



بنك الإمارات دبي الوطني
Emirates NBD

Weekly
10 December 2017

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Equity Weekly

Global Equities

Global equities closed higher as economic data continued to remain strong and further progress was made on the Brexit deal. The MSCI World index added +0.2% 5d on the back of +0.3% 5d in the MSCI G7 index and +0.3% 5d gain in the S&P Pan Arab Composite index. Emerging market equities underperformed with the MSCI EM index losing -0.5% 5d. Volatility continued to decline across the board with the VIX index losing -16.2% 5d, the V2X index -19.8% 5d and the CBOE EM ETF Volatility index -13.2% 5d.

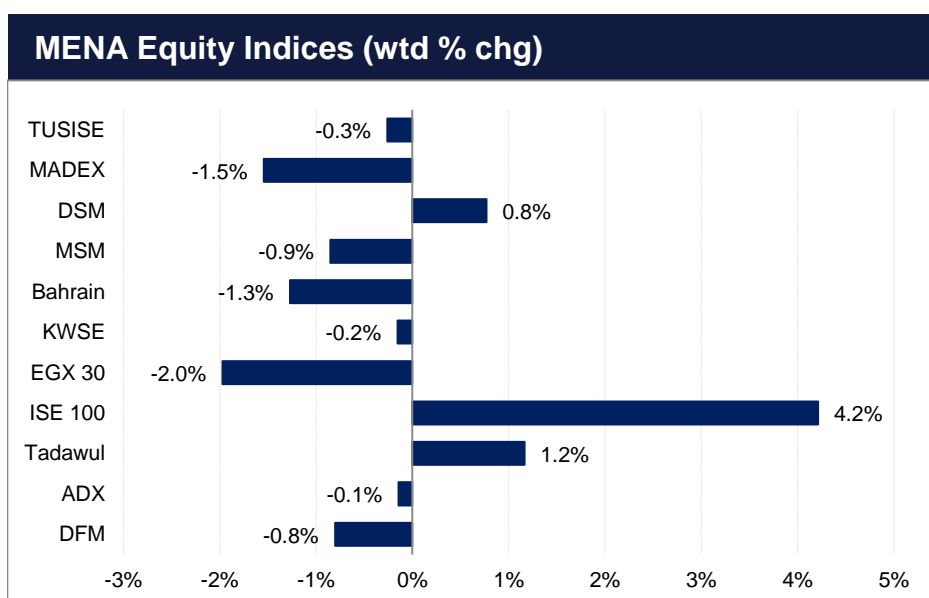
This week, the focus will remain on central banks with scheduled meetings of the Federal Reserve, the Bank of England and the European Central Bank. While the Fed is expected to raise interest rates by 25 bps, the other two are expected to remain on hold. With economic growth remaining solid, the focus will remain on the language heading into 2018. Regionally, it is expected to remain more of the same given lack of catalysts.

MENA Markets

It was a sluggish week of trading for regional equities as politics dominated headlines. While developments were aplenty, the net impact on equity markets were minimal. The S&P Pan Arab Composite index closed the week with gains of +0.3%.

UAE bourses closed lower in what was a truncated week of trading. The DFM index and the ADX index lost -1.2% wtd and -0.1% wtd respectively. The focus remained on stocks related to Emaar following information that the board meeting of Emaar Properties is scheduled for 12 December to decide on special dividend. While the parent company Emaar Properties added +2.4% wtd, both its subsidiaries Emaar Development (-3.8% wtd) and Emaar Malls (-2.8% wtd) declined substantially. Dana Gas ended the week -1.4% lower but pared losses following reports that the injunction from Sharjah Court has been lifted allowing the company to participate in the case proceedings in the UK.

Abu Dhabi National Oil Company for Distribution priced its IPO at AED 2.50 per share to raise AED 3.1bn. This was the first IPO on the Abu Dhabi Exchange in more than six years. About 90% of shares were allocated to institutional investors and 10% to retail investors. It was also reported that the retail tranche was oversubscribed 14 times. The shares are scheduled to start trading on 13 December 2017.



Source: Bloomberg

In further signs that companies are now looking to tap equity markets to raise funds, GEMS Education is reported to have appointed banks for its IPO and shares are expected to list in London.

The Tadawul held onto the 7,000 level to end the week with gains of +1.2%. Importantly, the turnover increased with average daily turnover for the week topping USD 1bn. Gains were led by telecom companies following reports about possibility of M&A action in the sector. Zain KSA and Etihad Etisalat ended the week with gains of +13.0% and +5.1% respectively. Dar Al Arkan continued its stellar run. The stock gained +35.0% 5d to take its gains over the last three weeks to +76.0%.

