly due to precautionary COVID-19 related provisions
- ✓ DP World launches digital platforms to move global trade online to help companies meet the challenge of the COVID-19 crisis and to keep the trade of vital food and medical supplies flowing
- ✓ Dubai Islamic Bank to contribute AED 120 mn to mitigate the health, societal, and economic coronavirus repercussions in the UAE

Company News

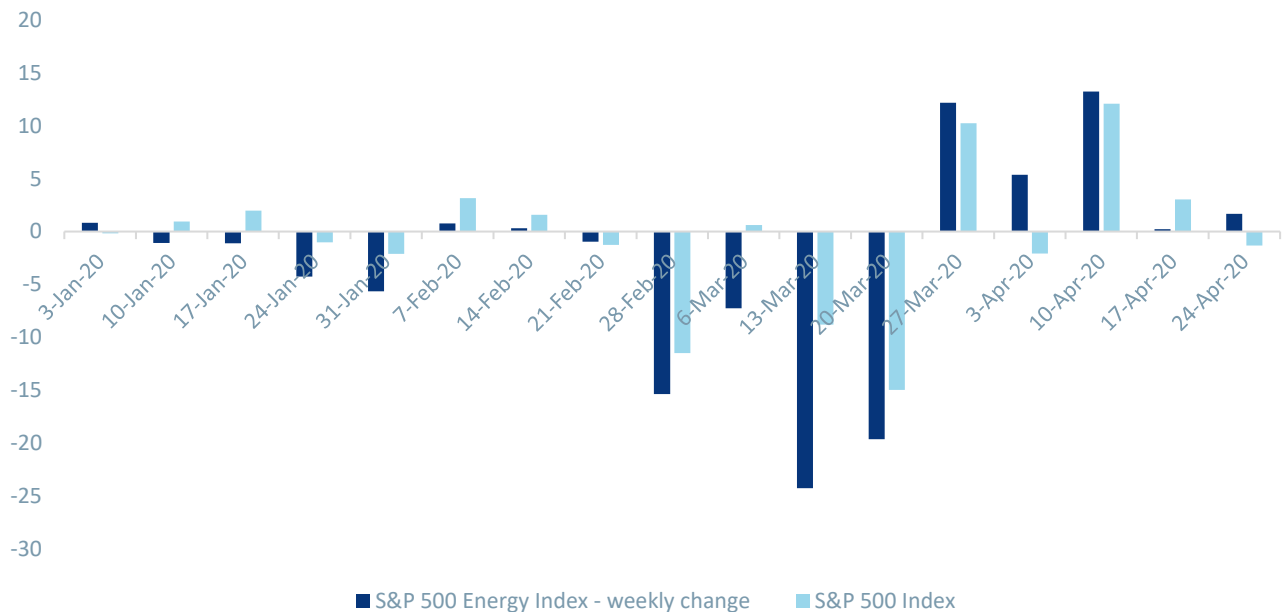
- ✓ **Unilever:** EURO 12.4 bn in turnover for Q1. Flat y/y (volume growth of 0.2%) with developed markets growing 2.8% (attributed to stocking) while emerging markets declined by 1.8%, impacted by China. However, the quarterly dividend is maintained at EUR 0.4104 per share. 2020 guidance was withdrawn
- ✓ **Verizon** reported Q1 adjusted EPS of USD 1.26 up from USD 1.2 last year. Cash flow from operations, USD 8.8 bn, an increase of USD 1.7 bn from Q1 2019. Total revenue of USD 21.8 bn, down 1.7% y/y. Gaming has tripled, video chat up 40% and collaboration tools increased tenfold (CEO on investor call)
- ✓ **Johnson & Johnson** tapped Emergent Biosolutions to help manufacture 1 bn doses of its experimental coronavirus vaccine, sending Emergent stock up last week. J&J plans to begin a Phase 1 study of its coronavirus vaccine in September

