

## HEADLINES



- North Korean Supreme Leader Kim Jong Un visited Russian President Vladimir Putin last week by travelling to Russia in a luxury armoured train, marking the first summit between both parties in 4 years. The meeting, which was held at Russia's Vostochny Cosmodrome space centre in the Amur region, the U.S. believes focused on Pyongyang's plans to send arms to assist Moscow in the Russia Ukraine War. Kim Jong Un, who called the talks "epoch making," extended an invite to Putin, to visit the DPRK (the Democratic People's Republic of Korea). Putin accepted the invitation highlighting his desire to continue the Russia-DPRK friendship. Putin met Kim Jong Il, Kim Jong Un's father, in 2000 in North Korea. North Korea has some of the world's largest supplies of ammunition which is interoperable with Soviet-era systems. The U.S. has responded on the prospect of Pyongyang supplying arms to Moscow, stating it would pay a price for doing so.
- Arm Holdings Plc. took to the stage for the largest IPO YTD, raising \$4.87 billion on the Nasdaq on Wednesday. The chip designer, owned by the SoftBank Group sold 9.5m American depositary shares for \$51 per share. The shares were marketed in the price range of \$47 to \$51. Initially Arm was aiming to raise \$8-10 billion, however SoftBank decided to purchase an almost 25% stake using its Vision Fund. Post the IPO SoftBank will control approximately 90% of the company's shares. ARM made its trading debut on Thursday with the share price rising over 10% above the IPO price.
- On Thursday, Italian PM Giorgia Meloni sent Italian bank stocks into a downward spiral, on the announcement that, even with a modification on a new windfall tax on banks' profits, the government still expects to receive inflows of EUR3 billion. "If we will need to amend the tax on banks, we will do it as long as the inflows will be unchanged," Meloni told RAI1 television. BPER Banca SpA dropped as much as 3.4% while Intesa Sanpaolo SpA fell 2.1%.
- It was a closely watched week on the data-front with the ECB raising interest rates for the 10th consecutive time to 4% on Thursday, which economists now forecast as being the peak level for borrowing costs in the current tightening cycle. However, ECB President Christine Lagarde, made it clear in her accompanying comments in Frankfurt, that this is not a scenario she can confirm. Next was the release of U.S. August inflation, which rose by 0.6% across consumer prices, marking the biggest increase since inflation peaked at a 40-year high in June 2022. Gas, car insurance and medicine were the main contributing factors, however even when energy and food prices are stripped out of the reading, it has still accelerated for the first time since February.
- This morning the Chevron Wheatstone facility has resumed full production despite a full day of strikes over the weekend and a fault at the LNG facility. The fault which occurred on 14th September reduced production and export capacity marginally to 80%, not affecting domestic supply. With ongoing strikes at the Chevron facility, LNG prices have rallied on the prospect of lower exports from a world leading supplier.

## COMMODITIES



- The EU let the ban on Ukrainian grain imports expire on Friday, returning 5 of its member countries to unilateral restrictions in line with other member states. The ban was originally established to alleviate pressures on the respective member countries' markets as local farmers complained of a supply glut caused by Ukrainian imports, causing lower prices. Poland, one of the countries included in the ban, has pledged to continue the ban, a move which Ukraine has warned would lead them to file a complaint at the World Trade Organisation.
- BP Chief, Bernard Looney, unexpectedly announced his resignation due to holding back information from the company board. Known as an executive who's push for transition to clean energy was more aggressive than any of his industry peers, his exit concluded a tumultuous 3-year term. Looney's push on pace of a transition to clean energy was viewed by many as too ambitious. CFO Murray Auchincloss will assume the CEO the position in the interim.
- The G-7 is planning to ban the import of Russian diamonds, through a direct imposition on purchases which would take effect 1st January 2024. The agreement is expected to be finalised in the coming weeks. Earlier attempts to impose sanctions on Russian gems in Europe, were faced with criticism that a ban would just divert trade elsewhere.

