

Global equities gain despite Middle East tensions

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LOOKING BACK

- Global equities rise despite Middle East tensions.** On Saturday, a US-led coalition conducted air strikes on Syrian chemical weapons facilities in response to a suspected chemical attack the previous weekend. Earlier in the week and despite lingering concerns over trade and a potential US military strike against Syria, developed equities climbed 1.8% on conciliatory comments from Chinese President Xi on trade, an upbeat start to US Q1 earnings season and a positive market reaction to Zuckerberg's testimony before the US Congress.
- Fed exhibits confidence on its inflation goal.** Minutes of the March FOMC meeting showed the Fed was increasingly confident it will reach its 2% inflation goal in the coming months, measured by the core Personal Consumption Expenditure (PCE). After the meeting, core CPI accelerated to 2.1% YoY in March, from 1.8% in February. Yields climbed with the US 10-year Treasury yield rising 6bps to end last week at 2.83%.
- ECB expresses growth concerns.** The minutes of the ECB's last meeting listed risks to the Eurozone economic outlook from increasing trade tensions, uncertainty surrounding Brexit and a stronger EUR. Draghi pleased the more hawkish members announcing that the Bank had dropped the easing bias but sees the EUR strength as a source of concern to the export-led bloc. The Eurostoxx50 rose 1.2% supported by the DAX which gained 1.6% on news that German CPI accelerated in March. The EUR strengthened 0.4% against the USD last week.
- Russia bears brunt of renewed sanctions.** Russian markets suffered huge declines last week after US imposed sanctions on several Russian oligarchs and 12 related companies including Rusal, one of the world's largest aluminium producers. The RUB-denominated MOEX sank almost 9.0% on the news and ended the week lower by 4.6% after recovering some of its earlier losses. Rusal shares lost more than 50% with the company stating that the sanctions could trigger a default on some of its debt. The RUB also closed lower by 6.6% against the USD.
- Oil spikes on geopolitical tensions.** Fears of a US-led military conflict in Syria propelled Brent to its strongest weekly gain in 8 months. Meanwhile, the International Energy Agency (IEA) indicated that global oil stockpiles are dwindling and approaching their five-year average. For the week, Brent gained 8.2%.

LOOKING FORWARD

- US retail sales data will be released on **Monday** while US, China & Japan report their respective Industrial Production (IP) data on **Tuesday**. On **Wednesday**, the UK and the Eurozone report their CPI figures.



MAIN CROSS RATES

| | |
|------|-----------|
| € 1 | \$ 1.2331 |
| £ 1 | \$ 1.4238 |
| \$ 1 | ¥ 107.35 |

| | Yield % (15/04) | Yield % (08/04) |
|----------------|--------------------|--------------------|
| Abu Dhabi 2021 | 3.00 | 2.91 |
| KSA 2021 | 3.51 | 3.39 |
| Dubai 2023 | 3.65 | 3.60 |
| Qatar 2023 | 3.79 | 3.71 |
| US 10Y | 2.83 | 2.77 |
| German 10Y | 0.51 | 0.50 |

| Equities | Last Price | Weekly Chg | YTD Chg |
|----------------------|------------|------------|---------|
| MSCI World | 2,089 | 1.8% | -0.7% |
| MSCI BRIC | 340 | 0.3% | 1.4% |
| MSCI EM | 1,170 | 0.7% | 1.0% |
| USA - S&P 500 | 2,656 | 2.0% | -0.6% |
| UK- FTSE 100 | 7,265 | 1.1% | -5.5% |
| France - CAC40 | 5,315 | 1.1% | 0.0% |
| Germany - DAX | 12,442 | 1.6% | -3.7% |
| Japan - Nikkei 225 | 21,779 | 1.0% | -4.3% |
| Dubai | 3,094 | 0.4% | -8.2% |
| Abu Dhabi | 4,653 | -0.8% | 5.8% |
| Saudi | 7,824 | -1.6% | 8.2% |
| Oman | 4,777 | -0.5% | -5.4% |
| Kuwait | 4,864 | -0.1% | 0.8% |
| Egypt | 17,616 | 1.2% | 17.3% |
| Qatar | 8,918 | 1.4% | 4.6% |
| Commodities | | | |
| Gold (\$/oz) | 1,346 | 1.0% | 3.3% |
| Silver (\$/oz) | 17 | 1.7% | -1.7% |
| Platinum (\$/oz) | 931 | 1.5% | 0.3% |
| Oil - Brent (\$/bbl) | 73 | 8.2% | 8.5% |

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