



بنك الإمارات دبي الوطني
Emirates NBD

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Equity Weekly

Global Equities

Global equity markets remained largely unperturbed as investors preferred to be in a wait and watch mode. The negative fall-out over North Korea was largely offset by a relatively quick agreement in the US on extending the debt ceiling. The MSCI World index closed flat amid mixed performance of its sub-indices. The MSCI EM index closed flat, the MSCI G7 index dropped -0.1% 5d while the MSCI Arabian Markets index gained +0.8% 5d. Volatility did increase across the board with the VIX index and the V2X index adding +14.5% 5d and +3.3% 5d respectively. The CBOE EM ETF Volatility index added +7.6% 5d.

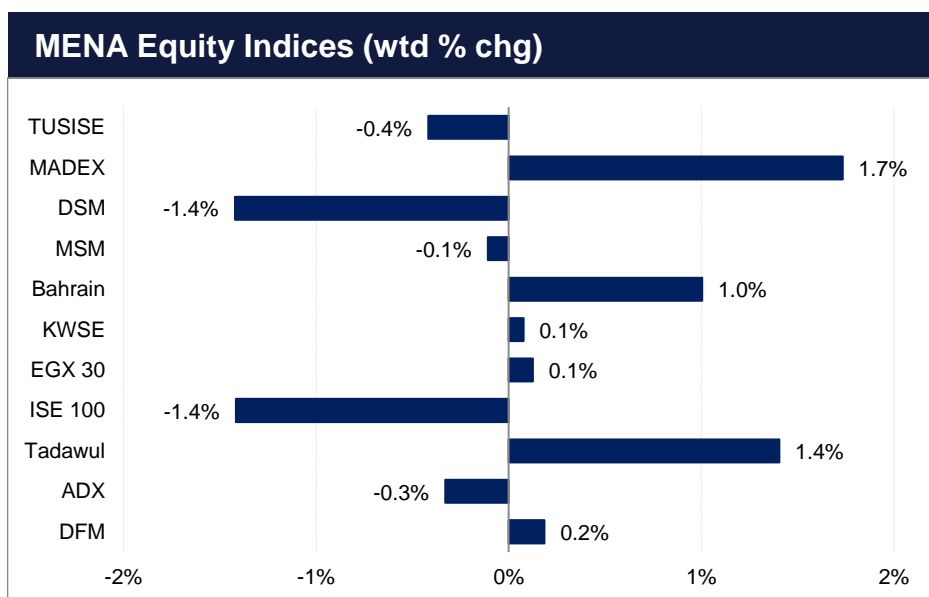
While most of the focus will remain on the progress of Hurricane Irma in the US, investors will also watch out for economic data releases in the US and the Bank of England meeting in the UK. Regionally, the markets should see enhanced participation from investors following the end of what appeared to be a fairly lengthy summer.

MENA Markets

It was a truncated week of trading for most regional markets as they reopened gradually after Eid holidays. Volumes continued to remain sluggish. The S&P Pan Arab Composite index gained +0.8% 5d.

UAE bourses closed mixed with the DFM index adding +0.2% wov and the ADX index losing -0.3% wov. Dana Gas was the notable performer as the stock gained +28.1% wov following the announcement that Pearl Petroleum has reached a USD 1bn agreement with Kurdistan Regional Government of Iraq. According to comments from the company's CEO, Pearl Petroleum shareholders will get USD 600mn of the USD 1bn settlement amount and the remaining will be used to fund projects at gas fields. Dana Gas, which has a 35% share in Pearl Petroleum, is expected to get USD 210mn.

Emaar Properties gained +2.2% wov to close at its highest level since December 2014. In an environment dominated by lack of corporate catalysts it is not surprising to see investors' building position in the stock ahead of the dividend payment sometime in November 2017 from the spinoff of its UAE real estate business.



Source: Bloomberg

The Tadawul (+1.4% wow) continues to build on recent gains ahead of the FTSE decision on including the market in the EM index. Banking sector stocks are leading the recent rally with the Tadawul Banking index closing at year to date highs. National Commercial Bank and Samba closed the week with gains of +3.6% and +1.4% respectively.

Elsewhere, the Qatar Exchange (-1.4% wow) continues to suffer from the ongoing political stalemate with other GCC countries. Foreign investors continue to pare their position in Qatari stocks as the index closed at new post-sanction lows. The decline was led by market heavyweights with Qatar National Bank and Industries Qatar losing -2.0% wow and -2.8% wow.

