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# Markets

Financial Markets Insights

ifo Institute

**Dorine Boumans**  
Survey Specialist

"The global economy is said to gradually strengthen again"

p. 07



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INVESTORS

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The female guru of blue chip stocks and publisher of IQT p.06

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### TRADING

# Swiss-EU stock market battle kicks off



Kyriaki I. Balkoudi

Investors in the EU and Switzerland find it harder to access each others's bourses

**E**U stock exchanges will no longer be able to trade in Swiss companies from Monday (July 1) as talks on a political agreement between Brussels and Bern seem to have failed.

The government of non-EU member Switzerland said Thursday (June 27) it will block trading of Swiss shares in the 28-country EU after the European Commission announced that it saw no reason to extend the "equivalence status" it has granted Swiss stock exchanges beyond June 30. "Equivalence" makes a trade on the Swiss stock market equivalent to a trade on an exchange in an EU country, allowing trades to be pooled across countries, something that supports world trade and improves international market liquidity. Switzerland and the EU are embroiled in an ongoing dispute over a broader deal that is designed to replace a patchwork of treaties governing areas as diverse as immigration, agriculture,

civil aviation, industrial standards along with equivalence for Switzerland's financial services sector. The proposed accord, which would require the country to adopt EU single market rules, has been opposed both by the political right and labour unions on the left in Switzerland for infringing national sovereignty. The rich Alpine nation received a one-year extension to agree to Brussels' demands in late 2017, and a further six-month extension at the end of 2018, which expires on Sunday, June 30.

### Contingency measure

In November 2018, the Swiss Federal Council adopted an ordinance to safeguard and strengthen the functioning of the Swiss capital market. If the recognition of equivalence is not extended, this measure shall ensure that EU market participants continue to have access to the Swiss domestic market and continue to be able to trade Swiss shares there. The

### Switzerland's Stock Market is Europe's Fourth Largest

U.K	\$3.3tn
FR	\$2.6tn
DE	\$2.1tn
CH	\$1.7tn
ES	\$710bn
IT	\$610bn

Market capitalisation of listed companies

Source: Bloomberg  
Note: Data as of June 26, 2019

ordinance is going to be activated with effect from 1 July 2019, as the European Commission will most probably no longer recognise the Swiss legal framework as equivalent. "Activating the protective measure with regard to trading venues in the EU serves solely to protect the functioning of the Swiss stock exchange infrastructure" the Swiss government stated. SIX, the operator of Switzerland's main exchange, welcomed the Swiss decision to activate the protective measures. Switzerland's stock market is Europe's fourth largest. About one-third of trading in Swiss shares currently takes place within the EU. The EU is Switzerland's largest trading partner and Switzerland is the EU's third-largest trading partner, after the US and China. Swiss elections are approaching and will take place in October. As politicians are entering election mode, Swiss officials say there is no point signing a deal now that will likely not be passed by parliament or be voted down under the Swiss system of direct democracy.

### IN THE SPOTLIGHT



David Marsh Chairman and Co-Founder of OMFIF

## Public investors play it safe in blustery times

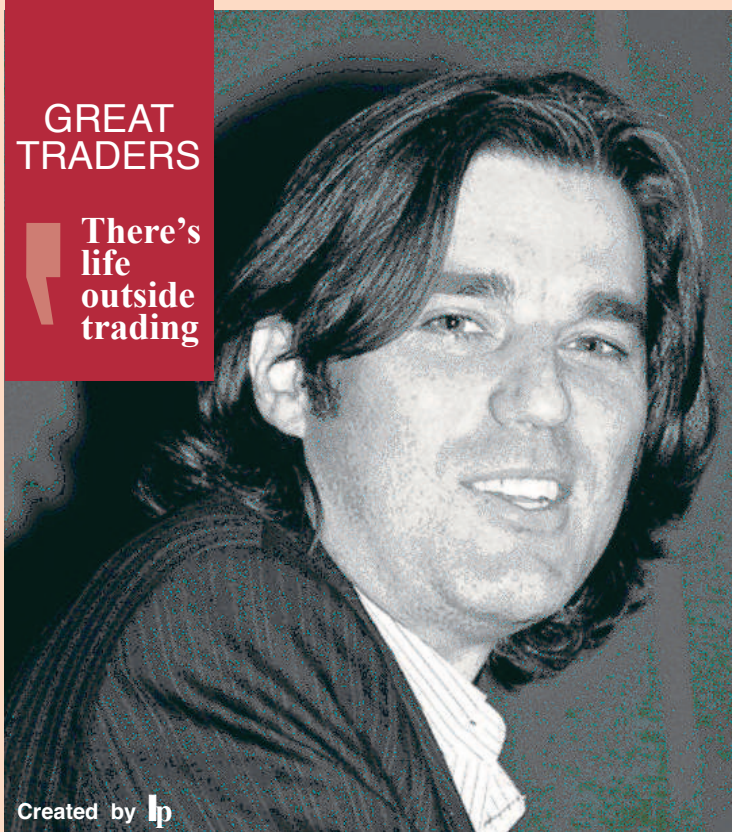
External fund managers barely get a look in on the \$37.8 trillion held under the auspices of large government-owned investors globally, according to OMFIF's latest annual report. Almost 70 per cent of the 750 institutions captured by the Global Public Investor 2019 survey – that includes 86 sovereign wealth funds, 173 central banks and 491 public pension funds – allocate between 0-10 per cent to external managers. The reluctance to outsource reflects the "fairly conservative" nature of the government institutions that follow mainly risk-averse investment strategies, the report compiled by the Official Monetary and Financial Institutions Forum (OMFIF) says. OMFIF is an independent forum for central banking, economic policy and public investment with offices in London and Singapore.

## Government investor AUM on the rise

Over the 2018 calendar year total public investor assets under management (AUM) rose 3.7 per cent. Sovereign wealth funds saw the highest growth rate of almost 8 per cent to hit US\$8.6 trillion, pension fund assets grew 4.8 per cent to US\$15.7 trillion, while central bank holds edged just 0.1 per cent higher to US\$13.5 trillion. Global Public Investor 2019 is the largest and most comprehensive worldwide survey of public sector investment institutions owning or managing assets equivalent to 43% of global GDP.

GREAT TRADERS

There's life outside trading



Created by lp

## Greg Coffey

► A hedge fund maestro's blockbuster return to the industry

**N**icknamed "The Wizard of Oz", based on his past trading successes, Greg Coffey is an Australian hedge fund manager. Coffey, who graduated with a Bachelor of Economics from Macquarie University in 1995, started his career at Macquarie Bank in 1993. The next year he traded emerging-market equity derivatives at Bankers Trust and Deutsche Bank AG. He was hired by Blueborder Partners and was then hired by Bank Austria to oversee global equity proprietary trading. He worked for London-based GLG Partners from 2003 to 2008 managing about \$7bn and then for Louis Bacon's Moore Capital Management from 2008 to 2012 where he ran two emerging market funds. Bacon described Coffey as "the most impressive trader I've ever seen". Since 2004, Coffey has delivered annualised returns of 22% a year.

### Kirkoswald Capital, a new venture

The Australian decided to throw it all

in aged 41 and to retire after 20 years in the industry, to spend more time with his wife and three children in London, Australia, and on the remote Scottish island of Jura (population 196), where he owns a 12,000 acre estate and golf course. In 2018, Coffey, known for taking multiple trading screens on family holidays, had a change of heart and made a comeback. He launched in London Kirkoswald Capital, a new fund named after the Australian street he has a house on. The fund which moved its trading desk to New York returned 6.9% year to date through the end of May, according to a private database viewed by Business Insider.

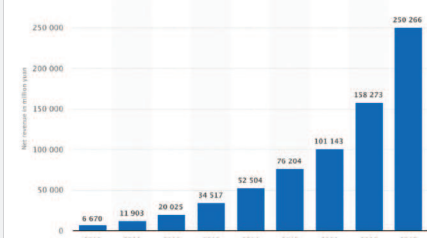
Coffey's return to the market comes as demand for existing macro funds has rebounded after a tough period. Vicious but short-lived volatility spikes, spectacularly unsuccessful emerging market bets and a dollar U-turn hit macro hedge funds, which tend to trade currencies and bonds off global macro-economic trends, hard in 2018.



WORLD  
MARKETS  
NEWS

## 1 ASIA

E-commerce giant Alibaba Group Holdings is debating whether to offer new public shares through a listing in Hong Kong to raise \$20 billion, Bloomberg reported. Alibaba in 2014 raised \$25 billion on NYSE in the world's largest first-time share sale. Graph: Alibaba net revenue 2010-2018



## 2 AFRICA

Kenya's third Eurobond valued at Sh210 billion (\$2.1 billion) was admitted for trading at Euronext Dublin on May 22. The Eurobond was sold in two tranches of seven and 12 years. Stabilisation period for the Eurobond III will run until June 15.