Commodities USD	Last Price	31.12.22	% 1w	% 3m
ENERGY				
ICE Brent	94.69	82.09	4.47	24.46
NYMEX WTI	91.62	78.32	4.96	27.69
METALS				
Spot Gold	1928.55	1824.02	0.33	-1.50
LME Copper	8405.50	8372.00	0.04	-1.88
DCE Iron Ore	870.50	918.00	3.32	18.52
LME Aluminium	2190.00	2378.00	-0.70	-3.57
LME Nickel	19924.00	30048.00	-2.74	-13.50
AGRICULTURE				
ICE Cotton	87.07	80.88	-0.81	8.70
ICE Sugar	27.16	17.91	1.88	5.15
CBT Soyabeans	1337.25	1416.75	-2.32	-0.37
CBT SRW Wheat	599.25	820.25	2.52	-16.28

## EQUITIES



- Miami based 777 Partners LLC has agreed to purchase Everton Football Club, acquiring 94.1% of the English Premier League Club, which dodged relegation over the past 2 seasons. The deal was confirmed on Friday, bringing the number of American-owned Premier League teams to 10 out of 20.
- Mubadala Investment Co. has committed a \$1 billion investment via a partnership with Blue Owl Capital, which provides lending solutions to middle-market companies. Listed on the NSE, the company's market cap is approximately \$5.3 billion. Mubadala's investment will initially go towards Blue Owl's credit platform technology capabilities. "Private credit has become an integral part of the financing solutions available to support corporate growth," said Fabrizio Bocciardi, Head of Credit Investments at Mubadala.
- In what is expected to be KSA's biggest IPO for the year, ADES Holding Co. a PIF backed oil driller will aim to raise \$1.2 billion in the Saudi IPO. The final price is expected to be set on 20th September, with books majorly oversubscribed already. This listing alone is expected to attract more than double KSA's overall IPO book YTD. ADES plans to use the proceeds to reduce company debt and invest in its growth strategy.

UAE Stock Market AED	Last Price	31.12.22	% 1w	% 3m
BOS	0.53	0.48	0.00	0.00
ENBD	17.30	13.00	2.37	16.11
FAB	13.76	17.10	2.99	2.69
ADCB	8.90	8.55	2.89	8.94
EMAAR	7.07	5.86	-0.42	7.28
AirArabia	2.77	2.15	-0.72	13.06
Aramex	2.20	3.52	-12.70	-21.15
Etisalat	20.18	22.86	3.49	-10.23
DEWA	2.54	2.29	-1.17	-3.42
DU	5.31	5.80	-1.48	2.12

Equities	Last Price	31.12.22	% 1w	% 3m
NASDAQ	13708.33	10466.48	-1.51	0.14
S&P 500	4450.32	3839.5	-0.83	0.92
EURO STOXX 50	4295.05	3793.62	0.96	-2.27
FTSE100	7711.38	7451.74	2.86	0.90
DAX	15893.53	13923.59	0.59	-2.84
NIKKEI	33533.09	26094.5	3.28	-0.51
ADX	9828.01	10211.09	1.19	4.04
DFM	4043.11	3336.07	-0.66	6.70

## RATES



- ADIB has announced it will fully redeem all outstanding certificates of its \$750m AT1 perpetual sukuk issued back on the 20th September 2020, to maintain the group's "optimized capital structure and strong CET1 position." Certificates will be redeemed at the prevailing face value plus any outstanding payments.
- Argentina's inflation has hit its highest level since 1991, up 12.4% MoM and YoY, for August. Economists expected an increase of 11.5%, however, the notable reading demonstrates the fallout from the currency devaluation by 18%, a day after the head turning primary election results. Javier Milei, an outsider candidate pipped two of the most political forces in Argentina to the post. Business' in Buenos Aires responded to the currency devaluation by hiking prices overnight, heightening fears of a return in hyperinflationary conditions.
- For the first time in a year the euro Junk bond market saw its first "pulled" deal, as FNAC Darty halted a EUR300 million issuance alluding to market conditions as the reason. In a statement released on Wednesday, the French retailer said that conditions were not attractive enough. The euro junk bond market has seen a healthy pick up in activity month to date, however this has provided a reality check.

Interest Rates	Last Rate	31.12.22	bp 1w	bp 3m
3m EIBOR	5.244	4.309	-0.004	4.214
3m LIBOR	5.663	4.767	-0.004	4.702
6m EIBOR	5.475	4.940	0.032	3.928
6m LIBOR	5.894	5.139	0.003	4.424
5Y AED swap	4.587	4.149	0.074	1.800
5Y USD Swap	4.228	3.742	0.054	1.696
10Y AED Swap	4.576	4.190	0.033	1.620
10Y USD Swap	4.011	3.555	0.042	1.454

