

Monthly Review, Asset Allocation & Outlook

September 2024



Highlights of the Month

- Global equities closed the month higher on the Fed delivering a 50bps rate cut and China stimulus
- MSCI All Country World Index and MSCI EM Index increased by 2.2% and 6.4% in September
- 2-Year and 10-Year US Treasury yields fell 28bps and 12bps, respectively, on rising rate cut expectations
- In fixed income, Barclays Global Aggregate Index and Bloomberg EM Aggregate Index returned 1.7% and 1.8%
- Brent declined 8.9% MoM to close at USD 71.8/bbl in September on speculation that Saudi Arabia will increase supply
- Base metals inched higher with aluminum up 7.6% on China stimulus; Gold rose 5.2% on rate cut expectations
- MENA equities sentiment remained positive during September with the S&P Pan Arab Composite Index up 1.3%
- We remain overweight on equities and fixed income and underweight on cash



Global Review

Like August, the beginning of September also witnessed a spike in equity market volatility. The VIX index, a measure of S&P 500 implied volatility, surged to an intraday high of 23 from an August closing level of 15. The US August nonfarm payrolls of 142,000 came below consensus expectation of 165,000 and job openings fell to 7.7 million from 8.1 million in July. This triggered a sharp sell-off in global equities. However, sentiment improved during the second half of the month as the Fed delivered a larger-than-expected rate cut of 50bps, Chinese authorities announced a raft of new monetary and fiscal stimulus measures, and US economic data improved with retail sales growth, durable goods order growth, and University of Michigan Consumer Sentiment coming above consensus expectations.

The MSCI All Country World Index closed the month up 2.2%. 2-year and 10-year US Treasury yields fell 28bps and 12bps, respectively, to close the month at 3.64% and 3.78% on higher-than-expected Fed rate cut. The yield curve steepened further with US Treasury 10-2 spread rising to 16bps. The Barclays Global Aggregate Bond Index rose 1.7%. High-yield bonds continued to outperform well with the Barclays Global High Yield rising 2.0% in August. YTD high-yield bonds were up 9.6%, outperforming the investment-grade bonds by 6.0%. Commodities rebounded strongly on the Fed rate cut and China stimulus with the Bloomberg Commodity Index surging 4.4%. Base metals such as Aluminum, Copper, and Nickel rose 7.6%, 6.3%, and 4.4%, respectively. Gold gained 5.2% MoM and YTD was up 27.7%. Brent oil plummeted 8.9% on speculation that Saudi Arabia might increase supply by the end of the year.

Global Equities:

Within equities, emerging markets outperformed developed markets with the MSCI Emerging Index rising 6.4% while the MSCI World Index gaining 1.7%. Strong gains in China drove the outperformance of EM. Cyclical outperformed Defensives with the MSCI All Country World Cyclical Index gaining 3.2% while the Defensive Index lost 1.0%.

The S&P 500 Index rose 2.0% driven by strong performance of consumer discretionary, Utilities, communication services, and industrial sectors. The corresponding sector indices rose 7.0%, 6.4%, 4.5% and 3.3%, respectively. The Russell 2000, a small-cap Index of US stocks rose 0.6%. The US Unemployment rate in August fell to 4.2% from 4.3% the month before. Average hourly earnings rose 3.8% YoY, above the consensus forecast of 3.7%. The Job openings in August fell to 7.7 million from 8.1 million in the previous month.

MoM and YoY August US inflation (CPI) came in at 0.2% and 2.5%, both measures were in line with expectations. YoY inflation slowed down from 2.9% in July. Energy prices fell 0.8% MoM. MoM core CPI came in at 0.3% and was above the expectation of 0.2%. Owner's equivalent rent jumped to 0.5% MoM, its strongest pace since January. Airfares and car insurance also contributed positively to the core inflation. Personal and medical services, used car prices and furniture prices fell. YoY core CPI came in at 3.2% and was in line with expectations.

University of Michigan Sentiment rose to 69 levels vs 67.9 last month. August retail sales rose 0.1% compared to the expectation of a decline of 0.2%. 2Q QoQ annualized GDP growth was revised higher to 3% from 2.9%. Durable goods ex-transportation grew 0.5% MoM vs the expectation of 0.1%. Initial jobless claims continued to trend lower, coming in at 218,000 during the last week of the month.

European Stoxx 600 Index fell 0.4%. Germany's DAX Index outperformed gaining 2.2%, while France's CAC Index closed flat, and UK's FTSE 100 Index fell 1.7%. Eurozone August inflation rose 2.2% YoY, slowing down from 2.6% in July. Japan's Nikkei 225 Index fell 1.9% as Yen strengthened 1.7% against USD to close the month at 143.63.