## 3 AMERICA

The number of publicly listed US companies plummeted from about 8,000 in 1996 to about 4,300 in 2015 an EY study found, with the average number of IPOs per year decreasing from about 675 to about 120, according to research by the University of Florida.

## INVESTMENT TRENDS

## U.S. VC firms invest in L. America

Investments by U.S. venture capital (VC) firms into Latin America are skyrocketing and one of the firms leading the charge into deals is none other than Silicon Valley's Andreessen Horowitz. It's the only geography outside of the U.S. where the now 10-year-old venture firm with \$2.7 billion under management, has committed significant capital and the pace of its investments is increasing. Andreessen's first investment in Latin America took place in 2016 when the California-based VC firm invested an undisclosed amount in Rappi, a Colombian grocery delivery service. More recently it invested US\$12.5m in ADDI, a Colombian point-of-sale lending startup.

## British companies to cut investment

UK firms look set to cut their investment by the most in 10 years in 2019 due to continued uncertainty about Brexit which weighs on future economic growth prospects, a survey by the British Chambers of Commerce (BCC) showed.



Business investment was forecast to fall by 1.3% this year before growing by only 0.4% in 2020, the BCC said. "Businesses are putting resources into contingency plans, such as stockpiling, rather than investing in ventures that would positively contribute to long-term economic growth," BCC Director General Adam Marshall (pictured) said. Brexit has a deadline of Oct. 31.

## Lower FDI inflows to CESEE

Foreign direct investment (FDI) inflows to Central, East and South-east Europe (CESEE) declined by 13% in 2018, according to a new report from the Vienna Institute of International Economic Studies (wiiw). The Austria-based think tank expects lower FDI inflows in 2019 throughout the region, on account of declining global investment appetite and weaker business sentiment, which could lead to lower GDP growth. Germany and the US are the most important ultimate sources of FDI in CESEE. The wiiw FDI report is based upon the wiiw FDI Database covering 23 countries of CESEE. It analyses the major features of FDI developments in and out of the countries of the region and is published annually.

## SE Asian investors eye Vietnam's startups

VC firms from across Southeast Asia have pledged to collectively invest roughly US\$425 million into early-stage startups in Vietnam by 2020, according to a statement. The pledge was made during Vietnam's first Vietnam Venture Summit, an event involving all stakeholders in the startup ecosystem: policy-makers, top-tier founders, global investors, incubators, corporates and educational institutes. The successful first edition of the event hosted 1,000 delegates from across the country and drew in 150 international investors. The summit was co-hosted by the country's Ministry of Planning and Investment, the Ministry of Science and Technology, and Golden Gate Ventures. PHOTO: Paul Bragier Founding Partner at Golden Gate Ventures, an early-stage VC firm in Southeast Asia with over 25 investments across 7 countries.



## BALTIC STATES

## GPW's WIGtech offers exciting opportunities to investors

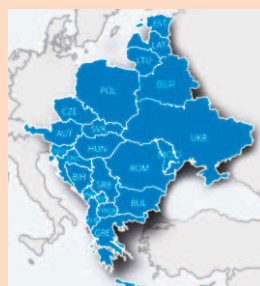
A new index from Warsaw Stock Exchange contributing to investment options diversification

On June 24th, the Warsaw Stock Exchange (GPW) is launching a new index, WIGtech. The index will cover high-tech companies listed on the Main Market active in biotechnology, games, IT, telecommunication, and new technologies. The number of WIGtech participants will vary. Similar to other indexes, the share of each participant will be calculated depending on its free float. The share of the biggest companies will be capped at 10 per cent. "Following the launch of macro-sector indices, we have decided to calculate and publish WIGtech covering technology companies. The new index addresses current trends in the economy and on the capital market. High-tech compa-

nies play an increasing role in the economy and on the exchange. GPW provides funding opportunities to innovative companies which are instrumental to technological progress. As trading venues, exchanges are also highly specialised providers of state-of-the-art solutions which improve the quality of available services. As a part of its strategic objectives, GPW develops technologies in order to strengthen our competitive advantage" Izabela Olszewska, a member of the GPW management board, said in a statement. The index portfolio will be subject to change on a quarterly basis, coinciding with modifications of the other indices.



PHOTO: Izabela Olszewska, GPW Management Board Member



## East &amp; South East Europe Stock Exchanges

Every month you can see at a glance the trading activity of the main stock exchanges of East and Southeast Europe. Unless stated otherwise, all figures below refer to performance

for May. World Markets undertakes all the reasonable efforts to ensure that data included in this column was correct at the time of publication.

## ► ATHEX - ATHENS

Composite Index: **7.37%**  
Main market cap (€ mln.): 55,703.32  
Stocks total: 55,921.23

## ► BJSE - BANJA-LUKA

BIRS: **-7.87%**  
Total Turnover for Securities: 42,328,670  
Total number of trades: 1295  
Total capitalisation: 3,890,815,654

## ► BELEX- BELGRADE

BELEX15: **-1.44%**  
Turnover RSD: 4,709,139,886  
Turnover EUR: 39,916,418  
No of transactions: 2,852

## ► BSE - SOFIA

SOFIX: **1.29%**  
Total Capitalisation of BSE main market: 8,789,827,274.54  
Turnover (BGN): 19,183,607  
No of trades: 2,636

## ► BSSE - BRATISLAVA

SAX: **-4.29%**  
Total Trading Volume: € 14 352 693  
Average Daily Trading Volume: € 683 462

## ► BVB - BUCHAREST

BET: **0.61% (RON)**  
Total turnover (RON mil): 1,057.54  
Market Capitalization (RON mil): 161,020,13

Traded no. of financial instruments (shares, bonds, rights and futures): 819,601,805 No. of trades: 45,809

## ► BSE - BUDAPEST

BUX: **-3.80%**  
BUMIX: **-3.55%**  
CETOP: **-3.31%**  
Cash market: Hungarian Equities: 800  
Certificates and Warrants: 25

## ► CSE - NICOSIA

CSE General Index: **-0.32%**  
Market capitalisation of shares (EUR): 2,12 billion  
Total value of transactions (EUR): 6,31 million

## ► GPW- WARSAW

WIG20: **-4.07% (PLN)**  
Market Capitalisation (PLN

mln): 1 145 154,32  
Domestic Equities (PLN mln): 573 825,12  
Foreign Equities (PLN mln): 571 329,2

## ► LJSE - LJUBJANA

SBI TOP: **-1.00%**  
Turnover (EUR): 30,581,746  
Average daily turnover (EUR): 1,456,274  
Capitalisation of shares (in EUR 000): 6,821,225

## ► MSE - SKOPJE

MBI10: **2.32%**  
Market capitalization(denars): 169,984,978,572  
Total Turnover (denars): 1,105,508,170  
Trades: 2,073

## ► MNSE - PODGORICA

MNSE 10: **0.41%**  
Market capitalisation 3,175,645,443 €  
Turnover: 74,830,610 €  
No of transactions: 389

## ► NASDAQ - RIGA

OMXR: **2.39%**  
No. of listed shares: 20  
No. of trades: 1786  
Avg no of trades per day: 89.30  
Turnover (EUR mln) Month value: 3.47  
Market value (EUR mln) Month end: 813.92

## ► NASDAQ - TALLINN

OMXT: **-1.44%**  
No. of listed shares: 17  
No. of trades: 5831  
Avg no of trades per day: 277.67  
Turnover (EUR mln) Month value: 14  
Market value (EUR mln) Month end: 2,653.29

## ► NASDAQ - VILNIUS

OMXV: **4.19%**  
No. of listed shares: 26 No. of trades: 4098  
Avg no of trades per day: 195.14  
Turnover (EUR mln) Month value: 12.89  
Market value (EUR mln) Month end: 3,435.17

## ► PSE - PRAGUE

PX: **-2.30%**  
Trade turnover-equities:

no of traded issues: 54 Turnover (CZK 000s): 10 478 702.034  
Volume (pieces): 43 439 198  
No of transactions: 53 067

## ► SASE - SARAJEVO

SASX10: **-0.28%** (Dec. 2018)  
Total turnover: 106,302,831,18 KM which constitutes 66,21 % of the total turnover achieved on BH stock exchanges.  
No of transactions: 466  
Total no of securities traded: 3,350,474

## ► ZSE - ZAGREB

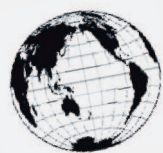
CROBEX: **0.72%**  
Turnover: 254,961,389 KN  
Market capitalisation: 246,023,762,938 KN  
No of trades: 8,064

## IN FOCUS

## ZSE &amp; LJSE Launch Adria Prime Index

The Zagreb and Ljubljana Stock Exchanges are launching on June 19 a common index, called Adria Prime. The index will consist of all 5 companies of the Croatian prime market and 8 companies of the Slovenian prime market. ADRIAprime, which is the first joint index of ZSE and the LJSE, is a free float market capitalisation weighted total return index, which will take into account dividends. The following shares will be included in the initial ADRIAprime composition: AD Plastic, Arena Hospitality Group, Atlantic Grupa, Intereuropa, Krka, Luka Koper, NLB, Petrol, Podravka, Pozavarovalnica Sava, Valamar Riviera, Telekom Slovenije, Zavarovalnica Triglav. The Slovenian capital market is larger than the Croatian, Serbian and Bulgarian markets.





