

Global risk assets extend rally on positive economic data

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للإستثمار

EMIRATES INVESTMENT BANK

LOOKING BACK

- US retail sales rebound strongly in September...** Retail sales rose 1.6% in September, after dropping 0.1% in August, driven mainly by strong auto sales following hurricanes that affected the US Gulf coast last month. Meanwhile, initial jobless claims for the week ending October 7 fell to 243k, their lowest level in 6 weeks. The S&P gained 0.2% over the week and touched a new all-time high of 2,555 pts on October 11th.
- ...but inflation data disappoints.** US headline inflation came in at 2.2% year-on-year (YoY) in September, 0.1% short of expectations. Similarly, core inflation printed 0.1% below expectations at 1.7% YoY. The muted inflation data led to a decrease in US yields with the 10Y yield dropping by 9bps to 2.27%.
- Catalan President refrains from declaring independence.** Although Carles Puigdemont said that the referendum gave him a mandate to call for independence of the Catalan region, he refrained from declaring independence officially and called for negotiations with Madrid instead. Spain PM Rajoy gave Puigdemont until Monday to clarify his position before for the Government decides to take any action.
- China trade data picks up.** For the month of September, exports were up 8.1% YoY, while imports jumped 18.7% YoY in USD terms. As a result of the jump in imports, the trade balance dropped by USD13.5 bn down to USD28.5 bn. Meanwhile, Foreign Direct Investment (FDI) into China rose 17.3% YoY in September, the most in more than 2 years.
- Oil rallies on Saudi Arabia exports cut.** Last week, Brent and WTI gained 2.8% and 4.4%, respectively, following the announcement made by Saudi Arabia to further cut its oil exports in November. Meanwhile, Saudi Arabia's central bank also announced it would implement a new supervisory framework requiring insurance companies to increase capital and enhance internal risk controls, which is expected to lead to a consolidation in the industry.

LOOKING FORWARD

- China inflation data will be published on **Monday**, while the same data will be released on **Tuesday** for the Eurozone and the UK. On **Wednesday**, the UK will publish its latest jobs report, while China will announce its Q3 GDP figure on **Thursday**.



MAIN CROSS RATES

€ 1	\$ 1.1820
£ 1	\$ 1.3285
\$ 1	¥ 111.82

	Yield % (15/10)	Yield % (08/10)
Abu Dhabi 2019	1.68	1.76
KSA 2021	2.67	2.70
Dubai 2023	3.19	3.23
Qatar 2023	3.13	3.09
US 10Y	2.27	2.36
German 10Y	0.40	0.46

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,028	0.7%	15.8%
MSCI BRIC	329	0.8%	35.9%
MSCI EM	1,126	2.1%	30.6%
USA - S&P 500	2,553	0.2%	14.0%
UK- FTSE 100	7,535	0.2%	5.5%
France - CAC40	5,352	-0.2%	10.1%
Germany - DAX	12,992	0.3%	13.2%
Japan - Nikkei 225	21,155	2.6%	10.7%
Dubai	3,660	1.9%	3.9%
Abu Dhabi	4,526	2.5%	-0.4%
Saudi	6,988	-3.7%	-3.1%
Oman	5,128	-1.6%	-11.3%
Kuwait	6,629	-0.5%	15.3%
Egypt	13,892	0.1%	12.5%
Qatar	8,342	2.6%	-20.1%
Commodities			
Gold (\$/oz)	1,304	2.1%	13.6%
Silver (\$/oz)	17	3.5%	9.4%
Platinum (\$/oz)	946	3.2%	4.7%
Oil - Brent (\$/bbl)	57.17	2.8%	0.6%

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EMIRATES INVESTMENT BANK

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