Developed Markets

European equities led developed market equities higher following progress in negotiation between the European Union and the United Kingdom. The final batch of Basel III rules also helped investor sentiment as it removed the overhang of banks needing to raise extra capital. The S&P 500 index added +0.4% 5d, the Euro Stoxx 600 index +1.4% 5d and the Topix index +0.4% 5d.

According to Bloomberg Sharpe ratio calculations, the risk adjusted return from US stocks is third highest in the last 50 years. This has been made possible by subdued volatility and subdued treasury yields.

Emerging Markets

Emerging markets underperformed wider equity markets with the MSCI EM index losing -0.5% 5d compared to a gain of +0.2% in the MSCI World index. The strength in the USD played its part in the decline.

Chinese stocks led the decline with the Shanghai Composite index losing -0.8% 5d. The latest bout of drop can be attributed to reports that the regulator plans to introduce quantitative indicators for management of liquidity.

Market Data

MENA Equity Indices

Index	Last Price	wtd % chg	T.Value 5d avg (USDmn)	BEst P/E	BEst P/B	Div Yield	% above 200d MA
DFM	3,393	-0.8%	83.5	11.2	1.2	4.2	30.56
ADX	4,277	-0.1%	26.0	10.9	1.3	4.7	35.59
Tadawul	7,086	1.2%	1,125.4	14.3	1.5	3.4	36.99
ISE 100	107,921	2.8%	1,455.9	8.7	1.3	2.7	56.57
EGX 30	14,295	-2.0%	42.6	11.2	2.0	2.7	80.00
KWSE	6,187	-0.2%	42.0	-	-	5.6	20.00
Bahrain	1,267	-1.3%	2.3	-	-	6.2	-
MSM	5,066	-0.9%	4.7	11.1	1.0	5.2	23.33
Qatar Exchange	7,774	0.8%	51.2	11.7	1.4	5.0	-
MADEX	10,103	-1.7%	9.0	18.8	2.8	3.7	80.00
TUSISE	6,206	-0.1%	1.2	20.9	4.2	2.2	48.89

Developed Market Indices

Dow Jones	24,329	0.4%	8,146.6	19.4	3.8	2.2	90.00
S&P 500	2,652	0.4%	42,009.0	19.8	3.2	1.9	78.13
Nasdaq	6,840	-0.1%	27,004.9	24.2	4.1	1.0	59.97
FTSE 100	7,394	1.3%	5,753.8	15.0	1.9	4.2	58.42
Dax	13,154	2.3%	4,353.7	14.9	1.8	2.8	68.97
Cac 40	5,399	1.5%	4,110.1	15.8	1.6	3.1	75.00
Swiss	9,319	0.5%	2,879.9	19.1	2.5	3.3	80.00
Nikkei	22,811	0.0%	15,757.0	19.2	1.9	1.7	86.67
Australia	5,994	0.1%	3,270.9	16.3	2.0	4.3	77.00
Stoxx 600	389	1.4%	31,183.7	16.2	1.9	3.3	67.56

Emerging Market Indices

Hong Kong	28,640	-1.5%	6,866.4	12.8	1.3	3.6	68.00
Shanghai	3,290	-0.8%	28,116.8	14.5	1.6	1.9	22.03
Korea	2,464	-0.5%	5,388.8	10.6	1.1	1.4	37.43
Sensex	33,250	1.3%	98.2	21.8	2.9	1.2	70.97
Nifty	10,266	1.4%	1,494.7	20.8	2.9	1.3	74.00
Karachi	39,080	-2.3%	43.1	8.9	1.4	6.2	10.34
Taiwan	10,399	-1.9%	4,377.3	14.7	1.8	3.9	55.57
Bovespa	72,732	0.6%	1,995.3	13.9	1.6	2.5	70.69
Micex	2,105	0.0%	451.0	7.1	0.8	4.9	54.00
Jo'burg	58,012	-2.4%	1,821.9	15.9	1.9	2.8	50.63
Vietnam	940	-2.1%	212.7	19.4	3.0	2.4	57.43
Jakarta	6,031	1.3%	374.0	17.5	2.6	2.0	40.44

