

## Global equities conclude 2017 on a positive note

بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

### LOOKING BACK

- **US equities finish strong year.** Amid light trading in a holiday shortened week, the S&P500 finished 2017 with a solid gain of 19.4%, ninth straight year of positive total returns for the index. Weekly economic data were broadly positive with encouraging retail sales and better-than-expected pending home sales data. The US 10-year Treasury yield finished the year almost flat at 2.4% with the Dollar Index losing ground in 2017 finishing lower by 9.9%.
- **Italy braces for elections.** President Mattarella dissolved parliament to pave the way for a general election on March 4. Italian government bonds sold off last week on political uncertainty with the yield on 10-year bonds rising to around 1.96% on Thursday, the highest level in two months. Meanwhile, the EuroStoxx50 gained 6.5% while the EUR strengthened 14.1% against the USD in 2017.
- **Japan's economy on upswing despite JPY strength.** Despite the JPY gaining 3.7% against the USD year-to-date, the Nikkei225 rose 19.1% in 2017. An improving global demand backdrop, record low levels of unemployment, continually improving industrial output and retail sales data with inflation gradually pressing higher have contributed to the strong index performance for the year.
- **Chinese economy resilient amid cautious tightening.** A slight moderation in headline PMI numbers for December highlights the resilience of the Chinese economy amid intensifying efforts to curb pollution and a push to reduce excess leverage in the economy. Growth remains robust on the back of strong global demand, targeted stimulus measures and reforms. The CNY finished the year with a gain of 6.3% against the USD.
- **Oil spikes on supply concerns.** Supply disruptions caused by a pipeline explosion in Libya resulted in a loss of roughly 90k bbl/day and led oil prices to more than 2-year highs last week. For the year, a disciplined adherence by members to the OPEC production cut agreement has gradually reduced global oil inventories with a 17.7% YTD gain for Brent.

### LOOKING FORWARD

- Global manufacturing PMIs will be released on **Tuesday** while the FOMC releases its meeting minutes on **Wednesday**. China publishes its foreign exchange reserves data on **Thursday**.



### MAIN CROSS RATES

€ 1 ————— \$ 1.2005

£ 1 ————— \$ 1.3513

\$ 1 ————— ¥ 112.69

	Yield % (31/12)	Yield % (24/12)
Abu Dhabi 2019	1.89	2.01
KSA 2021	2.99	3.01
Dubai 2023	3.21	3.29
Qatar 2023	3.41	3.35
US 10Y	2.41	2.48
German 10Y	0.43	0.42

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,103	0.2%	20.1%
MSCI BRIC	336	0.6%	38.7%
MSCI EM	1,158	1.5%	34.3%
USA - S&P 500	2,674	-0.4%	19.4%
UK- FTSE 100	7,688	1.3%	7.6%
France - CAC40	5,313	-1.0%	9.3%
Germany - DAX	12,918	-1.2%	12.5%
Japan - Nikkei 225	22,765	-0.6%	19.1%
Dubai	3,370	0.1%	-4.6%
Abu Dhabi	4,398	1.1%	-3.3%
Saudi	7,231	0.3%	0.3%
Oman	5,047	-0.3%	-12.7%
Kuwait	6,408	-0.1%	11.5%
Egypt	15,017	2.4%	21.6%
Qatar	8,526	-1.1%	-18.3%
<b>Commodities</b>			
Gold (\$/oz)	1,303	2.2%	13.5%
Silver (\$/oz)	17	3.7%	6.3%
Platinum (\$/oz)	928	1.2%	2.8%
Oil - Brent (\$/bbl)	67	2.5%	17.7%

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## EMIRATES INVESTMENT BANK

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