

ECB announces dovish QE taper plan

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LOOKING BACK

- US GDP growth exceeds forecasts.** The US economy defied the impact of hurricanes, growing at a faster-than-expected annual pace of 3.0% in Q3, beating the 2.5% forecast. Real consumer spending showed continued strength while core inflation remained well below the Fed 2.0% target, coming in steady at 1.3%. The US 10-year Treasury yield continued to rise, ending the week at 2.41%, up from 2.38% a week ago.
- ECB trims QE program.** The ECB announced a slow approach to QE taper stating it will buy EUR30 bn worth of bonds each month - half the current pace - starting in January and ending in September. Draghi said that rates will stay at current levels well past the end of the QE program, keeping open the option of increasing the size and duration of QE if necessary. The German 10-year Bund yield fell 7bps on the news, to 0.38%, while the EUR lost ground versus most major currencies.
- UK bonds sell off as GDP data exceeds expectations.** UK GDP figures exceeded market expectations, growing 0.4% in Q3, up from 0.3% in Q2. Government bonds sold off on increasing prospects of an interest rate hike at the BoE's next meeting with the yield on 10-year Gilts rising to 1.40% on the news, ending the week at 1.35%.
- Japan's Abe secures supermajority.** Japan's PM Abe won a landslide victory in last weekend's general election, allowing for a push to amend the country's constitution to tackle serious issues like the threat from North Korea and revamping the country's bloated social security system. The Nikkei225 ended the week above 22,000 for the first time in 21 years. Abe said that the government will push forward with a sales tax increase scheduled to take effect in 2019 unless the economy suffers a big shock.
- Oil rallies on OPEC production cut extension hopes.** Saudi Crown Prince Salman backed the extension of OPEC production cuts beyond March 2018, making it all but certain that the agreement will be rolled over at a meeting next month. His comments gave a boost to oil prices, with Brent trading above USD60 / bbl for the first time since July 2015. OPEC and non-OPEC producers meet on November 30 to set oil policy.

LOOKING FORWARD

- China PMIs will be released and the BoJ meets to set rates on **Tuesday**, the FOMC meeting will be held on **Wednesday** while the BoE will meet on **Thursday**. On **Friday**, US jobs data will be published.



MAIN CROSS RATES

€ 1 ————— \$ 1.1608

£ 1 ————— \$ 1.3128

\$ 1 ————— ¥ 113.67

	Yield % (29/10)	Yield % (22/10)
Abu Dhabi 2019	1.70	1.65
KSA 2021	2.75	2.71
Dubai 2023	3.25	3.22
Qatar 2023	3.21	3.17
US 10Y	2.41	2.38
German 10Y	0.38	0.45

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,035	0.0%	16.2%
MSCI BRIC	324	-0.9%	34.1%
MSCI EM	1,110	-0.8%	28.8%
USA - S&P 500	2,581	0.2%	15.3%
UK- FTSE 100	7,505	-0.2%	5.1%
France - CAC40	5,494	2.3%	13.0%
Germany - DAX	13,218	1.7%	15.1%
Japan - Nikkei 225	22,008	2.6%	15.1%
Dubai	3,651	-0.6%	3.4%
Abu Dhabi	4,468	-0.8%	-1.7%
Saudi	6,911	-1.4%	-4.2%
Oman	4,959	-2.1%	-14.3%
Kuwait	6,623	-0.1%	15.2%
Egypt	13,955	1.8%	13.0%
Qatar	8,128	-0.5%	-22.1%
Commodities			
Gold (\$/oz)	1,273	-0.6%	11.0%
Silver (\$/oz)	17	-1.0%	5.9%
Platinum (\$/oz)	917	-0.8%	1.5%
Oil - Brent (\$/bbl)	60	4.7%	6.4%

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