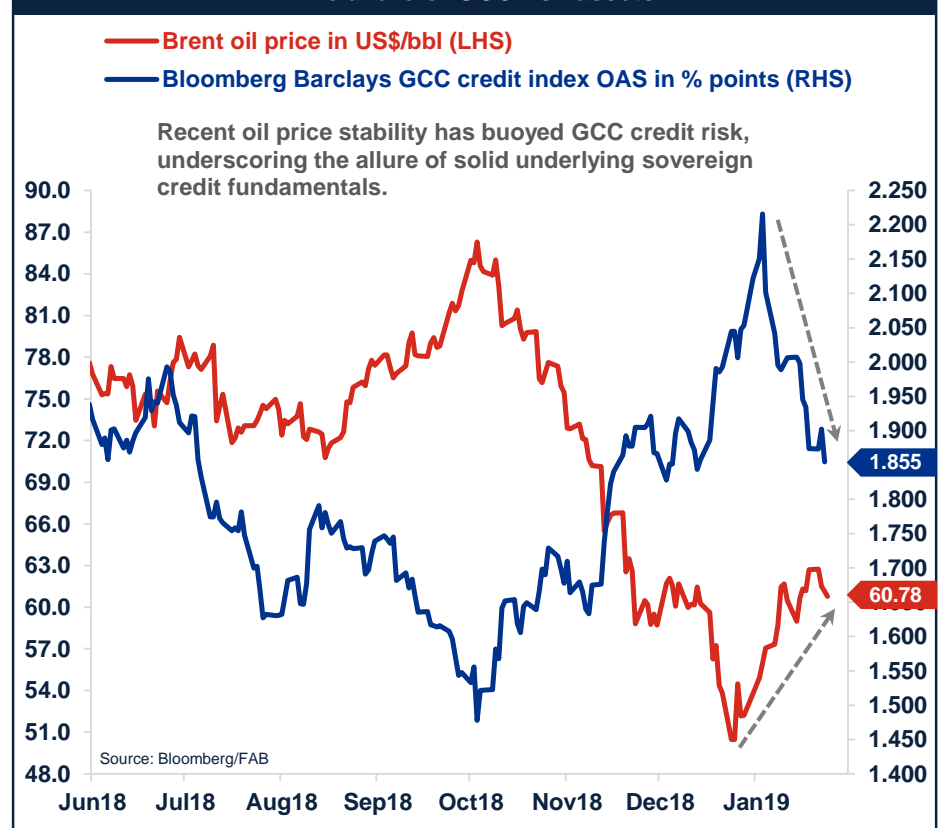


Market Insights & Strategy  
 Global Markets

## Daily Market Chatter

**Macro Strategy View: Don't look to the ECB for inspiration**

- With little 'new' news for the market to grab hold of at the moment with regard to the global macro outlook and the overhang of U.S./Sino trade concerns etc., and with no real market-moving strategic headlines coming out of Davos yet, investors may turn to the latest ECB monetary policy announcement this afternoon (16.45 UAE time) in the hope of finding some inspiration. Sadly, they may be left disappointed.
- While the ECB ended its asset purchase program at the end of December – it now just reinvests principal payments from maturing securities – the backdrop of slowing global growth suggests that the Bank will effect no change in rates or policy today. Indeed, the market is currently not expecting any change (hike) in ECB rates this year and in the context of some of the recent weak macro data seen in the Eurozone, the German government bond curve remains in negative yield territory out to the 7Y tenor. Once again, therefore, it will be all about what ECB president Draghi says, rather than what he does.

