



LMC Weekly Market Summary and Islamic Capital Markets News



Good day,

The U.S. Federal Reserve policy statement this week drove most market movements – with the U.S. dollar, global bond yields, and equities all advancing – while precious metals and non-USD safe haven currencies were broadly lower. Once again all three major U.S. equity indices touched new highs, as did the MSCI World index. Gold retreated back below \$1,300 USD/ounce, putting an end to its recent breakout to 12-month highs. The Fed announced it will begin unwinding its \$4.5 trillion balance sheet in October, by not reinvesting some of its bonds as they mature. It also reaffirmed its stance that low inflation was transitory, and said hurricane disruptions would not deflect it from its path to interest rate normalization. Better than expected economic data, including signs that Hurricane Harvey had less of a macro impact than feared, reinforced the case for policy tightening. Investors reacted with heightened expectations of a December rate hike.

European bonds followed Treasuries lower, lifting rates, and almost all major equity indexes advanced as both the euro and the pound slipped relative to the U.S. greenback. As headwinds from the euro's recent strength faded, the Centre for European Economic Research's (aka ZEW) economic sentiment indicator for Germany significantly beat expectations during the German elections. Similarly in Japan, a softer yen versus the dollar led to stock gains. The Bank of Japan, like the Fed, kept rates on hold this week, but unlike the Fed, showed no hints of becoming more aggressive anytime soon. Other Asian markets were generally higher as well, following global stock gains and a higher outlook for economic growth in China from the OECD.

Regionally, The Dubai Electricity and Water Authority (DEWA) on Sunday announced the launch of incentives for using electrical vehicles (EV) in Dubai. These incentives, which are provided in cooperation with the Dubai Road and Transport Authority (RTA), aim to encourage people to use electrical vehicles, Saeed Mohammed Al Tayer, board member and CEO of DEWA, said in a press conference. The Committee of Ministers of Transport and Communication in the GCC has decided to postpone the implementation of the Gulf Railway to 2020 – 2021 instead of 2018. The UAE is willing to fully execute this project, minister of infrastructure development Abdullah bin Mohammed Balheif Al Nuaimi said during a meeting including the GCC transport ministers.



Market Summary

Week of September 15 – September 22

Index	Value	Weekly Change	YTD Change
<u>Dow Jones Industrial AVG</u>	22349.59	+0.36	+12.41
<u>FTSE 100 Index</u>	7310.64	+1.32	+0.52
<u>NIKKEI 225</u>	20296.45	+1.94	+3.58
<u>Bloomberg GCC 200 Index</u>	84.38	+1.05	+29.14
<u>Nymex Crude oil Future WTI</u>	50.66	+0.44	-3.19
<u>Gold</u>	1297.4	-1.72	+12.61
<u>EUR-USD</u>	1.1951	+0.05	+14.31
<u>USD-JPY</u>	111.99	+1.05	-4.73
<u>GBP-USD</u>	1.3504	-0.66	+9.99
<u>3 month Libor \$</u>	1.32944	+1 bps	+33 bps
<u>5 year swap \$</u>	1.9510	+6 bps	-2 bps
<u>US Treasury 10 year yield</u>	2.2510	+5 bps	-19 bps

[More Market Info...](#)

Capital markets news

Week of September 17 – September 24

Islamic Finance

- Bahrain Islamic Bank Says No Plan To Issue Sukuk Next 12-18 Months - [Bloomberg](#)
- Fitch Rates Bahrain's \$ Sukuk And Bonds 'BB+' - [More...](#)
- Kingdom Holding Closes Deal To Buy Stake In Banque Saudi Fransi - [More...](#)
- New Bahrain Islamic Banking Regulations Credit Positive: Moody's - [More...](#)
- Saudi Arabia Raises \$1.9 Billion From Three-Part Sukuk Sale - [More...](#)

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Kindly find below the indicative rates,

Tenor	Indicative Rates
1 month	1.60 %
2 months	1.70 %
3 months	1.85 %
6 months	2.30 %
1 Year	2.60 %

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