Developed Markets

There were plenty of headlines last week including a nuclear test by North Korea, agreement between the Democrats and the US President Donald Trump to extend the debt ceiling and concerns over the impact of cyclone Irma. However, none of these seemed to have a lasting impact on developed market equities as they remained largely range bound. The S&P 500 index, the Euro Stoxx 600 index and the Topix index declined -0.4% 5d, -0.2% 5d and -1.6% 5d respectively.

Ahead of the German elections in the last week of September 2017, the DAX index has outperformed its regional peers. The index rallied +1.3% 5d compared to a drop of -0.1% in the MSCI G7 index. Having said that, the options market does suggest that notwithstanding the gains, investors do retain a sense of skepticism. The cost of three-month DAX puts versus calls is at its highest level in more than a year.

Emerging Markets

The lingering tensions over North Korea did little to deter investors' confidence in emerging markets. The broad MSCI Emerging Markets index closed flat while the MSCI BRIC index added +0.2% 5d.

According to data from EPFR, emerging markets had inflows of USD 1.12bn (0.1% of AuM) to bring its accumulated year to date inflows to USD 54.6bn. The inflows were driven mainly by ETFs as mutual funds saw an outflow of USD 210mn.

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	3,644	0.2%	49.9	11.0	1.2	3.9	47.22
ADX	4,454	-0.3%	83.4	12.0	1.3	4.6	45.90
Tadawul	7,361	1.4%	605.4	14.9	1.6	3.2	47.67
ISE 100	108,452	-0.2%	1,449.5	9.2	1.3	2.5	87.88
EGX 30	13,433	0.1%	36.2	11.4	1.9	2.4	66.67
KWSE	6,897	0.1%	52.5	-	-	5.3	63.64
Bahrain	1,316	1.0%	1.0	-	-	6.0	-
MSM	5,047	-0.1%	5.1	10.4	1.0	5.2	16.67
Qatar Exchange	8,675	-1.4%	44.5	13.6	1.7	4.0	-
MADEX	10,310	0.9%	13.4	19.4	2.8	4.0	84.44
TUSISE	6,318	-0.5%	0.7	20.2	4.1	2.2	63.16

Developed Market Indices

Dow Jones	21,798	-0.9%	6,426.8	17.8	3.5	2.4	63.33
S&P 500	2,461	-0.6%	32,773.7	18.8	3.0	2.0	64.34
Nasdaq	6,360	-1.2%	20,300.2	23.8	3.8	1.1	48.65
FTSE 100	7,378	-0.8%	5,382.2	15.2	1.9	4.2	61.39
Dax	12,304	1.3%	3,438.5	13.5	1.7	3.0	53.33
Cac 40	5,113	-0.2%	3,586.6	15.1	1.5	3.3	74.36
Swiss	8,912	-0.3%	2,193.5	17.9	2.4	3.4	85.00
Nikkei	19,275	-2.1%	10,923.6	16.6	1.6	2.0	48.44
Australia	5,673	-0.9%	3,048.8	15.8	1.9	4.5	56.50
Stoxx 600	376	-0.2%	25,921.9	15.7	1.8	3.4	68.84

Emerging Market Indices

Hong Kong	27,668	-1.0%	3,571.7	12.5	1.3	3.7	96.00
Shanghai	3,365	-0.1%	39,949.8	14.8	1.6	1.9	38.00
Korea	2,344	-0.6%	4,141.3	10.0	1.1	1.5	40.22
Sensex	31,687	-0.7%	75.3	20.6	2.9	1.2	61.29
Nifty	9,934	-0.4%	1,337.5	20.0	2.8	1.3	68.63
Karachi	41,401	0.5%	59.2	8.9	1.5	5.3	20.83
Taiwan	10,610	0.1%	3,668.5	15.1	1.8	3.8	72.40
Bovespa	73,079	1.6%	2,221.4	14.2	1.6	2.7	93.22
Micex	2,033	1.1%	540.3	6.9	0.7	5.1	57.14
Jo'burg	55,725	-1.4%	1,864.2	16.0	1.9	2.9	57.06
Vietnam	801	1.6%	133.1	14.6	2.5	2.7	66.32
Jakarta	5,857	-0.1%	328.9	16.7	2.5	2.0	48.48

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	1,965	-0.1%	1.4%	12.2%	17.30	2.24	2.48
MSCI G7	1,764	-0.1%	1.3%	11.2%	17.43	2.31	2.31
MSCI EM	1,091	0.0%	4.6%	26.5%	13.58	1.64	2.39
MSCI FM	600	0.7%	4.2%	20.2%	12.90	1.68	3.24
S&P Pan Arab	700	0.8%	1.2%	2.5%	13.42	1.50	3.68
DUAE INDEX	3,480	-0.3%	-2.0%	5.5%	11.73	1.37	3.89
DKUW INDEX	3,681	1.6%	6.1%	21.6%	-	-	-
DQAT INDEX	5,310	-1.6%	-7.5%	-13.4%	11.82	1.50	3.59
DKUS INDEX	3,004	1.4%	6.9%	23.8%	14.82	1.60	3.31
DQAS INDEX	6,924	-1.2%	-7.4%	-14.0%	13.57	1.62	4.93