Markets  
summary,  
monthly change

## How 24 major equities indices performed in May 2019



-7.93%	-6.58%	-6.69%	-5.70%	-3.46%	-6.78%	-5.00%	-2.52%	-5.84%	-7.45%	-7.34%	-8.31%
NASDAQ	S&P 500	DJIA	STOXX 600	FTSE 100	CAC40	DAX	SMI	SHANGHAI C.	NIKKEI 225	KOSPI	STI
(USA)	(USA)	(USA)	(EUROPE)	(UK)	(FRANCE)	(GERMANY)	(SWITZERLAND)	(CHINA)	(JAPAN)	(S.KOREA)	(SINGAPORE)
-3.81%	-9.42%	-4.28%	1.75%	0.70%	-4.14%	14.81%	4.14%	-7.70%	-3.28%	1.13%	-4.92%
JSX COMP	HANG SENG	TWI	SENSEX	BOVESPA	IPC ASI	MERVAL	MOEX	EGX30	TSX COMP	ASX 200	FTSE/JSE ASI
(INDONESIA)	(HONG KONG)	(TAIWAN)	(INDIA)	(BRAZIL)	(MEXICO)	(ARGENTINA)	(RUSSIA)	(EGYPT)	(CANADA)	(AUSTRALIA)	(S.AFRICA)

### LISTING

## London-Shanghai Stock Connect finally goes live

**C**ompanies listed in the UK will be able to sell shares in China starting on Monday (June 17) with the launch of London-Shanghai Stock Connect, a project that has taken four years to develop. This is the first time that any foreign company would be able to list in mainland China. The west-bound leg of the scheme lets Shanghai-listed companies list on the London Stock Exchange via Global Depositary Receipts (GDRs) issuance, while the east-bound leg lets British companies broaden their investor base by issuing China Depositary Receipts (CDRs) on the Shanghai Stock Exchange.

Depositary Receipts (DRs) are certificates that represent an ownership of ordinary shares of a company, allowing foreigners to buy a stake in a company of another country without the risks associated in investing in a foreign stock directly, such as differences in currency, accounting practices or language barriers. UK's Financial Conduct Authority (FCA) and the China Securities Regulatory Commission (CSRC) said that the initial quota for the east-bound leg of the scheme was 250 billion yuan (\$36.11 billion), while the quota for the west-bound leg of the program was 300 billion yuan.

## China opens up its capital market

There are almost 1500 companies listed in Shanghai, over 260 of which meet the criteria to take part in London-Shanghai Stock Connect and list in the British capital. Stock Connect will not require any direct trading infrastructure links and is only open to companies with a market cap of Rmb20bn (\$2.9bn), according to the programme's draft rules. Kicking off the initiative, London investors will have the opportunity to trade the GDRs of Huatai Securities Co Ltd, one of China's largest brokerages. The launch of the scheme marks a crucial step in China's capital market opening-up.



### GRAPH of the Month

## Index Returns in May 2019 (%)

Source: MSCI, FactSet, J.P. Morgan Economic Research, J.P. Morgan, Asset Management.

INDEX	GBP	USD	JPY	EUR	LOC
Equities (MSCI)					
MSCI World	-2.4	-5.7	-8.1	-5.1	-5.5
MSCI USA	-3.1	-6.3	-8.7	-5.8	-6.3
MSCI Europe	-1.7	-5.0	-7.4	-4.4	-4.8
MSCI UK	-2.8	-6.0	-8.4	-5.5	-2.8
MSCI Japan	-0.7	-4.0	-6.4	-3.4	-6.4
MSCI AC Asia	-5.4	-8.5	-10.8	-8.0	-7.9
MSCI EM L.Am.	1.4	-2.0	-4.4	-1.4	-1.5
MSCI EM	-4.0	-2.2	-9.6	-6.7	-6.6

(Data as of 31 May 2019)



Traders work before the closing bell on the floor of the New York Stock Exchange (NYSE)

## Politics again take centre stage

A resurgence in the trade war between the US and China has triggered a bout of risk-off sentiment

Kyriaki I. Balkoudi Editor-in-chief

**>W**orld equity markets performed poorly over May as trade negotiations between the US and China soured and tariffs were hiked. The MSCI All Country World Index plunged 5.9%, the MSCI DM Index finished the month 5.8% in the red and the MSCI EM Index plummeted 7.3%. From May 10, the US increased tariffs on USD 200 billion worth of Chinese imports as much as 25% from 10% and announced that it may impose a 25% tariff on the remaining USD 300 billion worth of Chinese goods, reigniting a tit-for-tat squabble that investors had bet was on the brink of being resolved. China retaliated by increasing the tariff range from 5-10% to 5-25% on USD 60 billion worth of imports from the US. The trade battle spilled into the technology sector after May 20 when the US administration blacklisted Chinese telecommunications giant Huawei on security fears.

### AMERICAS

US equities were significantly weaker after the trade negotiations between Washington and Beijing collapsed. Companies with significant exposure to China were hit particularly hard. Apple fell nearly 6% as investors worried about future iPhone sales in China. As the month ended the situation deteriorated, as US President Donald Trump unexpectedly announced a new 5% tariff rate on Mexican goods that would gradually increase to 25% later this year if the Mexican government fails to do more to curb the flow of undocumented immigrants migrating to the US. In Latin America, shares were widely mixed. Brazilian stocks rose slightly while Argentina surged more than 13%. Stocks in Colombia, Chile, and Mexico fell between 7% and 9%.

### EUROPE

European stock market returns were negative as stalling trade talks between the U.S. and China weighed on investor sentiment. Industries most sensitive to the global trade environment such as autos and semiconductors fell sharply. The elections to the European Parliament which took place from 22 to 26 May were another focus. The centrist parties of the

EPP and S&D remain the largest two parties in Parliament despite losing their absolute majorities for the first time since European parliamentary elections were held (1979). In the UK, prime minister, Theresa May, announced that she is stepping down on 7 June since she was unable to get her Brexit deal approved by the British Parliament.

### ASIA/PACIFIC

Japanese stocks fell amid worries over trade. The yen strengthened against other major currencies, as investors turned towards safe havens. In Southeast Asia, the Philippines - where president Rodrigo Duterte's allies won a resounding victory in mid-term elections - was the region's sole advancer as other markets declined. Chinese shares plunged 13% while the A shares market dropped about 9% amid reports that the Trump administration was considering penalising more Chinese tech companies after the U.S. placed Huawei on a blacklist. Meanwhile, with the introduction of further tariffs, the renminbi fell against the US dollar by 2.5%.

### EMERGING MARKETS

The MSCI Emerging Markets Index returned -7.22% with all 11 sectors retreating, led by consumer discretionary and communication services stocks. Russia, Brazil and India outperformed. India saw the conclusion of its six-week long general election, with the Bharatiya Janata Party (BJP), led by Narendra Modi, winning an absolute majority in the lower house for their second term. Investors anticipated that the BJP's landslide victory would translate into reform momentum. In South Africa, equities followed global markets down.

*Once again, politics has been a major driver of equity markets and trade remains the number one source of uncertainty for investors. Market participants will be watching how trade negotiations develop, with a close eye on the G20 summit at Osaka, Japan at the end of June where President Trump and Chinese President Xi Jinping are expected to meet. Regardless of the outcome of these negotiations, the outlook for growth and earnings is crucial for the direction of markets over the rest of the year.*

### EXPERTS TALK

## Wall Street's view on trade tensions

Stocks and businesses feel the pinch

Investor nervousness over the outlook for global growth grew as the U.S.-China trade dispute, which has been simmering for the past year, ratcheted up in May. US equities were significantly weaker after the US government increased the tariff rate on \$200 billion of Chinese goods to 25% from 10% and China responded by hiking the tariffs on \$60 billion of imports from the US. Also worrisome was the hardening rhetoric used by both countries. Experts warn that the US-China trade fight could deter investment, damage corporate confidence and even send S&P tumbling by 16% by summer end.

