

## Key Highlights



### DOVISH SIGNALS FROM POWELL

In his testimony before the US Congress, Fed Chair Jerome Powell did not give any cues about the timing of rate cuts. However, he gave sufficient hints that rate cuts are coming soon. He said: "our policy rate is likely at its peak" and "...we're not far from it (rate cut)..." Powell reaffirmed his commitment to lowering inflation while maintaining strong economic growth and a healthy labor market, achieving what is called a soft-landing.



### INFLATION WATCH

Data last week showed US companies added more than expected jobs in February, but at the same time the blowout jobs number for January was revised down sharply. The unemployment rate ticked up to 3.9%, the highest in 2 years, wages growth dropped from 4.5% in January to 4.3%, and voluntary quits rate dropped to levels last seen in 2017 – all signs of a cooling labor market and another "Goldilocks" outcome for the Fed and the markets.



### STOCK MARKETS

It was a turbulent week in which S&P 500 and Nasdaq eventually managed to scale new all-time highs on Friday morning before falling heavily to end the week slightly lower. The Friday sell off was triggered by profit-taking in Nvidia and other chip stocks that had been on a tear for most of this year. Dovish comments from the European Central Bank and an 8% rally in the obesity drug maker Novo Nordisk helped Euro Stoxx 600 close at a new all-time high.



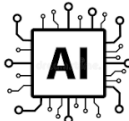
### MAGNIFICENT 7 NEWS

After a blistering rally of over 87% this year, and coming close to the \$1000 mark, Nvidia shares tumbled 5.5% on Friday but still ended the week with gains of over 6%. The market expects Nvidia to soon split its shares to make them more accessible to retail investors. Apple shares have lost 11.3% this year due to falling sales in China and lukewarm response to its Vision Pro launch. However, just after hitting this year's low, share price rose 1% on Friday.



### GOLD SHINING BRIGHT

After testing the level of \$2,070 per troy ounce in 2020, 2022 and 2023, gold has finally been able to break out and hit a new high of \$2,185. The sharp rally in gold has been driven by rising expectations of a rate cut in June, falling real rates (Fed rate less inflation), softening of the Dollar Index and large scale buying by central banks. Citigroup has upgraded its price projection to \$2,300 for the next 6 - 12 months.



### REGIONAL AI DEVELOPMENTS

After Saudi Arabia granted citizenship to an AI robot Sophia in 2017, the GCC is making further strides in artificial intelligence. Abu Dhabi's largest listed firm, International Holding Company (IHC) is adding an AI-powered observer on its board, a move that the \$238 billion firm said will help its board members to make better decisions. The virtual entity 'Aiden Insights' is powered by G42 and Microsoft.

1 Week YTD'24 2023

### Mover of the Week

Gold	4.80%	5.73%	13.47%
------	-------	-------	--------

### Global Equities

Magnificent 7	-1.23%	14.14%	80.89%
Dow Jones Ind.	-0.93%	2.74%	13.70%
S&P 500	-0.26%	7.42%	24.23%
Nasdaq Comp.	-1.55%	7.09%	43.42%
Eurostoxx 600	1.14%	5.07%	12.74%
FTSE 100	-0.30%	-0.95%	3.78%
India Nifty50	0.69%	3.51%	20.03%
Nikkei 225	-0.56%	18.60%	28.26%
Shanghai Comp.	0.20%	3.32%	-1.93%

### Regional Equities

Dubai DFM	-2.38%	4.76%	21.69%
Abu Dhabi ADX	-0.48%	-3.59%	-6.20%
Saudi Tadawul	-0.26%	7.42%	13.87%

