



LMC Weekly Market Summary and Islamic Capital Markets News



Good day,

U.S. midterms produced the widely expected outcome of divided government, sparking a "relief rally" in stocks, as investors put election uncertainty behind them (although some of the advance dissipated by week's end). The immediate positive reaction is due to the belief that divided government tends toward "gridlock", with no major policy changes in store, and thus increased certainty for business conditions. The Federal Reserve took no action at its Thursday meeting, and reaffirmed both the expected path of monetary policy tightening and its view that U.S. economic growth remains solid. The U.S. dollar resumed its trend higher in response. If there was a significant surprise this week, it was perhaps the continued slide in crude oil prices, even as sanctions snapped back into place against Iran.

Most major European equity markets were up, but gains were far less robust than those in North America. Last week came news that Angela Merkel will quit as the head of her party. This week French President Emmanuel Macron faced a wave of criticism over several issues. Together, the growing leadership struggles in the core European Union countries are sparking concerns that Italy will feel emboldened to push back harder in its stalemate over its proposed budget deficit, perhaps leading to another European political crisis. In Japan, an upbeat forecast from Toyota helped lift the Nikkei Index to a small gain. But Chinese stocks fell this week. A report that Apple would not boost some production as planned hit technology companies, especially Apple suppliers. And, a sharp drop in China's October services purchasing managers' index renewed concerns about the country's growth outlook.

Regionally, the Roads and Transport Authority (RTA) announced on Saturday the arrival of the first of 50 new Metro trains in Dubai. "The manufacturer will continue supplying the remaining trains in batches, and the last one is expected to arrive by the end of October 2019," said Mattar Al Tayer, the Chairman of RTA. A total of 50 trains will be supplied, of which 15 will serve Expo 2020, while the rest will enhance the service level of the Dubai Metro. Saudi Real Estate Company on Sunday posted a 40.7% year-on-year drop in profits for the third quarter of 2018. Net profits amounted to SAR 12.67 million in Q3-18, compared to SAR 21.36 million in Q3-17, according to a filing to the Saudi Stock Exchange (Tadawul). The Saudi real estate firm attributed the third-quarter profit decline to the increase in cost, high consumption expenditure and maintenance expenses. For the first nine months of 2018, profits of the Saudi-based company retreated 5.4% to SAR 87.57 million, from SAR 92.58 million in the same period of the prior year.



Market Summary

Week of Nov 02 – Nov 09

Index	Value	Weekly Change	YTD Change
Dow Jones Industrial AVG	25989.30	+2.84	+4.69
FTSE 100 Index	7105.34	+0.16	-7.24
NIKKEI 225	22250.25	+0.03	-5.34
Nymex Crude oil Future WTI	60.19	-4.67	-0.30
Gold	1209.85	-1.87	-7.12
EUR-USD	1.1336	-0.46	-5.63
USD-JPY	113.83	+0.56	+1.07
GBP-USD	1.2972	+0.02	-3.93
3 month Libor \$	2.61813	+3 bps	+92 bps
5 year swap \$	3.1693	-1 bps	+92 bps
US Treasury 10 year yield	3.1820	-4 bps	+78 bps

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Islamic Finance News

Week of Nov 04 – Nov 11

Islamic Finance

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Kindly find below the indicative rates,

Tenor	Indicative Rates
1 month	2.30 %
2 months	2.35 %
3 months	2.55 %
6 months	2.80 %
1 Year	3.10 %

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