

Equities trend higher on solid US jobs data

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LOOKING BACK

- US jobs data exceeds expectations.** The US economy added 128k jobs in October, far exceeding expectations of a 75k gain. While the unemployment rate ticked slightly higher by 0.1% to 3.6%, wages grew by a solid 3.0% year-over-year. Meanwhile, a better-than-expected Q3 earnings season so far and positive news flow surrounding the US-China "phase one" deal pushed global equities higher with the S&P500 gaining 1.5% on the week.
- Fed cuts rates, indicates no further cuts for now.** As widely expected, the US Fed cut rates by 25bps for a third time this year, while indicating that further cuts are on hold for now. Fed Chair Powell cited the strength of the US consumer and a half-century low unemployment to justify the pause while stating in his press conference that rate hikes were unlikely as long as inflation remains subdued. A cautious Powell reiterating his readiness to act based on incoming data helped the US 10-year Treasury yield edge lower by 8bps to 1.71%.
- UK to face fresh elections.** With the Brexit deadline extended to January 31, the UK Parliament voted to schedule a general election on December 12. While the election will be an unofficial vote on Brexit and a referendum on Johnson's withdrawal agreement with the EU, the outcome remains unpredictable given the polarised atmosphere and conflicting views of the various contesting parties.
- BoJ holds policy.** Despite the Fed's 25bps rate cut, the BoJ left its monetary policy unchanged, albeit with a dovish guidance, given some progress in US-China trade talks and the decreasing likelihood of a no-deal Brexit. Meanwhile, authorities have taken several fiscal steps to reduce the impact of the recent hike in consumption tax on low-income households. The Nikkei225 closed 0.2% higher while the JPY appreciated 0.4% against the USD.
- Argentina goes back to populism.** Centre-left populist leader Fernandez was elected as Argentine President in a vote dominated by economic concerns. The vote was a return to the old politics of populism and complicates outgoing Macri's reform efforts agreed with the IMF. While Fernandez has promised to respect all obligations, he has urged the IMF to allow more fiscal room and outline a reasonable path to Argentina's economic recovery. The ARS edged higher by 0.4% last week but has lost almost 60% against the USD year-to-date.

LOOKING FORWARD

- Manufacturing PMIs for the Eurozone will be released on **Monday** while the US non-manufacturing PMI will be reported on **Wednesday**. The BoE meets to review its monetary policy on **Thursday** while Eurozone retail sales figures and the services PMI will be announced on the same day. China publishes its trade balance on **Friday**.



MAIN CROSS RATES

€ 1	\$ 1.1166
£ 1	\$ 1.2946
\$ 1	¥ 108.19

	Yield % (03/11)	Yield % (27/10)
Abu Dhabi 2027	2.43	2.44
KSA 2029	2.88	2.92
Dubai 2029	3.16	3.16
Qatar 2029	2.60	2.60
US 10Y	1.71	1.79
German 10Y	-0.38	-0.36

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,252	1.3%	19.5%
MSCI BRIC	318	1.9%	12.2%
MSCI EM	1,049	1.3%	8.6%
USA - S&P 500	3,067	1.5%	22.3%
UK- FTSE 100	7,302	-0.3%	8.5%
France - CAC40	5,762	0.7%	21.8%
Germany - DAX	12,961	0.5%	22.7%
Japan - Nikkei 225	22,851	0.2%	14.2%
Dubai	2,747	-1.3%	8.6%
Abu Dhabi	5,108	-1.1%	3.9%
Saudi	7,744	-2.1%	-1.1%
Oman	4,000	0.3%	-7.5%
Kuwait	4,758	-0.1%	0.4%
Egypt	14,558	2.5%	11.7%
Qatar	10,189	-1.8%	-1.1%
Commodities			
Gold (\$/oz)	1,514	0.6%	18.1%
Silver (\$/oz)	18	0.5%	17.0%
Platinum (\$/oz)	950	2.6%	19.4%
Oil - Brent (\$/bbl)	62	-0.5%	14.7%

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