Source: Bloomberg, BEst – Bloomberg Estimate

Relative Valuations

Benchmark Equity Indices

Index	Last Price	wtd % chg	1m % chg	Ytd % chg	BEst P/E	BEst P/B	Div Yield
MSCI World	2,073	0.2%	1.6%	18.4%	18.14	2.36	2.34
MSCI G7	1,878	0.3%	1.9%	18.4%	18.33	2.44	2.18
MSCI EM	1,111	-0.5%	-1.6%	28.8%	13.77	1.69	2.32
MSCI FM	627	0.8%	3.8%	25.5%	13.98	1.85	2.91
S&P Pan Arab	668	0.3%	0.4%	-2.2%	8.41	1.46	3.84
DUAE INDEX	3,280	-0.3%	-1.5%	-0.2%	10.85	1.30	4.11
DKUW INDEX	3,338	-0.7%	2.5%	10.3%	-	-	-
DQAT INDEX	4,834	1.9%	-1.4%	-21.1%	12.15	1.49	3.92
DKUS INDEX	2,728	-0.6%	5.3%	12.4%	16.08	1.79	2.50
DQAS INDEX	6,475	1.4%	-0.8%	-19.6%	12.72	1.63	5.54

Relative to S&P Pan Arab Composite Index

Index	PE	PB	Dvd Yield	Index	PE	PB	Dvd Yield
DFM	33.0%	-20.6%	9.1%	Bahrain	-	-	61.5%
ADX	29.1%	-10.6%	22.0%	MSM	32.0%	-31.4%	35.0%
Tadawul	70.6%	4.5%	-11.9%	Qatar	39.7%	-5.8%	31.2%
KWSE	-	-	46.7%	TUSISE	149.1%	189.26%	-41.6%