Relative to S&P Pan Arab Composite Index

Index	PE	PB	Dvd Yield	Index	PE	PB	Dvd Yield
DFM	-18.3%	-17.8%	5.9%	Bahrain	-	-	61.9%
ADX	-10.8%	-12.1%	25.5%	MSM	-22.2%	-36.3%	42.0%
Tadawul	10.7%	4.5%	-12.2%	Qatar	1.2%	11.8%	7.7%
KWSE	-	-	42.9%	TUSISE	50.4%	173.85%	-39.5%

Relative to MSCI G7 Index

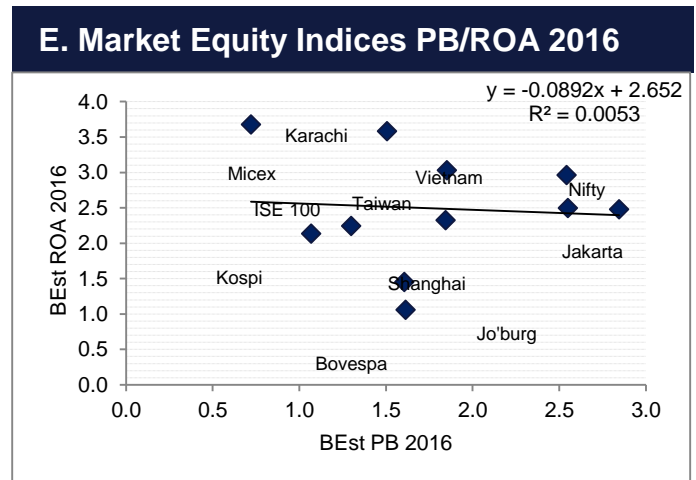
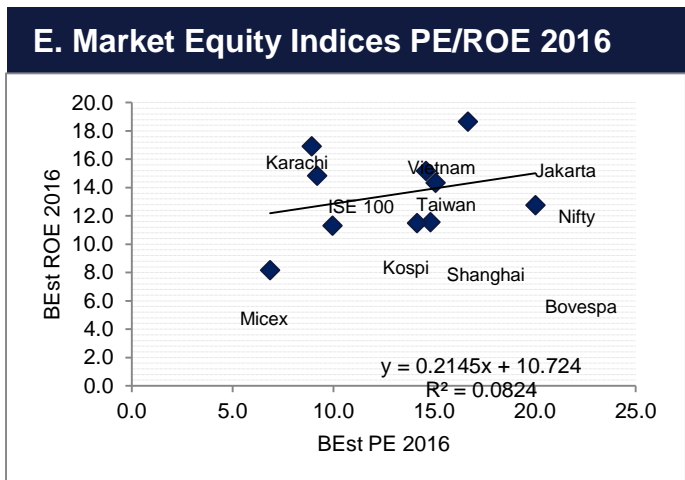
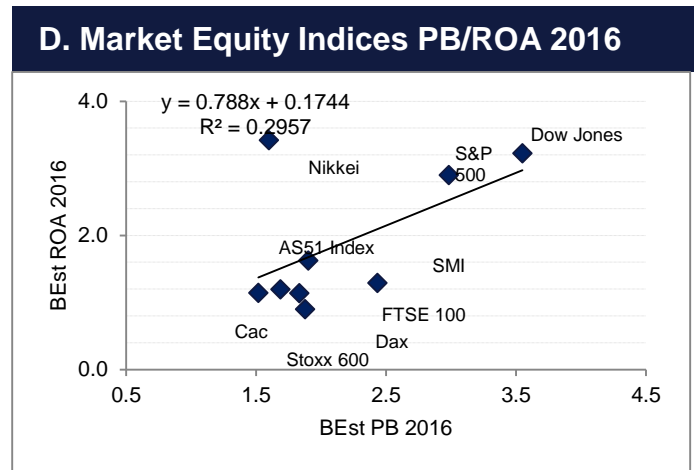
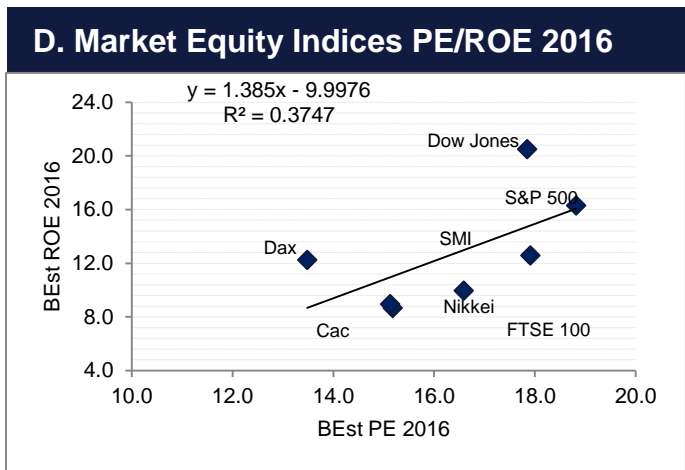
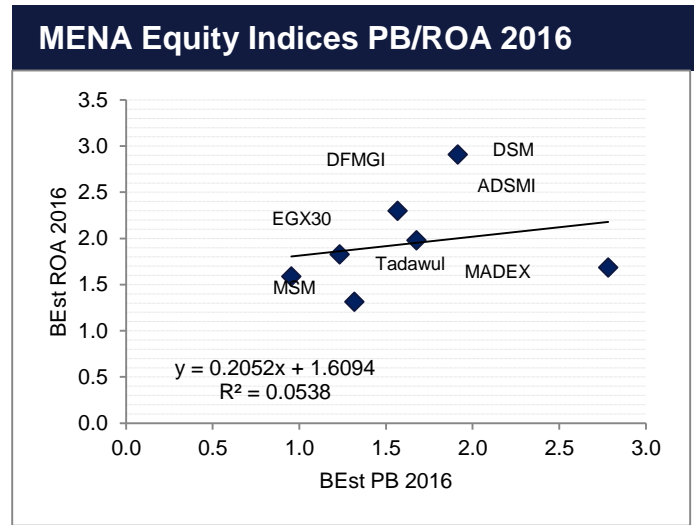
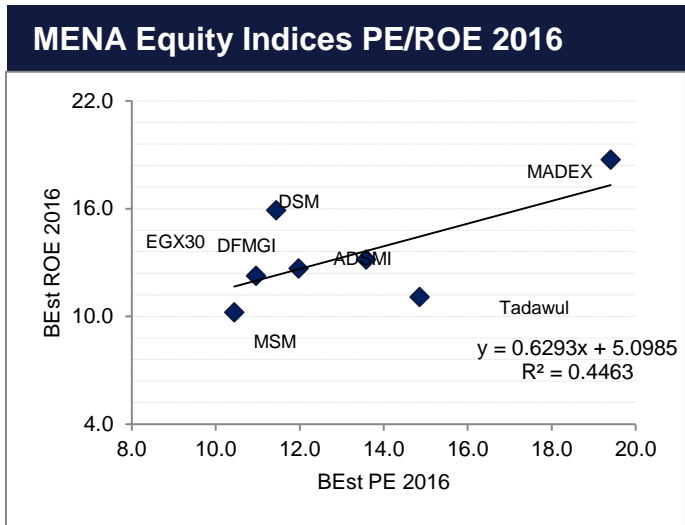
Dow Jones	2.4%	54.0%	4.6%	Cac 40	-13.2%	-34.1%	41.4%
S&P 500	7.9%	29.5%	-13.1%	Swiss	2.7%	5.6%	45.3%
Nasdaq	36.3%	66.8%	-53.3%	Nikkei	-4.8%	-30.7%	-15.3%
FTSE 100	-12.9%	-18.5%	81.2%	Australia	-9.1%	-17.5%	92.4%
Dax	-22.6%	-26.7%	29.3%	Stoxx 600	-9.8%	-20.5%	48.7%

Relative to MSCI Emerging Market Index

Hong Kong	-7.7%	-21.7%	52.8%	Jo'burg	18.0%	12.6%	21.6%
Shanghai	9.1%	-1.9%	-22.0%	Vietnam	7.5%	55.0%	13.5%
Korea	-26.6%	-35.0%	-37.0%	Jakarta	22.8%	54.6%	-14.4%
Sensex	52.0%	76.5%	-49.7%				
Nifty	47.6%	73.0%	-44.5%				
Karachi	-34.3%	-8.4%	121.9%				
Taiwan	11.0%	12.1%	58.6%				
Bovespa	4.3%	-2.4%	12.9%				
Micex	-49.5%	-56.2%	113.3%				

Source: Bloomberg, BEst – Bloomberg Estimate

Relative Valuations



Source: Bloomberg

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