### ■ Scott Minerd

CIO at Guggenheim Partners.



One of Wall Street's premier investors and one of the world's premier bond-fund managers, Minerd, said that by the end of the summer U.S. benchmarks could fall to lower lows than those produced during a withering fourth-quarter selloff that culminated in the ugliest Christmas Eve trading session in history. "The trade tensions are likely to get a lot worse because we have never in modern times had a trade war like this," Minerd told MarketWatch in an interview. "Our models signal markets will make new lows in the summer," he said. "A break below December lows would mark the end of the bull market that began in 2009. Something we expect," he wrote in a recent research note.

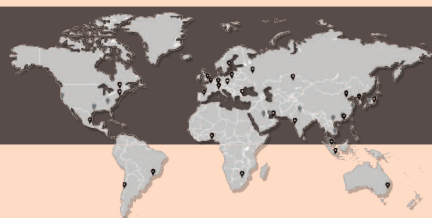
### ■ Jamie Dimon

CEO at JPMorgan Chase.



The longest-tenured CEO among the U.S. megabanks, Dimon said at a conference in New York that trade has become an issue. "Trade has gone from being a skirmish to being far more important than that. If this goes south in a bad way, and you have other surprises, that could be part of the thing that changes confidence, changes peoples' willingness to invest" he said. "You're already starting to see businesses starting to think about moving their supply lines," he added. "That can obviously slow down business investment and cause uncertainty of all different types." Referring to the stock meltdown late last year he commented: "I'm just telling people, we should be prepared that when we actually have a bad environment, it'll be that and worse." "The markets will be worse off than people think and that can cause people to panic a little bit faster than they should."





# World Markets Insider

## BME heads to Paris and New York

Stay ahead of the market with the most interesting developments from world stock exchanges. From performance reports to changes in trading structures, from c-level executive positions to new exchanges launches and new partner-

ships this page aims to be your reliable information centre. Every month we offer you a summary of events and trends that drive the financial markets so you stay up-to-date to make the best choices regarding your investments.

Johannesburg StockExchange (JSE) is the oldest existing and largest stock exchange in Africa, and has dominated trading in the continent for more than a century. However, new alternative exchanges have been established recently and they are bringing savings, ease and accessibility to the playing field. Welcome to South Africa's new stock exchanges!

**Zar X** made its first listing in February 2017. Advanced technology allows it to offer real-time settlement (T+0), and thus funds and shares are received immediately after transacting.

**4AX** formally commenced operations on 1 March 2017 and initially seeks to attract equity listings from qualifying Issuers with a focus on companies with a market capitalisation of up to R8 billion.

**A2X** began trading in early October 2017 with three listings and four of the industry's leading brokers on board. It provides an alternative platform for companies to secondary list and trade their shares.

### Equity Express Securities Exchange (EESE)

was awarded an exchange licence in September 2017 and launched in December 2017 with one listing. EESE is the first independent black owned equity exchange in the country. The new exchanges, all located in Johannesburg, aim to fulfil SA's empowerment objectives by targeting smaller companies and local communities to participate on their exchanges.



PHOTO: Etienne Nel ZAR X CEO

### SANTIAGOX (Santiago, Chile)

Santiago Exchange presented its new brand that reinforces its corporate business value, as a technological, innovative, transparent, reliable and sustainable company. The launching took part in the Exchange's client and stakeholder annual wine tasting event, that summed up over 500 executives of the financial market. "The new brand marks a new milestone, upon completion of our 125-year anniversary. It reflects the pace we have been setting and concurs with a strong positioning and consolidation as relevant player in Latin America, our proactivity to develop solutions for users and market participants, and our work towards a more connected role as a financial infrastructure IT provider", remarked the Santiago Exchange Chairman, Juan Andrés Camus.

**NYSE** (New York, USA)  
Intercontinental Exchange, Inc., the parent com-

pany of NYSE announced on June 3 that John Tuttle has been appointed Vice Chairman and Chief Commercial Officer of NYSE Group. In this expanded new role, Tuttle will lead commercial outreach and business development of NYSE Group, spearhead its efforts to win the largest IPOs, grow the exchange's community of 2,300 listed companies, and oversee creation of new offerings for industries such as biotechnology and other growing sectors of the economy. Michael Blaugrund, currently Head of Transactions at the NYSE, has been promoted to Chief Operating Officer.

### TSX (Toronto, Canada)

Toronto Stock Exchange (TSX) welcomed 14 new issuers in May 2019, compared with three in the previous month and 23 in May 2018. The new listings were 10 exchange traded funds, two life sciences companies, one mining company and one real estate company. Total financings raised in May 2019 decreased 14% from the previous month, and were down 25% compared to May 2018. The total number of financings in May 2019 was 42, compared with 33 the previous month and 65 in May 2018.

debt circulating on KASE reached KZT10.8 trln

### MSE (Ulaanbaatar, Mongolia)

Mongolia's Financial Regulatory Commission at its Meeting held on 23 May, passed the Decision to list the total of 466.7 million shares of "Most Fintech" NBFI, financial service provider. According to the resolution No. 126, 22.3 percent or 103.8 million shares of the total outstanding shares of the company will be offered to strategic investors and the public by method of bookbuilding. The Company was listed on the Mongolian Stock Exchange as a Tier III issuer by the MSE CEO's Order No. A/25 dated March 29, 2019. The proceeds of MNT 4.8 billion shall be used for funding loan sources and expanding operations. The issue is underwritten by "S G Capital" LLC, and auditing service is provided by "Khulegt Khunnu Audit" LLC, legal due diligence by "Batbayar and Partners" LLC and asset valuation by "Coordinate Audit" LLC.

### CSX (Phnom Penh, Cambodia)

Cambodia Securities Exchange (CSE) announced that 9,457,422 shares worth 120.12 billion riel were traded on the Exchange on May 25, breaking the highest record of all time since the opening of the market in 2012. According to the internal statistic report of CSX, trading was mainly contributed by the stock of Sihanouk Ville Port (PAS) with the total trading value of 120.02 billion riel where only 0.02 billion riel was traded through Auction Trading Method (ATM) and the rest of 120 billion riel through Negotiated Trading Method (NTM). The NTM trade which was made into a deal by SBI Royal Securities as a stock broker beat all previous records of NTM trades.

### NZX (Wellington, New Zealand)

Smartshares, which is owned by NZX, the New Zealand Exchange, is widening out the Kiwi ETF market with eight new listings set to go live on June 6. Smartshares, New Zealand's only ETF provider, will for the first time offer retail investors access to artificial intelligence and robotics, innovative

healthcare, ESG, as well as popular market weighted indexes, through NZ listed ETFs. ETFs make up only 2-3% of the total NZ retail managed funds industry.

### SET (Bangkok, Thailand)

The Stock Exchange of Thailand (SET) has jointly joined forces with Microsoft (Thailand) to scale up LiVE platform to "Virtual Pitching Platform", an integrated entrepreneur information center for small and medium-sized enterprises (SMEs), startups, and social enterprises (SEs) to pitch their business plan online to investors, enabling Thai entrepreneurs to grow globally. LiVE platform, which comes on stream on June 12, also connects to other alliances to strengthen and connect the startup ecosystem. SET has also collaborated with alliances from both public and private sectors to drive the startup ecosystem, in accordance with the government policy to encourage startups to access capital funding and grow sustainably. The next phase will provide investment knowledge for startup investment from bloggers to enable investors to exchange views on startup investment on webboards. In addition, SET has also geared up to bridge connection to large corporations on incubation support.

### BME (Madrid, Spain)

BME is bringing together Spanish companies with institutional investors in two key International gatherings, both starting on June 18: the 8th edition of the Spanish Equity Conference in New York, and the 15th Spring European Midcap Event in Paris. The New York Conference will bring together the management teams of Acciona, Applus, CIE Automotive, Ebro Foods, Enagás, Merlin Properties and Metrovacesa with 25 US institutional investors. In addition, ten Spanish listed companies (Pharma Mar, Prisa, Quabit, Reig Jofré, Tubacex, AB Biotics, ADL Bionatur, Atrys Health, Grenergy Renovables and Lleidanet-works) will be meeting in Paris with European investors.

### WIENER BOERSE (Vienna, Austria)

The Albanian Securities Exchange and the Vienna Stock Exchange have signed a market data cooperation agreement. Financial information

providers, so-called data vendors, can access market data from Albania via the Vienna Stock Exchange's central data feed. Market data from Albania can potentially reach more than 18,000 end users in about 60 countries in real-time. The one-stop shop solution reduces the administrative, legal and IT work for clients to a minimum. The Vienna Stock Exchange globally disseminates data from 11 markets on one feed: Updates on securities from Albania, Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Hungary, Kazakhstan, North Macedonia, Serbia and Slovenia, as well as trading data of the Energy Exchange Austria (EXAA).



