

## A conciliatory trade tone for now

بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

### LOOKING BACK

- **Trade tensions dialled down.** Early last week, conciliatory tone from Trump followed by comments from China that trade talks remain scheduled for September lifted risk sentiment. Meanwhile, China vowing not to impose retaliatory tariffs immediately against the latest US tariff hike helped dial down trade tensions. Global equities rallied on the week with the S&P500 gaining 2.8%.
- **Johnson suspends UK Parliament.** The UK's PM Johnson arranged to suspend Parliament for five weeks starting September 14 to allow lawmakers very little time to prevent a disorderly Brexit. While the move increases the chance that Johnson could face a no-confidence motion, he seems to believe it will give him greater leverage and boost his credibility at the EU negotiating table. The GBP came under renewed pressure and lost 0.9% against the USD last week.
- **Italy gets a new coalition.** In what came as a sigh of relief for investors, Italy's centre-left Democratic Party and the populist Five Star Movement agreed to form a coalition government after the League Party decided to pull out of the previous government. While the two parties are poles apart in ideology, the new partnership is expected to be a bit more market-friendly with the entry of the more centrist Democratic Party. Investors celebrated the development and bid up Italian risk assets with the FTSE MIB rising 4.2% on the week.
- **India's GDP slows to a 6-year low.** India's GDP grew at its slowest pace in over six years in the April-June quarter on account of a sharp fall in investment and subdued consumer demand. Slowdown in the auto sector, which accounts for a large chunk of manufacturing activity played a drag on growth. The slump reflects the structural nature of the slowdown and raises calls for a coordinated fiscal and monetary response.
- **Argentina seeks to restructure debt.** Amid a growing economic crisis, Argentine President Macri asked creditors for more time to repay them and also sought to renegotiate the country's bailout package with the IMF. The move seeks to support the ARS and avoid yet another default. The ARS lost 35.6% in August after Macri unexpectedly lost primary elections to populist opponent Fernandez.

### LOOKING FORWARD

- Global manufacturing PMIs will be released on **Monday** while global services PMIs will be published on **Wednesday**. The Eurozone reports its GDP on **Friday**.



### MAIN CROSS RATES

€ 1 ————— \$ 1.0982

£ 1 ————— \$ 1.2156

\$ 1 ————— ¥ 106.28

	Yield % (01/09)	Yield % (25/08)
Abu Dhabi 2027	1.94	2.10
KSA 2029	2.52	2.66
Dubai 2029	3.02	3.11
Qatar 2029	2.29	2.39
US 10Y	1.50	1.54
German 10Y	-0.70	-0.68

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,139	2.1%	13.5%
MSCI BRIC	299	1.1%	5.3%
MSCI EM	984	1.1%	1.9%
USA - S&P 500	2,926	2.8%	16.7%
UK- FTSE 100	7,207	1.6%	7.1%
France - CAC40	5,480	2.9%	15.8%
Germany - DAX	11,939	2.8%	13.1%
Japan - Nikkei 225	20,704	0.0%	3.4%
Dubai	2,759	-0.4%	9.0%
Abu Dhabi	5,166	2.5%	5.1%
Saudi	8,020	-5.0%	2.5%
Oman	4,005	0.4%	-7.4%
Kuwait	4,789	-0.2%	1.1%
Egypt	14,835	3.5%	13.8%
Qatar	10,233	3.2%	-0.6%
<b>Commodities</b>			
Gold (\$/oz)	1,520	-0.4%	18.5%
Silver (\$/oz)	18	5.5%	18.6%
Platinum (\$/oz)	934	8.9%	17.4%
Oil - Brent (\$/bbl)	60	1.8%	12.3%

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