

## Global equities about to end 2019 on a high

بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

### LOOKING BACK

- Global equities about to end 2019 on a high.** While details of the US-China mini trade agreement have yet to be released, investors continued to react positively to news flow from both sides. Trump told reporters that he and his Chinese counterpart Xi would soon meet to officially sign the deal. The holiday season was marked with low trading volumes and a light economic calendar. The S&P500 gained 0.6% on the week and global equities, represented by the MSCI All Country World Index, are up almost 25% this year.
- Eurozone economic growth to slow further in 2020.** The ECB expects the Eurozone economy to grow 1.1% in 2020, down marginally from the 1.2% rate in 2019. With the outlook on global trade still uncertain and a deep slowdown in manufacturing, the bloc's economy will continue to struggle supported to an extent by easy ECB policy. A deeper slowdown is likely to compel the ECB to further ease monetary policy while prompting more calls for a fiscal stimulus.
- UK Q4 economic activity stalls.** Surveys of business activity pointed to a stalled UK economic activity in Q4. The recently concluded snap election and prolonged Brexit uncertainty put investment on hold and dragged down growth. The BoE has already downgraded its Q4 GDP growth forecast to only 0.1% as discretionary consumer spending and business investment was kept on hold due to heightened election uncertainty. While PM Johnson has secured a renewed mandate, his decision to leave the no-deal Brexit option open will continue to weigh on business investment.
- Japan's industrial output falls for two straight months.** Amid a prolonged hit to exports from muted global demand and a dip in consumer spending following the recent consumption tax hike, industrial output slipped for a second straight month in November. While authorities expect industrial output to rise 2.8% in December and 2.5% in January on the back of the recently announced fiscal measures, the November figures raise the likelihood that the economy will contract in Q4.
- Chinese industrial output improves.** Amid broad optimism surrounding the soon-to-be concluded partial trade deal between the US and China, Chinese equities extended their rally and posted their fourth straight weekly gain. Meanwhile, data pointing to surprisingly strong growth in China's industrial sector for November further supported investor sentiment. The Shanghai Composite is up 18.6% this year after a poor 2018.

### LOOKING FORWARD

- China reports its PMI figures on **Tuesday** while global manufacturing PMIs will be printed on **Thursday**. The minutes of the December FOMC meeting will be released on **Friday**.



### MAIN CROSS RATES

€ 1	→	\$ 1.1177
£ 1	→	\$ 1.3078
\$ 1	→	¥ 109.44

	Yield % (29/12)	Yield % (22/12)
Abu Dhabi 2027	2.38	2.39
KSA 2029	2.82	2.83
Dubai 2029	3.12	3.12
Qatar 2029	2.53	2.52
US 10Y	1.88	1.92
German 10Y	-0.26	-0.25

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,365	0.6%	25.5%
MSCI BRIC	341	1.2%	20.2%
MSCI EM	1,119	1.0%	15.8%
USA - S&P 500	3,240	0.6%	29.2%
UK- FTSE 100	7,645	0.8%	13.6%
France - CAC40	6,037	0.3%	27.6%
Germany - DAX	13,337	0.1%	26.3%
Japan - Nikkei 225	23,838	0.1%	19.1%
Dubai	2,765	-0.1%	9.3%
Abu Dhabi	5,050	-0.8%	2.8%
Saudi	8,353	0.7%	6.7%
Oman	3,866	-1.3%	-10.6%
Kuwait	4,896	0.7%	3.3%
Egypt	13,885	0.3%	6.5%
Qatar	10,426	0.8%	1.2%
Commodities			
Gold (\$/oz)	1,511	2.2%	17.8%
Silver (\$/oz)	18	3.3%	14.7%
Platinum (\$/oz)	946	3.8%	18.9%
Oil - Brent (\$/bbl)	68	3.1%	26.7%

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