

Global equities rally on adjusted US trade terms

بنك الإمارات
للإستثمار

EMIRATES INVESTMENT BANK

LOOKING BACK

- Global equities gain on adjusted US trade terms.** Global equities rose with the S&P500 gaining 3.5% last week following President Trump's announcement that steel and aluminium tariffs would exclude imports from Canada and Mexico. Sentiment got a further boost as February US jobs data showed robust gains amid stagnant wages, allaying some fears the Fed may accelerate its rate hike path. The unemployment rate remained unchanged at 4.1% while average hourly earnings fell to 2.6% yoy from January's 2.8%.
- ECB revises 2018 growth forecast; leaves monetary policy unchanged.** The ECB expectedly kept its monetary policy unchanged last week but dropped its previous reference to expanding its QE program if necessary. The Bank also slightly upgraded its growth forecast for 2018 from 2.3% to 2.4%, although Draghi warned that "global factors, including rising protectionism and developments in foreign exchange and other financial markets" were the major downside risks to growth. Meanwhile, the ECB reduced its inflation forecast for 2019 from 1.5% to 1.4%.
- Bank of Japan (BoJ) reiterates ultra-accommodative stance.** The BoJ too stayed the course with its monetary policy, keeping its yield-curve control and asset purchases unchanged. Governor Kuroda reiterated his stance that the current stimulus program will remain in place and the Bank has no plans to weaken the degree of easing until the 2% inflation goal is achieved. The JPY lost 1.0% last week but has gained 5.2% against the USD year-to-date.
- China to continue focus on quality growth.** At its annual legislative meeting, China set the annual GDP growth target to about 6.5% for 2018 as the country seeks to maintain steady growth while curbing financial risk. The outgoing PBoC chief Zhou said that policymakers would depend less on credit-driven growth as China seeks higher-quality economic growth. Meanwhile, the National People's Congress approved a constitutional amendment to repeal presidential term limits, paving the way for President Xi to continue at the helm long after his 2-term limit ends in 2023.

LOOKING FORWARD

- US CPI will be released on **Tuesday** while US retail sales data will be published on **Wednesday**. India releases its trade balance on **Thursday** while Japan Industrial Production (IP) data will be released on **Friday**.



MAIN CROSS RATES

€ 1 ————— \$ 1.2307

£ 1 ————— \$ 1.3850

\$ 1 ————— ¥ 106.82

	Yield % (11/03)	Yield % (04/03)
Abu Dhabi 2021	2.96	2.96
KSA 2021	3.40	3.36
Dubai 2023	3.57	3.54
Qatar 2023	3.62	3.64
US 10Y	2.89	2.86
German 10Y	0.65	0.65

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,149	2.8%	2.2%
MSCI BRIC	356	1.7%	6.1%
MSCI EM	1,207	2.1%	4.2%
USA - S&P 500	2,787	3.5%	4.2%
UK- FTSE 100	7,225	2.2%	-6.0%
France - CAC40	5,274	2.7%	-0.7%
Germany - DAX	12,347	3.6%	-4.4%
Japan - Nikkei 225	21,469	1.4%	-5.7%
Dubai	3,157	-1.6%	-6.3%
Abu Dhabi	4,527	-1.5%	2.9%
Saudi	7,562	2.0%	4.6%
Oman	4,930	-1.6%	-2.3%
Kuwait	6,778	-0.4%	5.8%
Egypt	16,472	6.7%	9.7%
Qatar	8,308	-4.8%	-2.6%
Commodities			
Gold (\$/oz)	1,324	0.1%	1.6%
Silver (\$/oz)	17	0.4%	-2.1%
Platinum (\$/oz)	966	-0.1%	4.0%
Oil - Brent (\$/bbl)	65	1.7%	-2.1%

FOR MORE INFORMATION, PLEASE CONTACT:



Emirates Investment Bank pjsc
PO Box 5503, Dubai
Dubai Festival City, UAE



+971 4 231 7777



+971 4 231 7788



www.eibank.com

ASSET MANAGEMENT TEAM:

Nadi Bargouti, CFA

Managing Director – Head of Asset Management
nadi.bargouti@eibank.com

Yaser Al-Nimr

Director – Asset Management
yaser.alnimr@eibank.com

Fabien Paturaud, CFA

Associate Director – Asset Management
fabien.paturaud@eibank.com

Hamad Al Majidi

Senior Associate – Asset Management
hamad.almajidi@eibank.com

Joyson D'Souza, CFA

Associate – Asset Management
joyson.dsouza@eibank.com

EMIRATES INVESTMENT BANK

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