**The allure of GCC risk assets**


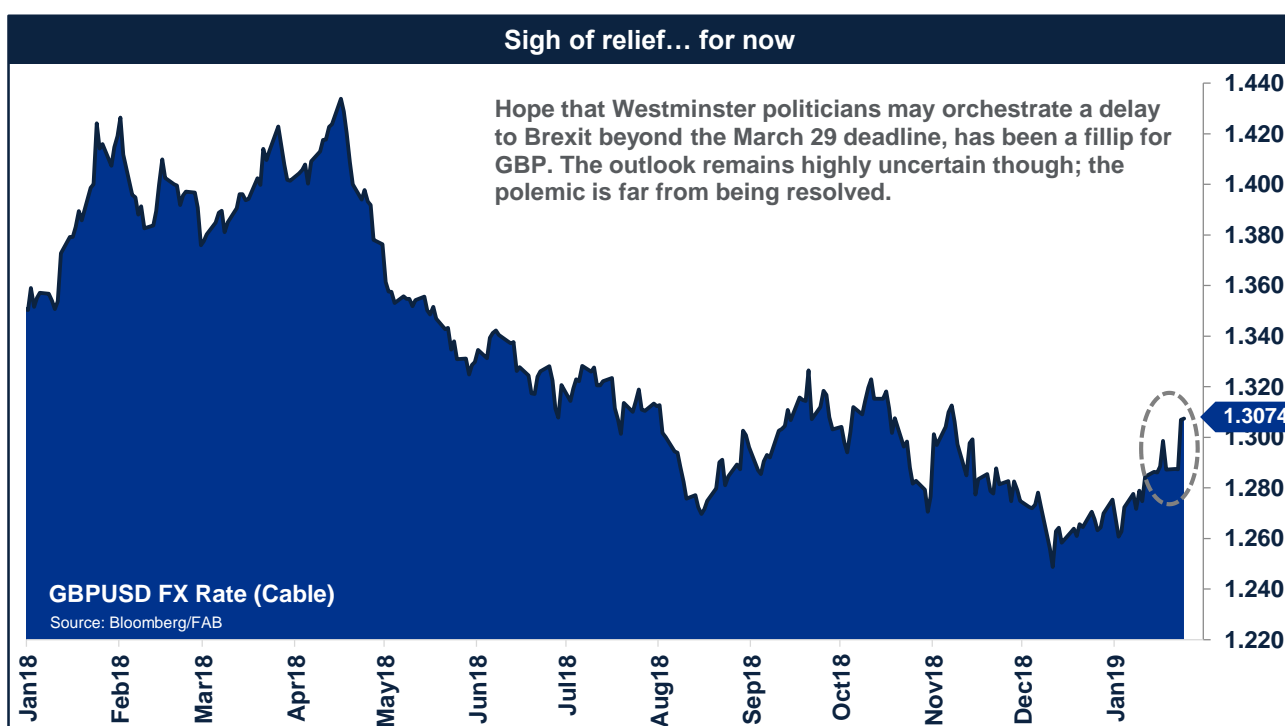
- In the meantime MENA/GCC markets seem set to open with a firm but muted tone. Asian equity markets trading mixed this morning. As of 9.50am UAE, Nikkei was down 0.2% and Hang Seng up 0.2%, while the Asia iTraxx credit indices are quoted tighter, led by the iTraxx Australia 5y (-1.12bp).

 24<sup>th</sup> January 2019

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- GBP is breathing a small sigh of relief as we head toward the weekend. Political friction in London between the Brexiteers and Remainers remains acute, but efforts are underway by some politicians to bring about legislation that could at least delay the U.K.'s exit from the EU beyond the current March 29 deadline, allowing more time to negotiate the as-yet unattainable 'deal'.



- The polemic remains toxic though. Such is the divided nature of Parliament – and indeed the U.K. as a whole – on this matter that we believe it remains unlikely that Westminster will agree a near-term resolution, certainly not without political fallout. All of which will likely keep U.K. risk asset and GBP volatility elevated in the run up to March 29.

### Major Rates & FX Pairs

UST Yield	Prev day Close	Change (basis points)				
		1D	1W	1M	1YR	YTD
5Y	2.58%	-0.1	+3.9	-0.3	+14.2	+6.6
10Y	2.74%	+0.2	+1.9	+0.2	+9.4	+5.8
30Y	3.06%	+0.2	-0.9	+6.8	+13.4	+4.8

Source: Bloomberg

\$ Mid Swap	Prev day Close (bps)	Change (basis points)				
		1D	1W	1M	1YR	YTD
5Y	265.8	-0.3	+2.7	+0.0	+15.3	+8.8
10Y	277.2	-0.1	+1.6	+1.0	+9.7	+6.7
30Y	288.3	+0.6	+0.9	+3.0	+9.6	+4.5

Source: Bloomberg

Currency Cross	Prev day Close	% Change				
		1D	1W	1M	1YR	YTD
EUR USD	1.1381	+0.18%	-0.10%	-0.22%	-8.28%	-0.75%
GBP USD	1.3069	+0.89%	+1.43%	+2.86%	-8.24%	+2.47%
USD JPY	109.60	+0.21%	+0.47%	-0.77%	+0.35%	-0.08%

Source: Bloomberg

Currency Cross	Prev day Close	% Change				
		1D	1W	1M	1YR	YTD
USD TRY	5.2850	-1.05%	-0.98%	+0.00%	+41.36%	-0.08%
USD INR	71.3338	-0.15%	+0.14%	+1.69%	+12.00%	+2.24%
USD IDR	14,188.0	-0.23%	+0.42%	-2.51%	+6.56%	-1.40%

Source: Bloomberg

## MENA Credits

Indices	Prev day Close (bps)	Change (basis points)				
		1D	1W	1M	1YR	YTD
JPMEMBI Sov	393.9	-8.4	-11.8	-42.4	+75.3	-51.4
Sovx CEEMEA	61.1	-1.9	-7.7	-17.7	+28.1	-17.6
Itrax Xover	331.8	+1.0	+5.3	-32.4	+100.1	-20.9

Source: Bloomberg

CDS	Prev day Close (bps)	Change (basis points)				
		1D	1W	1M	1YR	YTD
Abu Dhabi 5Y	64.7	-1.1	-3.7	-3.9	+12.0	-2.4
Kuwait 5Y	66.8	+0.0	+0.0	+1.0	+16.2	+1.0
Qatar 5Y	74.6	-1.4	-3.8	-9.6	-18.8	-7.8
KSA 5Y	90.9	-2.5	-4.5	-13.9	+9.6	-13.7
Dubai 5Y	132.5	-0.6	-4.4	-1.3	+16.3	+3.3
Oman 5Y	308.2	-3.5	-10.3	-20.1	+64.1	-16.0
Bahrain 5Y	272.7	-2.3	-19.4	-13.2	+18.1	-18.9