PHOTO: Artan Gjergji, CEO ALSE and Ludwig Nießen, COO and CTO Vienna Stock Exchange

### ADX (Abu Dhabi, UAE)

As part of the Abu Dhabi Securities Exchange's (ADX) strategy aimed at bolstering its leading position in the region and extending its cooperation with global financial markets, H.E. Khalifa Salem Al Mansouri, Acting Chief Executive of ADX, met senior officials at the London Stock Exchange (LSE) recently. Commenting on the visit, H.E. Khalifa Salem Al Mansouri stressed the importance of opening channels of communication and cooperation between ADX and major international stock ex-

changes and promoting the Exchange as a preferred destination for listing and trading in the region.

### QSE (Doha, Qatar)

During the Shanghai Global Investment Forum 2019, which will be inaugurated on June 19 and is organised by Institutional Investor LLC, and part sponsored by Qatar Stock Exchange (QSE), Mr Rashid Bin Ali Almansoori, CEO of QSE, will deliver a presentation in which he discusses the investment climate in Qatar. He will also discuss the characteristics, role and recent performance of QSE and provide an overview of a number of key initiatives currently being developed, which are designed to meet the needs of international investors.

## Americas

## Eurasia

## Asia & PACIFIC

## Europe

## Middle East



# Commodities International

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# World Markets Dashboard

## One stop-shop for Market Watchers

The list below includes 153 stock exchanges around the world. They are presented in an alphabetical order by continent. As of May 2019, the New

York Stock Exchange ranked as the largest by market capitalisation with a value of tradable shares amounting to 24 trillion US dollars.

### World Stock Exchanges Map

#### 1. Africa

ALGERIA Algiers IL BOURSA  
ANGOLA Luanda BOVIDA  
BOTSWANA Gaborone BSE  
CAPE VERDE Mindelo BVC  
CAMEROON Duala DSX  
COTE D'IVOIRE Abidjan BRVM  
EGYPT Cairo EGX  
EGYPT Cairo EGX  
ETHIOPIA Addis Ababa ECX  
GABONE Libreville BVMAC  
GHANA Accra GSE  
KENYA Nairobi NSE  
LESOTHO Maseru MSM  
LIBYA Tripoli LSM  
MADAGASCAR Antananarivo mex  
MALAWI Blantyre MSE  
MAURITIUS Port Louis SEM  
MOROCCO Casablanca CASA SE  
MOZAMBIQUE Maputo BVM  
NAMIBIA Windhoek NSX  
NIGERIA Abuja ASCE  
NIGERIA Lagos NSE  
RWANDA Kigali RSE  
SEYCHELLES Victoria SSE  
SOMALIA Mogadishu SSE  
SOUTH AFRICA Johannesburg JSE  
SUDAN Khartoum KSE  
SWAZILAND Mbabane SSX  
TANZANIA Dar Es Salaam DSE  
TUNISIA Tunis BVMT  
UGANDA Kampala USE  
UGANDA Kampala ALT  
ZAMBIA Lusaka LUSE  
ZIMBABWE Harare ZSE

#### 2. Americas

• NORTH AMERICA  
BAHAMAS Nassau BISX

BARBADOS Saint Michael BSE  
BERMUDA Hamilton BSX  
CANADA Toronto TSX  
CAYMAN ISLANDS (Grand ) SXE  
DOMINICAN REP. S.Domingo  
BVRD  
EL SALVADOR San Salvador BVES  
GUATEMALA Guatemala City BNV  
JAMAICA Kingston JSE  
MEXICO Mexico City BMV  
MEXICO Mexico City BIVA  
NICARAGUA Managua BVDN  
PANAMA Panama City BVP  
SAINT KITTS & NEVIS Basseterre  
ECSE  
TRINIDAD & TOBAGO (Spain)  
TTSE  
UNITED STATES Chicago CHX  
UNITED STATES New York NASDAQ  
UNITED STATES New York NYSE

#### • SOUTH AMERICA

ARGENTINA Buenos Aires BCBA  
BRAZIL Sao Paulo BOVESPA  
CHILE Santiago SSE  
COLOMBIA Bogota BVC  
EQUADOR Quito BVQ  
HONDURAS Tegucigalpa BVC  
PARAGUAY Asuncion BVPASA  
PERU Lima BVL  
URUGUAY Montevideo BVM  
VENEZUELA Caracas BVC

#### 3. Asia Pacific

AUSTRALIA Sydney ASX  
BANGLADESH Dhaka DSE  
BANGLADESH Chittagong CSE  
BHUTAN Thimphu RSEBL

CAMBODIA Phnom Penh CSX  
CHINA Shanghai SSE  
CHINA Shenzhen SZSE  
HONG KONG Hong Kong HKEX  
INDIA Mumbai NSE  
INDIA Mumbai BSE  
INDONESIA Jakarta IDX  
JAPAN Fukuoka FSE  
JAPAN Nagoya NSE  
JAPAN Tokyo TSE  
KAZAKHSTAN Almaty KASE  
KYRGYZSTAN Bishkek KSE  
LAOS Vientiane LSX  
MALAYSIA Kuala Lumpur BM  
MALDIVES Male MSE  
MONGOLIA Ulaanbaatar MSE  
MYANMAR Vientiane LSX  
NEW ZEALAND Wellington NZX  
NEPAL Kathmandu NEPSE  
PAKISTAN Karachi PSE  
PAKISTAN Lahore PSE  
PAKISTAN Islamabad PSE  
PHILIPPINES Manila PSE  
SINGAPORE Singapore SGX  
SOUTH KOREA Busan KREX  
SRI LANKA Colombo CSE  
TAIWAN Taipei TPEX  
TAJIKISTAN Dushanbe CASE  
THAILAND Bangkok SET  
UZBEKISTAN Tashkent UZSE  
VIETNAM Ho Chi Minh City HOSE

#### 4. Eurasia

ARMENIA Yerevan AMX  
AZERBAIJAN Baku BSE  
GEORGIA Tbilisi GSE

#### 5. Europe

ALBANIA Tirana ALSE  
AUSTRIA Vienna WIENER BORSE

BELARUS Minsk BCSE  
BELGIUM Brussels Euronext  
BOSNIA-HERZEG. Banja Luka BLSE  
BOSNIA-HERZEG. Sarajevo SASE  
BULGARIA Sofia BSE  
CHANNEL ISLANDS Guernsey tise  
CROATIA Zagreb ZSE  
CYPRUS Nicosia CSE  
CZECH REPUBLIC Prague PSE  
DENMARK Copenhagen NASDAQ  
ESTONIA Tallinn NASDAQ  
FINLAND Helsinki NASDAQ  
FRANCE Paris Euronext  
GERMANY Frankfurt FWB  
GERMANY Hamburg BOERSE  
GIBRALTAR Europort GSX  
GREECE Athens ATHEX  
HUNGARY Budapest BSE  
ICELAND Reykjavik NASDAQ  
IRELAND Dublin Euronext  
ITALY Milan BORSA ITALIANA  
LATVIA Riga NASDAQ  
LITHUANIA Vilnius NASDAQ  
LUXEMBOURG Lux/urg City LUXSE  
MACEDONIA Skopje MSE  
MALTA Valletta MSE  
MONTENEGRO Podgorica MNSE  
NETHERLANDS Amsterdam  
ERONEXT  
NORWAY Oslo OSLO BORS  
POLAND Warsaw GPW  
PORTUGAL Lisbon Euronext  
ROMANIA Bucharest BVB  
RUSSIA Moscow MOEX  
RUSSIA Saint Petersburg SPB  
SERBIA Belgrade BELEX  
SLOVAKIA Bratislava BSSE  
SLOVENIA Ljubljana LJSE  
SPAIN Madrid BME  
SWEDEN Stockholm NASDAQ  
SWITZERLAND Zurich SIX

SWITZERLAND Bern BX SWISS  
TURKEY Istanbul BORSA ISTABUL  
UKRAINE Kiev UX  
UK London LSE

#### 6. Middle East

BAHRAIN Manama BHB  
JORDAN Amman ASE  
IRAN Tehran TSE  
IRAQ Baghdad ISX  
ISRAEL Tel Aviv TASE  
KUWAIT Kuwait City BK  
LEBANON Beirut BSE  
OMAN Muscat MSM  
PALESTINE Ramallah PEX  
QATAR Doha QSE  
SAUDI ARABIA Riyadh TADAWUL  
UAE Abu Dhabi ADX

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### • BONDS

#### Tariff worries send bond yields lower

**Increasing** concerns about the effect of tariffs on global economic growth made investors turn to safe havens in May. The US ten-year Treasury yield was 38 basis points (bps) lower, finishing the month at close to 2.1%, levels not seen since late-2017. In Europe, ten-year German bond yields also fell to a new low of negative 0.2% by the end of the month while French, Spanish and Portuguese yields also fell. In the UK, 10-year gilt yields fell 30bps as Brexit uncertainty remained heightened with Prime Minister Theresa May announcing she is stepping down. Emerging markets bonds produced positive returns but underperformed developed market debt.