## CURRENCIES



- Monday's PBoC yuan rate fixing demonstrated the central bank's continued support to the currency. The fixing led the currency to appreciate against USD by 1.2% on Monday. This support continued into Tuesday with USDCNY trading largely around the 7.2870 level. State-owned banks sold a large amount of USD in the onshore (CNY) market on Tuesday. In the offshore (CNH) market, lenders were less willing to lend in the swap market.
- In a further attempt to discourage conversions into USD, Turkey is raising the reserve ratio on most FX-linked lira deposits with a short-term tenor. The programme known as KKM, will see the RRR (reserve requirement ratio) for FX-protected deposits maturing up to 6 months, increasing from 15% to 25%; those FX-linked accounts with a maturity greater than 6 months will see the mandatory ratio being dropped to 5% (previously 15%). With Turkish economists estimate that those deposits with a maturity of less than 6 months contribute up to 80% of the total FX-linked deposits, and therefore it is expected such an increase in the RRR could absorb TRY200 billion in liquidity.
- The Aussie dollar took the title of best performing G10 currency last week appreciating 1.21% against the greenback. SEK was the worst performing dropping 0.4% against USD. YTD CHF is the best performing, up 3.30% against the dollar. JPY remains the worst performer having lost almost 11.25% against the U.S. dollar.

Currencies	Last Price	31.12.22	% 1w	% 3m
EURUSD	1.0664	1.0705	-0.80	-2.50
GBPUSD	1.2392	1.2083	-0.94	-3.32
AUDUSD	0.6440	0.6813	0.14	-6.33
USDSGD	1.3636	0.6813	0.14	-6.33
USDCHF	0.8968	0.9245	0.67	0.34
USDJPY	147.64	131.12	0.72	4.10
USDCAD	1.3512	1.3554	-0.45	2.36
USDINR	83.21	82.74	0.22	1.56
USDTRY	27.0126	18.7100	0.53	14.30
DXY Index	105.26	103.52	0.66	2.95

## Key Economic Events For The Week Ahead

- 18.9.23 Aug Canada Housing Starts; Aug Canada PPI; Aug Canada Raw Materials Prices; Sep U.S. NAHB Housing Market Index; Sep U.K. Rightmove House Prices;
- 19.9.23 RBA September Meeting Minutes; Jul U.S. Net Long-term TIC Flows; Jul U.S. Foreign Bond Investment; Jul U.S. Overall Net Capital Flows; Jul Eurozone Current Account; Aug Final Eurozone & Canada Inflation Rate; Aug U.S. Building Permits; Aug U.S. Housing Starts;
- 20.9.23 Aug Japanese Balance of Trade; Aug Japanese Import & Export; Aug Australian Westpac Leading Index; Chinese Loan Prime Rate 1Y & 5 Y; Jul Eurozone Construction Output; Aug Eurozone New Car Registrations; Aug U.K. & German Inflation Rate; Aug U.K. Retail Price Index; Sep Eurozone MBA 30-Year Mortgage Index & Rate; Aug Turkish Central Government Debt; Sep U.S. EIA Crude Oil Stocks Change; Sep U.S. MBA Mortgage Applications; Aug Turkish Inflation Rate; \*U.S. Fed Interest Rate Decision\*; U.S. FOMC Economic Projections; U.S. International Monetary Market (IMM) Date;
- 21.9.23 Sep Japanese Foreign Bond Investment; Aug U.K. Public Sector Net Borrowing; Sep French Business Confidence & Climate Indicator; Sep Eurozone Consumer Confidence Flash; Sep Turkish Consumer Confidence; Sep Turkish Overnight Borrowing & Lending Rate; Sep Turkish Foreign Exchange Reserves; Aug Canada New Housing Price Index; Q2 U.S. Current Account; Sep U.S. Initial Jobless Claims; Aug U.S. Existing Home Sales; Sep U.S. EIA Natural Gas Stocks Change; Sep U.S. 15 & 30 Year Mortgage Rates; Australian RBA Bulletin; Turkish TCMB Interest Rate Decision; \*U.K. BoE Interest Rate Decision\*;
- 22.9.23 Sep Australian Judo Bank Manufacturing, Services & Composite PMI Flash; Aug Japanese Inflation Rate; Sep Japanese Jibun Bank Manufacturing, Services & Composite PMI Flash; Sep U.K. GfK Consumer Confidence; Aug U.K. Retail Sales; Sep Eurozone, German & French HCOB Manufacturing, Services & Composite PMI Flash; Sep U.K. & U.S. S&P Global Manufacturing, Services & Composite PMI Flash; Sep Indian Foreign Exchange Reserves; Jul Canada Retail Sales; \*Japan BoJ Interest Rate Decision\*;

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