

Positive developments in Greece and the UK

بنك الإمارات
للاستثمار

EMIRATES INVESTMENT BANK

LOOKING BACK

- **Solid US jobs data.** US equities were marginally higher on the week as investors continued to process the potential impact of tax reform and domestic politics. Meanwhile, the US economy added 228k jobs in November, higher than the expected 195k, signaling that the distortions related to the storms have largely dissipated. Average hourly earnings remain muted. Overall, slowly rising inflation, robust GDP figures and tightening labor market conditions continue to underpin the S&P500, which is up 18.4% so far this year.
- **Greece agrees terms with creditors.** The Greek government struck an agreement with its creditors for a third bailout review, paving the way for the next tranche of funds to be disbursed in mid-February, subject to the implementation of all the measures previously agreed with its creditors. Greek bonds rallied, with the 10-year yield dropping below 5.0%, the lowest level since November 2009. The Eurostoxx50 was up 1.9% last week.
- **Brexit talks move to next stage.** The UK government and the EU agreed to a deal on the contentious Brexit terms, allowing negotiations to move to the next stage. The agreement includes the financial settlement figure that the UK will have to pay as well as protocols to protect the rights of EU citizens in the UK and vice versa. The FTSE100 gained 1.3% for the week.
- **Japanese unemployment steady at two-decade low.** Japan's unemployment rate remained steady at 2.8% in October, its lowest level in 23 years. Despite labor shortages, a surging stock market, and a promising economic outlook, wages have remained stagnant. The Nikkei225 has gained 19.3% YTD while the JPY is up 3.0% versus the USD.
- **Chinese trade data suggest stability.** China's trade data surged in November, indicating solid domestic growth. Exports surged 12.3% in USD terms while imports climbed 17.7%. The uptick in imports reflects the government's efforts to rebalance the economy to more consumption and be less reliant on exports. The CNY has appreciated nearly 5.0% YTD against the USD, alleviating fears of a hard landing.

LOOKING FORWARD

- Eurozone trade data will be published on **Monday** while US CPI will be released on **Tuesday**. UK unemployment data will be published on **Wednesday** while Chinese Industrial Production (IP) will be released on **Thursday**.



MAIN CROSS RATES

€ 1	→	\$ 1.1773
£ 1	→	\$ 1.3390
\$ 1	→	¥ 113.48

	Yield % (10/12)	Yield % (03/12)
Abu Dhabi 2019	1.82	1.85
KSA 2021	2.96	2.91
Dubai 2023	3.22	3.25
Qatar 2023	3.29	3.28
US 10Y	2.38	2.36
German 10Y	0.31	0.31

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,073	0.2%	18.4%
MSCI BRIC	324	0.0%	34.2%
MSCI EM	1,111	-0.5%	28.8%
USA - S&P 500	2,652	0.4%	18.4%
UK- FTSE 100	7,394	1.3%	3.5%
France - CAC40	5,399	1.5%	11.0%
Germany - DAX	13,154	2.3%	14.6%
Japan - Nikkei 225	22,811	0.0%	19.3%
Dubai	3,393	-0.8%	-3.9%
Abu Dhabi	4,277	-0.1%	-5.9%
Saudi	7,086	1.2%	-1.7%
Oman	5,066	-0.9%	-12.4%
Kuwait	6,187	-0.2%	7.6%
Egypt	14,295	-2.0%	15.8%
Qatar	7,774	0.8%	-25.5%
Commodities			
Gold (\$/oz)	1,248	-2.5%	8.8%
Silver (\$/oz)	16	-3.5%	-0.4%
Platinum (\$/oz)	888	-5.5%	-1.6%
Oil – Brent (\$/bbl)	63	-0.5%	11.6%

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