### • COMMODITIES

#### Hit by global growth concerns

**Commodities** were hit in May as US-China trade talks broke down fanning fears of a broad economic slowdown. The S&P GSCI Spot Index was down 8.2% for the month while the Dow Jones Commodity Index was down 3.6%. Industrial metals also recorded a negative return, with copper and zinc particularly weak. The S&P GSCI Industrial Metals gave back all of its YTD gains in May, falling 5.5% for the month. By contrast, agricultural commodities gained strongly. The S&P GSCI Agriculture rallied 9.7%. Precious metals also posted a positive return, with the S&P GSCI Gold up 1.7% over the month.

### • CURRENCIES

#### Political uncertainty is the key driver

**The** EURUSD pair moved lower during May, unable to hold over 1.1200 and testing the 1.1100 zone. The British pound weakened and broke 0.88 as the political context worsened in the UK. BOE announcements and economic data were largely ignored as the Brexit uncertainty continued. The Japanese yen has been the best cross US dollar performer in a context of depressed global growth expectations. The Australian dollar moved down against all crosses (AUDUSD moved under 0.6900) and the Canadian dollar continued to decline against the USD breaching and holding over 1.3500.

### • FUNDS

#### Long-term bond funds do well

**In** a challenging month for equities, longer-term higher quality bond funds were the best performing fixed income funds with returns reaching a high of 4.32%. The leading funds in the equity and all other funds segment included mutual funds and exchange-traded funds invested in solar energy gold and precious metals as well as global real estate. Funds in these categories produced some of the very few positive results in May, as high as 2.64%. Emerging market and high yield bond funds lagged behind. Sources: STEELE Mutual Fund Expert, Morningstar data and Sustainable Research and Analysis.

### • CRYPTO

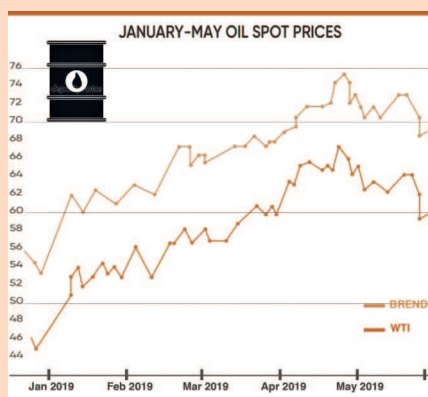
#### Impressive gains for crypto assets

**Crypto** markets saw rapid growth in May with total market capitalization surging by 50 percent, largely driven by Bitcoin. The leading cryptocurrency rose 67 percent from \$5,265 on May 1st to \$8,900 by month's end. Sharp rallies in bitcoin's price on May 11 and May 13 pushed its price tag above \$7,000 and then \$8,000 for the first time in over a year. The other top performing cryptocurrencies were Ethereum, Bitcoin Cash, EOS, IOTA and NEM, all of which gained more than 50 percent each. Those not performing so well getting smaller gains included Stellar, Cardano, and Tezos.

### CRUDE OIL

#### Oil price trend 2019

Since the beginning of the year Brent has increased by \$13.74 per barrel or 25.02%. The latest Brent oil price, as of the end of May 2019, stood at around \$67 per barrel. WTI crude oil has increased \$11.85, or 25.45% according to World Bank data.



### GOLD

#### Fairly muted

Despite its safe-haven status, gold had a volatile May, up from \$1270 to \$1300, back to test \$1270 before closing the month at \$1305 an oz, as trade relations between the U.S. and China deteriorated. The overall direction is not clear as both sides, appear to believe they have the upper hand in the negotiations.

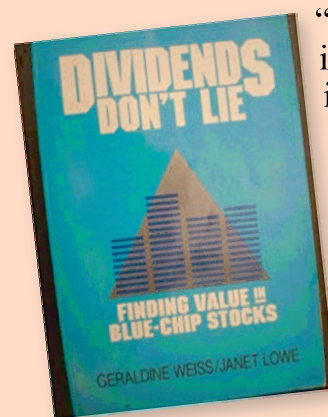






# Geraldine Weiss

## The female guru of blue chip stocks



“Folks who ignore the importance of dividends in making stock market selections are not investors. They are speculators.”



### Seven criteria to screen stocks with

1. Whether the dividend yield is undervalued on a historical basis;
2. Whether the company has raised dividends at an annual compound rate of at least 10% in the past 12 years;
3. Whether the company is trading at a book value (BV) of two or less;
4. Whether the company has a P/E ratio of 20-to-1 or less;
5. Whether the dividend payout ratio is 50% or less;
6. Whether the debt is 50% or less of the company's total market capitalization;
7. Whether it meets the six Blue Chip Criteria

**When a stock meets all seven of Weiss' criteria, the stock is categorised by her as a "Buy".**

### Six Blue Chip Criteria

1. The dividend must have been increased five times in the past 12 years;
2. Have an "A" credit rating from Standard & Poor's rating agency;
3. Must have at least five million shares in circulation;
4. It must have at least 80 institutional investors;
5. It must have a total of 25 uninterrupted years of dividend payouts;
6. Earnings must have increased in at least seven of the past 12 years.

Companies that don't meet these criteria are removed from her shortlist.

### 2019 Picks

**In hard economic times Weiss sees as safe havens the following industries:**

1. Utilities
2. Pharmaceuticals
3. Food and drink

### Success Formula Dividends Original

**Original (1988) from Weiss' book Dividends Don't Lie**

MktCapM is  $\geq$  US\$ 300 million (basis year 2000) adjusted yearly  
Dividend growth periods  $\geq$  5x over past 12 FY  
Outstanding Shares for latest FY is  $\geq$  5 million  
Institutional shareholders are  $\geq$  80  
EPS over last 12 FY increased  $\geq$  7 FY  
Dividend paid out  $\geq$  12 past FY  
Rank according to current Dividend Yield % (higher is better)

Known by names like "the Grande Dame of Dividends" and "The Dividend Detective", Weiss, is one of the most successful women in the investing industry. She was born in San Francisco in 1926, studied business and finance at the University of California, Berkeley in the 1940s and got interested in investing in the early 1960s.

**U**nable to find work as a broker or an analyst in the exclusively male-dominated field of financial advice, Weiss collaborated with Fred Whitmore, her broker and published an stock advisory newsletter called Investment Quarterly Trends (IQT) in 1966. In doing so, she became the first woman to start an investment advisory service, successfully entering a traditionally male-dominated profession.

Weiss bought Whitmore out a year later. She then began signing her newsletters "G. Weiss" instead of "Geraldine Weiss" for about a decade before revealing she was a woman, due to the initial rejection her work faced. The business thrived and Weiss began appearing on talk shows and at investor conferences. Her work and interviews have been published in major finance publications such as Barron's, The Wall Street Journal, Fortune, Forbes and the New York Times. She also co-authored two bestsellers on dividend-centric value investing, Dividends Don't Lie (1988) and The Dividend Connection (1995).

### Simplicity and value, the core of a philosophy

"After all my reading, Benjamin Graham and his books Security Analysis and The Intelligent Investor have really influenced me more than anything, she said. However, she dropped Graham's 10-point checklist for stock selection and departed with her own technique. Weiss embraced her instincts and invented a quite genius strategy for investing, with focus on one single metric: a company's dividends rather than earnings. She had three main reasons to believe that dividend yield is the best measure of value. Dividends result from revenue; a tendency to increase dividends is a growth notice and an indicator of corporate financial health

and the repeated margins of dividend yields reliable models of underestimation and overestimation. According to her, an earnings figure, can be manipulated. "A clever accountant can make earnings appear good or not so good, depending on the season or the objective. There can be no subterfuge about a cash dividend. It is either paid or it is not paid." Her strategy is simple: Buy shares when they are within 10% of their highest dividend yield and sell them when they get within 10% of their lowest. Weiss' way of investing was always geared towards safe returns. Between 2000 and 2016 the "Lucky 13", the portfolio of blue chip stocks recommended annually by IQT outperformed both the S&P 500 and Berkshire Hathaway.

In 2002, after 36 years of conducting analysis and writing for Investment Quality Trends, Weiss handed off editorial duties at Investment Quality Trends to Kelley Wright. However, Weiss is still involved with the overall business strategy at IQT and her newsletter is still going strong, these days as an online service. The world of investing contains countless individuals but few people of distinction and influence like Weiss, a true investing legend, and a role model for women investors.