### Bonds

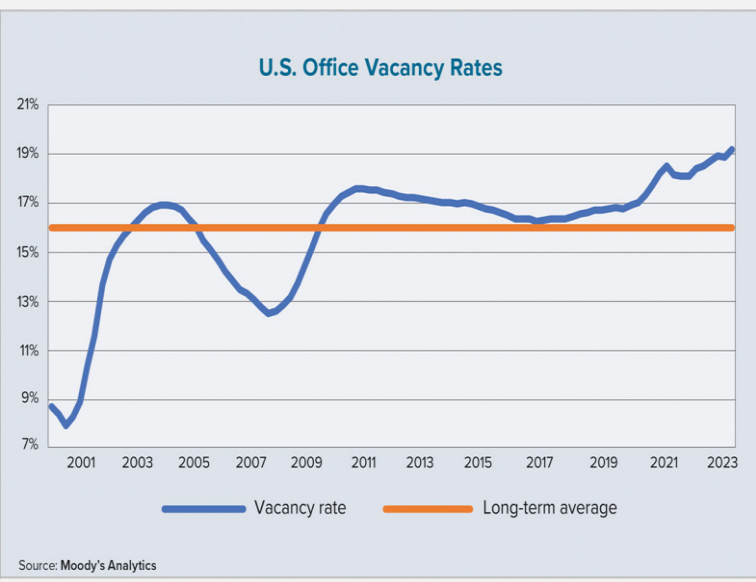
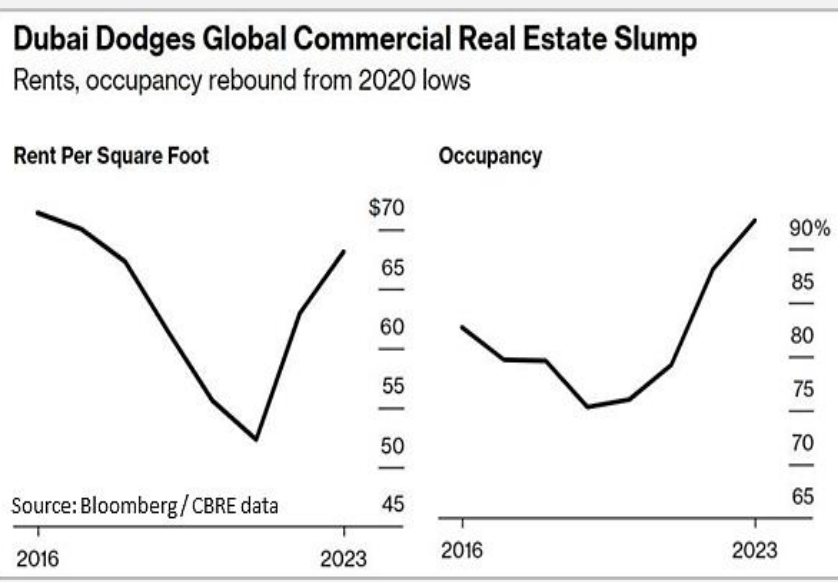
US IG Bond Index	0.81%	-0.50%	5.15%
GCC Bnd/Suk Index	0.77%	-0.94%	5.14%

### Currencies

Dollar Index	-1.11%	1.36%	-2.11%
Euro	0.93%	-1.13%	3.30%
GBP	1.53%	0.67%	5.50%
JPY	2.12%	-4.21%	7.50%
CHF	0.82%	-4.29%	8.97%
AUD	1.44%	-3.09%	0.23%
CNH	0.16%	-1.08%	-2.94%
INR	0.18%	0.62%	-0.63%
SGD	0.95%	-0.93%	1.49%

### Commodities

WTI Crude	-2.45%	8.88%	-10.73%
Brent Crude	-1.76%	6.54%	-10.32%
Nat Gas	-1.63%	-28.20%	-43.82%
Gold	4.80%	5.73%	13.47%
Silver	5.42%	1.81%	0.18%
Copper	0.78%	-0.14%	2.10%



## Charts of the Week

Office properties worldwide are suffering from falling demand leading to record high vacancy rates since the outbreak of the pandemic. While office vacancy rates have hit an all-time high of 19.6% in the US (very high the UK and Europe as well), office properties in Dubai (and Abu Dhabi) are booming and witnessing record low levels of vacancy rates of just about 7%. The UAE has benefited from rapid population growth and new business formation, driven by various government initiatives over the last few years.