Source: Bloomberg

## Major Commodities Prices

Commodities	Prev day Close	Change				
		1D	1W	1M	1YR	YTD
WTI Oil \$/bbl	52.62	+0.10%	+0.59%	+23.72%	-19.80%	+15.88%
Brent Oil \$/bbl	61.14	-0.59%	-0.29%	+21.14%	-13.31%	+13.64%
Gold spot \$/oz	1,282.7	-0.19%	-0.85%	+1.06%	-5.58%	+0.02%
Silver spot \$/Troy oz	15.371	+0.21%	-1.42%	+4.03%	-12.44%	-0.80%
Aluminium 3MO \$	1,909.0	+1.38%	+2.69%	+0.00%	-14.38%	+3.41%
Nickel 3MO \$	11,700	+0.99%	+0.60%	+7.59%	-8.95%	+9.45%
Copper 3MO \$	5,952	+0.28%	-0.31%	-0.66%	-14.03%	-0.23%

Source: Bloomberg

## Major Equities Markets

Major Stock Markets	Prev day Close	Change				
		1D	1W	1M	1YR	YTD
<b>GLOBAL</b>						
Dow Jones Inds. Avg	24,576	+0.70%	+1.52%	+12.77%	-6.39%	+5.35%
S&P 500	2,639	+0.22%	+0.86%	+12.23%	-7.01%	+5.26%
Nasdaq Composite	7,026	+0.08%	-0.13%	+13.45%	-5.25%	+5.89%
Nikkei	20,594	-0.14%	+0.74%	+2.12%	-13.98%	+2.89%
Hang Seng	27,008	+0.01%	+0.39%	+5.29%	-18.05%	+4.50%
Shanghai	2,581	+0.05%	+0.41%	+2.14%	-27.49%	+3.49%
Mumbai Sensex	36,108	-0.92%	-0.59%	+1.80%	-0.15%	+0.11%
DAX	11,072	-0.17%	+1.28%	+4.12%	-17.47%	+4.85%
CAC 40	4,840	-0.15%	+0.62%	+4.63%	-11.92%	+2.32%
FTSE 100	6,843	-0.85%	-0.29%	+2.35%	-10.47%	+1.71%
DJ Stoxx 50	3,112	-0.02%	+1.13%	+4.65%	-14.58%	+3.69%
FTSE MIB Index	19,400	-0.19%	-0.40%	+5.45%	-17.87%	+5.87%
SMI Index	8,957	-0.10%	+0.94%	+6.41%	-6.18%	+6.26%
<b>MENA</b>						
Abu Dhabi – ADX	4,971	+0.30%	-0.24%	+3.18%	+7.42%	+1.13%
Dubai – DFM	2,517	+0.93%	+0.65%	+2.30%	-27.33%	-0.50%
Saudi Arabia	8,466	+0.79%	+0.71%	+9.04%	+13.20%	+8.17%
Qatar	10,650	-0.35%	-1.04%	+2.73%	+13.80%	+3.41%
Bahrain	1,362	+0.68%	+1.64%	+3.67%	+1.83%	+1.82%
Kuwait (Premier Market)	5,482	-0.35%	+0.26%	+3.35%	+8.77%	+4.07%
Oman	4,166	-0.38%	-2.16%	-4.14%	-16.24%	-3.65%
Egypt	13,507	+0.24%	-0.03%	+5.65%	-10.97%	+3.61%
Turkey	100,141	+0.47%	+4.96%	+9.41%	-16.30%	+9.72%

Source: Bloomberg

## Overnight market headlines

### Global News

- No-deal Brexit risk recedes as German, French officials indicate delay could be an option
- China's vice-president dismisses growth fears
- Japan manufacturing expansion stalls, adding to global fears
- Asia stocks on cautious tone amid US political standoff, growth fear and ECB decision; Oil holds losses as economic outlook darkens, US supply rises

### Middle East & Africa News

- Dubai Investments Park mandates banks for a potential US\$ 5-year Sukuk
- Aramco is said to seek advisers for landmark dollar bond, loan
- Dubai's DEWA plans to spend \$2.2bn on energy projects in 2019, but has no plans to tap the bond market to finance spending, CEO Al Tayer says
- Damac chairman says looking to trim costs and pay down debt of \$500m by year-end; says Damac could plough \$1.3b into London property
- Dubai's DP World raises stake in Australian port operator
- Commercial Bank of Dubai net profits rise 16% to hit AED 1.16bn in 2018
- Saudi Arabia's finance minister says will support Lebanon 'all the way'
- Financials lift Dubai stock index on Wednesday, most major Gulf markets gain

*Please refer to our daily news summary if you wish to read the full articles*

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