“Successful investing in the stock market is not brain surgery. Anyone can be a successful investor.”



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# WORLD MARKETS TODAY

Daily stock market analysis and commentary



## 4 EUROPE

The Swiss stock market has a market capitalisation of 1.1 trillion euros (\$1.25 trillion), more than 10% of the pan European STOXX 600 index's total. Switzerland is home to Europe's fourth-largest stock market.

## 5 MID. EAST

Kuwaiti stocks outperformed frontier and emerging markets in the past year. The main Kuwaiti index has extended its gain this year to 21%. The small Gulf nation's stock market, is worth \$98 billion.

## 6 OCEANIA

In May 2019, total capital raised on Australia's ASX was \$5.1 bn and the average daily number of trades was 35% higher. Volatility was 0.5% up on the previous month while expected future volatility was an average of 13.6 (GRAPH: Australia S&P/ASX 200 Stock Market Index Jan. 2008-June 2019)

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*News and announcements from companies listed on stock exchanges around the world. Earnings, spin-offs, take-over bids, capital increases, recent and upcoming IPOs, expansion into new markets, signing of alliances, M&As...*

## ■ TSOGO SUN (AFRICA)

Africa's leading hospitality group, Tsogo Sun Hotels Limited became the second company to list on the Johannesburg Stock Exchange's main board this year. The listing which took place on June 12, comes as a result of the Tsogo Sun Hotels Limited unbundling from the Tsogo Sun group. Tsogo Sun Hotels Limited owns, leases and manages hotels in South Africa as well as several sub-Saharan countries, the Seychelles and Abu Dhabi. The JSE has 360 companies listed with a total market cap of R16.39 trillion.

## ■ TAVAN TOLGOI (MONGOLIA)

Gombojav Zandanshatar, the head of Mongolia's parliament told the Nikkei Asian Review in an interview on May 30 that his country's elections and other factors could impede the market debut of state-owned miner Erdenes Tavan Tolgoi this year. Previously, Erdenes had unveiled plans to raise up to \$3 billion in a public stock offering in Hong Kong within 2019. The Tavan Tolgoi deposit, in the south of Mongolia, is one of the world's largest coal mines. It holds estimated reserves of nearly 8 billion tons of coking coal. The company last year turned a net profit of 720 billion tugrik (\$272.78 million). Mongolia plans to hold a general election in 2020.

## ■ HIDROELECTRICA (ROMANIA)

State-owned power utility Hidroelectrica has issued a public call to acquire legal services for conducting an initial public offering (IPO) on the Bucharest Stock Exchange that has been expected for years. The Romanian state controls 80% of the company and investment fund Fondul Proprietatea holds the remaining 20%. Hidroelectrica, which operates over 200 plants with an installed capacity of about 6,400 MW, reported a net profit of about RON2bn (€430mn) for 2018.

## ■ ARABIAN CENTRES (S.ARBIA)

Saudi shopping mall giant Arabian Centres debuted on the Tadawul, the country's stock exchange on May 22. Arabian Centres' share sale was the kingdom's third biggest since Saudi bank National Commercial raised \$6 billion in 2014, according to Refinitiv data. Arabian Centres CEO Olivier Nougrou (pictured) said in a statement that the IPO "will enable us to embark on our strategy for future growth, specifically our ambitious expansion plans to develop eight assets and two expansions within the next five years."



Olivier Nougrou  
Centres CEO

ifo INSTITUT

ifo Institute, is one of the leading economic research institutes in Europe and the one most often quoted in the German media. The ifo Institute is a European think tank that forms a bridge between academic research and public discourse. Besides the ifo World Economic Survey, they also publish the ifo Business survey as well as a quarterly forecast for the German economy.

## Economic experts are less pessimistic about the world economy in Q2 2019

The global economy is said to gradually strengthen again over the course of the coming year, as expectations among economic experts have brightened considerably.

## ifo World Economic Survey

The global economy is said to gradually strengthen again, as expectations improved. Assessments of the current situation were slightly downwardly revised.

The latest results of the ifo Economic Climate show a slight recovery. In the second quarter of 2019 the climate indicator rose from -13.1 points to -2.4 points, having previously fallen four times in a row. Expectations amongst the +1200 economic experts for the coming months have brightened considerably. The same experts assessed the current situation as slightly worse than previous quarter. The global economy should gradually strengthen again over the course of the coming year. The global economy is expected to grow by 3.4% this year. Economic momentum in world trade should also pick up slightly. Growing income inequality is the most frequently cited problem for the global economy. These are the main results of the ifo World Economic Survey. A quarterly report published by the ifo Institute in Munich, Germany.

## ■ Euro Area

In the euro area, the economic climate recovered somewhat for the second quarter of 2019. The outlook for the coming half year brightened in many euro countries. Expectations improved most notably in France, Belgium, and Greece. Ireland, the Netherlands, and Portugal are among the countries reporting a further deterioration in the economic outlook. Respondents expect an inflation rate of 1.5% for the current year. The shortage of skilled workers is the most frequently cited problem for the economy.

## ■ Emerging and Developing Europe

The economic climate in emerging and developing Europe continued to improve slightly from -20.7 to -17.0 points on the balance scale, as expectations were revised upwards. The present economic situation, in contrast was more negatively assessed than three months ago. Experts report as the main economic problem the lack of confidence in the economic policies of their governments. Besides a lack of innovation, most of emerging and developing Europe faces capital shortages as a further economic stumbling block. GDP growth for 2019 is predicted to be 1.9%. This is mainly due to a strong downward revision of growth perspectives for Turkey.

## ■ Emerging and Developing Asia

In emerging and developing Asia, the economic climate improved, the indicator now points to +2.1 balance points from -17.0 in the previous quarter. This

figure mainly reflects the positive economic developments in China and India. GDP for 2019 is expected to be 5.2 percent. Corruption and a lack of skilled labor was cited as an obstacle to the economy.

## ■ Latin America

Latin America is the only aggregate of emerging and developing markets where the economic climate continued to deteriorate, from -9.1 to -21.1 balance points. The assessment of the situation remains in negative territory. The region's most pressing economic problems, according to the WES experts, are corruption, inadequate infrastructure, and a lack of innovation.

## ■ CIS

The economic climate for the Commonwealth of Independent States (CIS) improved slightly but remains negative overall at -9.8 balance points. The survey results continue to indicate weak economic performance with no signs of recovery in the months ahead. In Ukraine, assessments of the present economic situation improved again and are now in slightly positive territory. The economic outlook, however, clouded over and WES experts' caution returned regarding the next six months.

## ■ Africa

The economic climate indicator for countries in the Middle East and North Africa (MENA) rose considerably, but still stands in negative territory at -3.8 balance points. Experts in this region revised their assessments of the current situation upwards and became optimistic regarding the months ahead. In Sub-Saharan Africa, the economic climate improved from -20.4 to -4.1 balance points. Assessments of both the present situation and the economic expectations were revised upwards, indicating an improving economic environment. The most cited economic problem in Sub-Saharan Africa is inadequate infrastructure.



Dorine Boumans

PhD, is a survey specialist at the ifo Institute in Germany, in the department of macroeconomics and surveys. She manages the World Economic Survey, a quarterly economic expert survey that covers around 120 countries

## STOCKS

## Axel Springer jumps on KKR investment talks

Axel Springer's share price soared 22% on May 30 after the German publisher revealed talks were underway with U.S. investor KKR over a potential strategic investment. Springer's shares had lost more than a quarter in value over the past 12 months as investors grew impatient over its heavy digital investments and the drag from circulation declines at media titles including the Bild daily. The Berlin-based company has a market value of 4.95 billion euros (\$5.51 billion).

## COMMODITIES

## Another Australian gold rush

Australian Bureau of Statistics data shows mining companies are spending more than ever looking for the rare commodity across Australia, with almost half a billion dollars spent between October and March. Last year, Australia also exported the most gold in its history at 317 tonnes, maintaining its status as the second biggest producer of the element. Industry analyst firm IBISWorld forecasts Australia's production of gold will fall to 255 tonnes by 2023, pushing it down to be the world's fourth largest producer.

## BONDS

## Portugal issues debt on China's market

Portugal, one of the European countries with the highest level of Chinese investment, has become the first ever euro zone country to issue bonds denominated in the Chinese yuan. The southern European country announced at the end of May its intention to sell 2 billion yuan (\$289 million) worth of "Panda" bonds-yuan-denominated debt issued by a foreign sovereign issuer-with a maturity of three years.

## FUNDS

## Sovereign funds' latest love affair with India

Private equity deal activity in India surged to \$19 billion in 2018, the highest level in at least a decade, according to PitchBook data. Sovereign wealth funds and pension funds participated in about two-thirds of that amount.