Relative to MSCI G7 Index

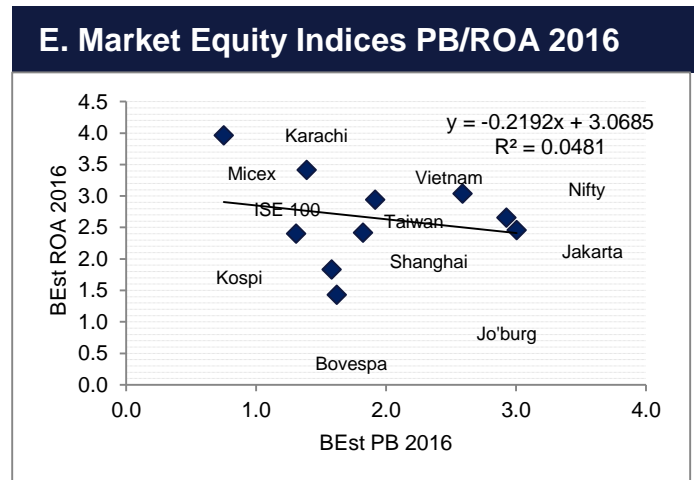
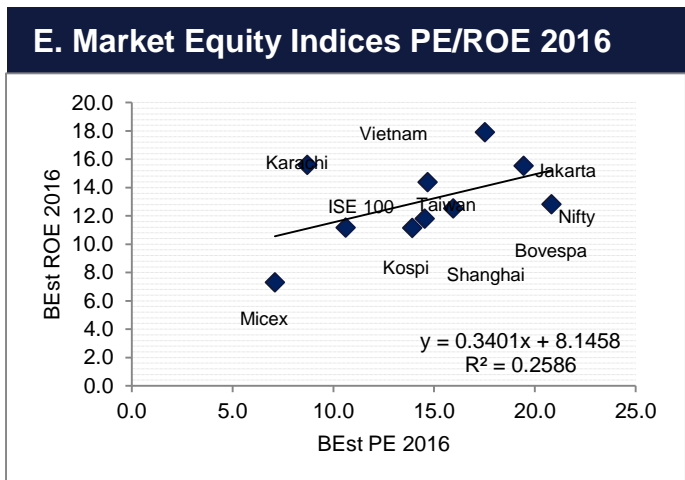
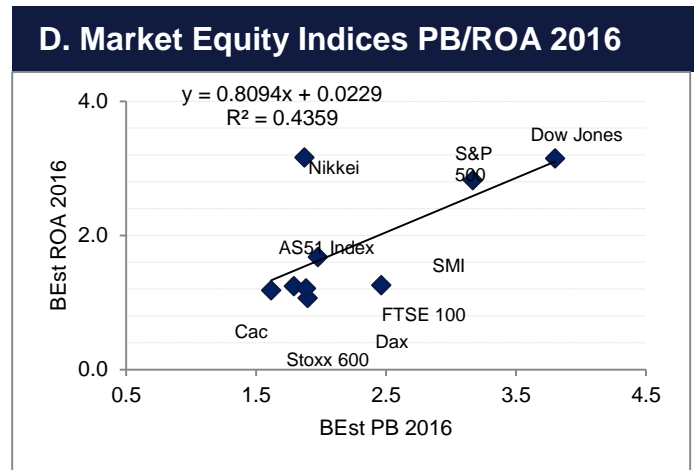
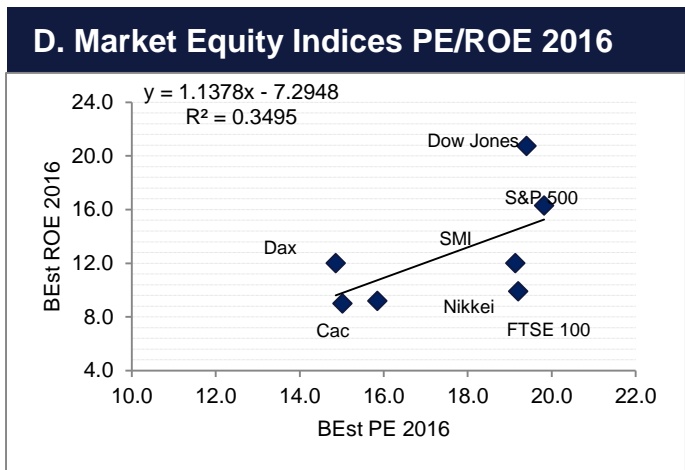
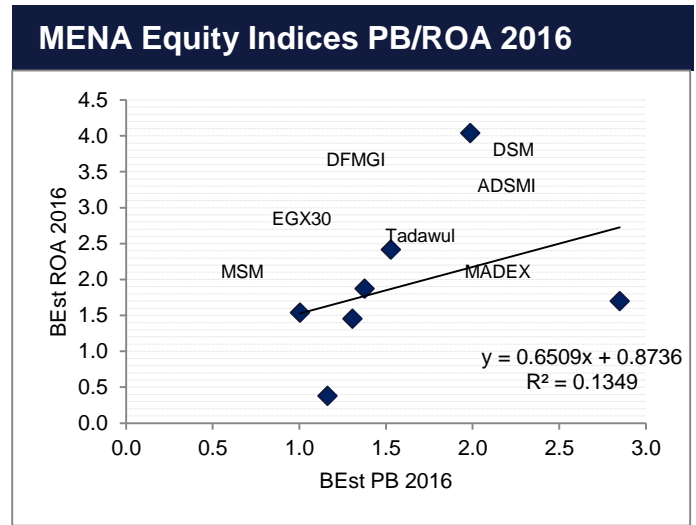
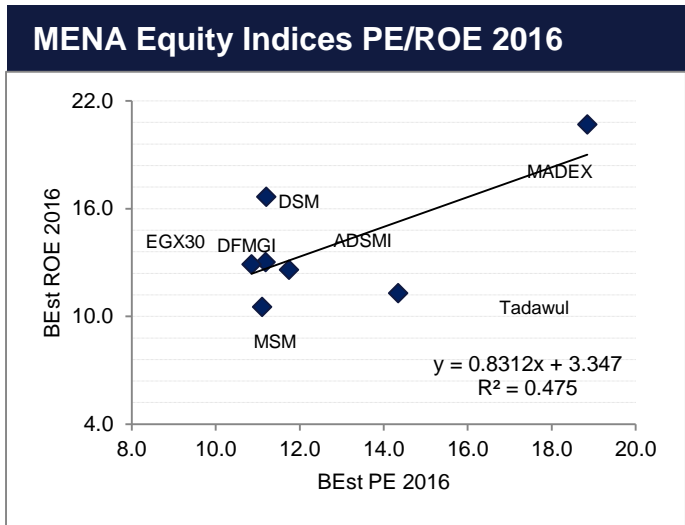
Dow Jones	5.8%	55.5%	-0.9%	Cac 40	-13.6%	-33.9%	41.8%
S&P 500	8.1%	29.6%	-13.7%	Swiss	4.4%	0.8%	49.6%
Nasdaq	31.9%	68.2%	-52.7%	Nikkei	4.7%	-23.4%	-22.5%
FTSE 100	-18.1%	-22.4%	90.4%	Australia	-11.0%	-19.2%	97.7%
Dax	-19.0%	-26.7%	28.0%	Stoxx 600	-11.6%	-22.9%	53.2%

Relative to MSCI Emerging Market Index

Hong Kong	-6.9%	-21.7%	54.2%	Jo'burg	15.8%	13.4%	21.2%
Shanghai	5.5%	-4.2%	-18.4%	Vietnam	41.2%	77.6%	4.6%
Korea	-22.9%	-34.1%	-38.5%	Jakarta	27.2%	53.1%	-12.1%
Sensex	58.1%	72.0%	-49.0%				
Nifty	51.2%	72.9%	-43.3%				
Karachi	-35.0%	-17.9%	168.8%				
Taiwan	6.6%	7.8%	67.4%				
Bovespa	1.0%	-6.5%	6.6%				
Micex	-48.4%	-55.5%	110.4%				

Source: Bloomberg, BEst – Bloomberg Estimate

Relative Valuations



Source: Bloomberg

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