Global Equity Indices

Region	Index	Last Price	%1D	%5D	YTD	2019	P/E	P/B	Div. Yield	ROE
Developed Markets										
U.S.	S&P 500 INDEX	2878	1.5%	2.0%	-10.4%	31.5%	22.01	3.06	2.1%	15.4%
U.S.	DOW JONES INDUS. AVG	24134	1.5%	2.0%	-14.8%	25.3%	21.29	3.46	2.6%	20.1%
U.S.	NASDAQ COMPOSITE INDEX	8730	1.1%	2.0%	-2.4%	36.7%	30.15	4.48	1.1%	32.5%
U.S.	RUSSELL 2000 INDEX	1282	4.0%	5.6%	-22.8%	25.5%	47.08	1.55	1.9%	195.5%
Europe	STXE 600 (EUR) Pr	335	1.8%	-0.1%	-18.5%	27.9%	17.36	1.50	3.7%	6.0%
U.K.	FTSE 100 INDEX	5847	1.6%	0.6%	-21.5%	17.2%	15.80	1.39	4.9%	5.1%
Hong Kong	HANG SENG INDEX	24534	1.0%	3.1%	-12.8%	13.0%	10.84	0.99	3.6%	10.7%
Japan	NIKKEI 225	19771	-0.1%	2.5%	-15.6%	20.7%	16.45	1.41	2.3%	8.0%
DM	MSCI DM TR USD	5960	1.8%	4.7%	-13.7%	27.7%	19.65	2.12	2.6%	8.7%
Emerging Markets										
China	CSI 300 INDEX	3846	0.6%	1.0%	-6.1%	39.2%	11.83	1.54	2.6%	11.0%
India	S&P BSE SENSEX INDEX	31797	0.2%	3.8%	-22.7%	15.7%	16.37	2.19	1.9%	13.7%
UAE	DFM GENERAL INDEX	1988	0.1%	8.9%	-24.9%	14.2%	7.77	0.68	5.5%	7.9%
UAE	ADX GENERAL INDEX	4098	-1.7%	6.2%	-15.2%	8.4%	12.59	1.19	5.3%	11.9%
KSA	TADAWUL ALL SHARE INDEX	6828	-0.2%	3.4%	-17.2%	10.9%	17.63	1.78	3.8%	22.5%
EM	MSCI EM TR USD	426	1.8%	2.0%	-19.3%	18.4%	13.33	1.26	3.0%	11.0%
World Sectors										
	MSCI ACWI/FINANCE	93	3.3%	4.3%	-29.0%	24.1%	11.07	0.85	4.2%	10.6%
	MSCI ACWI/INF TECH	300	1.2%	5.5%	-4.5%	47.5%	22.38	4.41	1.5%	23.3%
	MSCI ACWI/HLTH CARE	281	1.5%	4.5%	0.8%	23.3%	18.71	3.90	1.9%	23.2%
	MSCI ACWI/CONS DIS	248	1.9%	3.9%	-11.1%	28.2%	28.16	2.75	1.6%	9.0%
	MSCI ACWI/INDUSTR	204	2.6%	4.3%	-22.1%	27.2%	18.92	2.11	2.5%	9.8%
	MSCI ACWI/COMM SVC	75	1.0%	4.2%	-8.6%	25.1%	19.09	2.31	1.9%	10.2%
	MSCI ACWI/CON STPL	229	0.6%	1.4%	-8.5%	22.4%	19.82	3.63	2.9%	20.5%
	MSCI ACWI/ENERGY	128	1.6%	7.6%	-38.3%	13.9%	50.34	0.90	6.6%	3.2%
	MSCI ACWI/MATERIAL	224	2.1%	5.6%	-18.8%	20.8%	17.38	1.41	3.4%	7.7%
	MSCI ACWI /UTILITY	133	1.5%	3.0%	-11.0%	22.3%	15.92	1.55	4.0%	11.2%
	MSCI ACWI/REAL EST	916	3.0%	3.5%	-18.3%	24.0%	18.42	1.29	4.3%	9.6%

Source: Bloomberg; 10:55 am 28th April 2020

Exhibit: Energy sector in the U.S. gains last week, though the sector remains the worst performer year to date



Source: Bloomberg 27th April 2020

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