From this year, Indian-based fund managers are licensed to manage foreigners' portfolio holdings in the country, where previously such assets had to be managed outside India.



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Trading News

Covering important trading topics



## EVENTS

Economic  
CalendarFrom 1st July to  
31st August 2019Monetary Policy Meeting  
Minutes, Crude oil inventoriesCentral Bank reserves, Interest rate decisions, CPI, GDP,  
and more data that affect stock and forex markets

01/07/2019

## ■ UK

Manufacturing PMI  
Markit/CIPS releases the Manufacturing Purchasing Managers' Index (PMI) which measures the activity level of purchasing managers in the manufacturing sector. A reading above 50 indicates expansion in the sector; below 50 indicates contraction.

03/07/2019

## ■ USA

Crude Oil Inventories  
The Energy Information Administration's (EIA) Crude Oil Inventories measures the weekly change in the number of barrels of commercial crude oil held by US firms. The level of inventories influences the price of petroleum products, which can have an impact on inflation.

04/07/2019

## ■ ARGENTINA

Industrial Production  
The National Institute of Statistics releases data on industrial production which measures the change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities.

## ■ RUSSIA

Central Bank reserves (USD)  
The Central Bank of the Russian Federation releases data on Foreign Exchange Reserves. A higher than expected number should be taken as positive to the RUB, while a lower than expected number as negative

07/07/2019

## ■ ISRAEL

Interest Rate Decision  
The Bank of Israel's "headline" rate of interest is the rate of interest announced by the Governor at the end of every liquidity month. These announcements have been made since the end of 1993, and provide the commercial banks with a benchmark for their rates on local currency unindexed deposits and credit.

09/07/2019

## ■ MALAYSIA

Interest Rate Decision  
The Central Bank of Malaysia's Monetary Policy Committee votes on where to set the overnight interest rate.

## ■ MEXICO

CPI. The National Institute of Statistics and Geography releases data on the Consumer Price Index (CPI) which measures the change in the price of goods and services from the perspective of the consumer. It is a key way to measure changes in purchasing trends and inflation.

11/07/2019

## ■ FRANCE

The French National Institute for Statistics and Economic Studies releases data on the French Consumer Price Index (CPI) which measures the changes in the price of goods and services purchased by consumers.

14/07/2019

## ■ CHINA

Fixed Asset Investment , GDP & Industrial Production. National Bureau of Statistics releases data on the

Chinese Fixed Asset Investment, GDP and Industrial Production Chinese Fixed Asset Investment measures the change in the total spending on non-rural capital investments such as factories, roads, power grids, and property. GDP measures the annualised change in the inflation-adjusted value of all goods and services produced



15/07/19 Australia

RBA Monetary  
Policy Meeting  
Minutes

The Reserve Bank of Australia (RBA) releases the Monetary Policy Meeting Minutes, a detailed record of the bank's most recent policy-setting meeting, containing in-depth insights into the economic conditions that influenced the rate decision.

PHOTO:  
Philip Lowe, RBA Governor (2016 - Present)

by the economy. Industrial Production measures the change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities.

16/07/2019

## ■ GERMANY

German ZEW Economic Sentiment (Jul)  
The German Zentrum für Europäische Wirtschaftsforschung (ZEW) Economic Sentiment Index gauges the six-month economic outlook. A level above zero indicates optimism; below indicates pessimism. The reading is compiled from a survey of about 350 German institutional investors and analysts.

17/07/2019

## ■ EU

Eurozone CPI  
Eurostat releases data on the Consumer Price Index (CPI) which measures the change in the price of goods and services from the perspective of the consumer. It is a key way to measure changes in purchasing trends and inflation.

## ■ JAPAN

Exports & Trade Balance  
The Ministry of Finance releases exports number which provides the total US dollar amount of merchandise exports on an f.o.b. (free on board) basis..

18/07/2019

## ■ SOUTH AFRICA

Interest Rate Decision  
The South African Reserve Bank comes to a consensus on where to set the interest rate at which the private (sector) banks borrow funds from central bank.

19/07/2019

## ■ CANADA

Core Retail Sales MoM  
Statistics Canada releases data on core retail sales

which measure the change in the total value of sales at the retail level in Canada, excluding automobiles. It is an important indicator of consumer spending and is also considered a pace indicator for the Canadian economy.

31/07/2019

## ■ USA

FOMC Statement & Fed Interest Rate Decision  
The U.S. Federal Reserve's Federal Open Market Committee (FOMC) members vote on where to set the rate. The statement is the primary tool the panel uses to communicate with investors about monetary policy. It contains the outcome of the vote on interest rates, discusses the economic outlook and offers clues on the outcome of future votes.

06/08/2019

## ■ BRAZIL

BCB Copom Meeting Minutes.  
The Central Bank of Brazil (BCB) releases the Minutes of its Monetary Policy Committee (Copom) meeting.

21/08/2019

## ■ INDIA

RBI MPC Meeting Minutes  
The Reserve Bank of India (RBI) releases the Monetary Policy Meeting Minutes, a detailed record of the RBI's policy setting meeting, containing in-depth insights into the economic conditions that influenced the decision on where to set interest rates. The breakdown of the MPC members, interest rate votes tends to be the most important part of the minutes.

East &  
South East  
Europe

*Below is a selection of conferences, trade fairs and exhibitions that take place across the region in July and August 2019.*

08-11/07/2019

## ◆ INT. CONFERENCE ON FINANCE

Athens, Greece  
Venue: Titania Hotel  
Organiser: Athens Institute for Education and Research  
Sponsored by the Athens Journal of Business & Economics, the 17th Annual International Conference on Finance will bring together academics and researchers of all areas of finance and other related disciplines.

## ◆ INNOPROM

Ekaterinburg, Russia  
Venue: Ekaterinburg-EXPO  
Organiser: Innoprom Team  
Held annually in Ekaterinburg since 2010, INNOPROM is an international industrial fair and the main industrial, trade and export platform in Russia. It features major companies from Europe, Asia, and the Americas. About 80% of the exhibition's visitors are professional buyers from around the world.

09-11/07/2019

## ◆ BLACK SEA PORTS &amp; SHIPPING

Constanta, Romania  
Venue: Hotel del Mar Mamaia  
Organiser: Transport Events Management Ltd.  
Black Sea Ports and Shipping is the biggest annual Maritime Ports, Shipping and Transport Logistics Exhibition and Conference in the Black Sea region now in its 8th year. The event will be hosted by the Port of Constanta.

27/07-18/08/2019

## ◆ JARMARK SW

Gdansk, Poland  
Venue: The Main Town in Gdansk  
Organiser: Gdansk International Fair Co.  
St. Dominic's Fair was established by the Pope Alexander IV in 1260 and is one of the largest open-air trade events in Europe. More than 1000 traders, artists and collectors participate. Antiques, works of art, silvers, chandeliers, coins, jewellery and more.

24-29/08/2019

## ◆ AGRA SLOVENIA

Gornja Radgona, Slovenia  
Venue: Pomurski sejem  
Organiser: Pomurski sejem d.d.  
57th International Fair of Agriculture and Food. Digital agriculture, digitalisation in agro-food precision agriculture, international economy, new technologies in agriculture, generational renewal, new production and processing technologies.

Digital Pay Expo Promoting  
Financial Inclusion

09-11 | 07 | 2019

Lagos-Nigeria

FINANCE

**T**he Digital PayExpo, now in its 19th edition, is one of the premier conferences in the digital payments space in Africa.

This annual conference hosted by Intermarc, a financial services consulting firm, aggregates key industry players both in the supply and demand-side to discuss and showcase ways of promoting the financial inclusion agenda in Nigeria and other emerging economies. Every year, hundreds of C-Suite executives – bankers, investors, start-ups, policy-makers, and devel-

opment professionals converge to discuss and explore innovative solutions to emerging themes in the financial inclusion space. In addition, typical personas of the un/underbanked populace who remain conspicuously absent in most conferences are well represented in the conference, playing an active role by participating in the panel/plenary discussion. With industry big brands and key decision-makers attending, the conference offers excellent opportunities for companies to showcase their products and services in a state-of-the-art ex-

hibition facility. Speakers include: Mrs Adia Sowho Managing Director at Mines Nigeria Limited, Mr Emeka Okoye Senior Semantic Web Architect at Cymantiks Nigeria Limited, Mr Esaie Diei CEO at Enhancing Financial Innovation and Access (EFInA), Mr Nic Wasonna General Manager at Inclusivity Solutions and Mr Robert Magala Digital Finance Product Innovation and Market Development Specialist at Accion International. The conference will be held at Eko Hotel and Suites, Victoria Island, Lagos.



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