Fixed Income:

TREASURY

September 2024 marked the shift in the Federal reserve policy and quantitative easing cycle with a 50bps cut to the Fed Funds rate, first in 4 years. Jerome Powell assured the markets that US economy still appears to be in good shape and the Fed will be trying to make policy less restrictive rather than adding any stimulus. Markets continue to factor in a series of consecutive cuts till December with a terminal rate of 4.1% by December 2024, further down from the 4.3% at the beginning of the month.

The catalyst for the jumbo first cut was weakening labor market, with monthly NFP falling short of the predicted 165,000 to net gain of 142,000 in August. Previous 2 months were revised lower by 86,000. Last 3 month averaged 116,000 below the breakeven rate of 150,000. The unemployment rate was fractionally lower in August at 4.2% from 4.3% in July but average hourly earnings came in hotter than expected at 0.4% MoM and 3.8% YoY. ADP data showed that US companies added the fewest jobs last month since the start of 2021, adding to evidence that the labor market is shifting into a lower gear.

Another trigger for a rate cut was colling inflation prints, with headline CPI inflation in line with expectations at 2.5% YoY in August, down from 2.9% the previous month, YoY core CPI came inline with expectation at 3.2%. Lower energy prices exerted the primary drag on prices. Key Fed inflation gauge – PCE rose 0.1% for the month, putting the 12-month inflation rate at 2.2%, down from 2.5% in July and the lowest since February 2021.

U.S. Treasury yields experienced a bull steepening trend, with 2-year yields declining by 28 basis points and 10-year yields falling by 12 basis points over the month.

CORPORATES

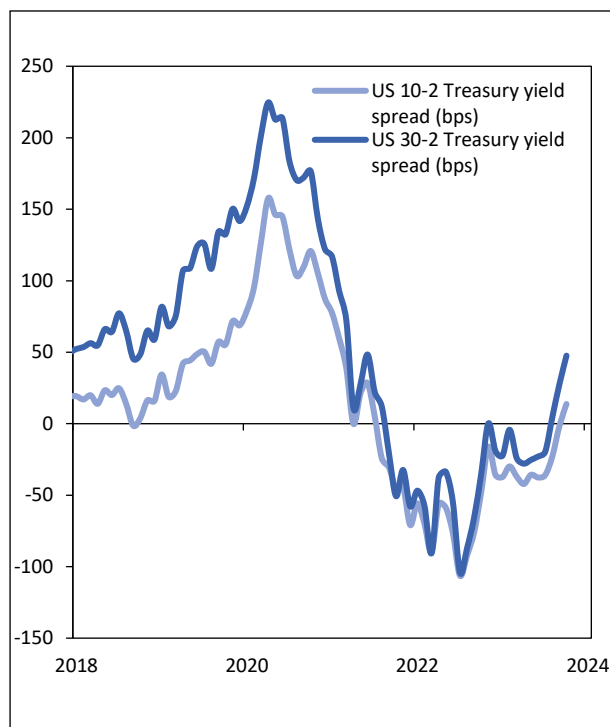
High Yield bonds outperformed Investment Grade bonds slightly during the month, but significantly outperformed them on an annual basis. The Bloomberg Global High Yield Index (high-yield) gained 2.0%, while The Bloomberg Global Aggregate Index (investment-grade) delivered a stronger performance of 1.7% in September. On annual basis high yield bonds outperforming its investment grade peers by 6%.

The US corporate high-yield (HY) spread tightened further by 10bps to reach 295 bps. As we have highlighted in our previously published outlooks, tighter spreads have forced to fixate on more cautious positioning. The focus continues to remain on identifying value opportunities within the high-yield issuer universe. The future returns will come from Further, within the investment grade space, we now favor long duration plays, reflecting our view of a higher probability of lower

yields having increased compared to the past two years.

Market Outlook: Yield curve normalization: We saw US treasury yield curve (2s10s) bull steepening with the trend to flatten more from its current level. We expect some volatility in the markets due to US election and geopolitical risks. We recommend to hold a well diversified portfolio and also take advantage of any near term volatility as our base case is still a soft landing scenario: The scenario assumes a "soft landing" for the US economy. In this case, lower 10-year Treasury yields, and a weakening US dollar are expected. Under these circumstances, we expects US 10 year yields to drop a further 40-50bps over the next 12M.

Emerging market (EM) bonds delivered positive returns in September. Both the Barclays Emerging Markets Aggregate Index (EMUSTRUU) and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) generated returns of 1.8% and 1.0%, respectively.





EM Equities: The MSCI EM Index was up 6.4% MoM. Asia outperformed, rising by 7.8%, followed by EMEA (+2.0%). The MSCI China Index surged 23.1% as Chinese authorities announced a raft of new monetary and fiscal stimulus measures. Chinese Central Bank, PBOC, cut its reserve requirement ratio by 50bps for most banks, its second cut in banks' required reserves this year, and reduced its seven-day reverse repo rate by 20bps to 1.5%. It cut the medium-term lending facility rate by 30bps to 2%. Other measures included a rate cut for existing home mortgages and cutting the down payment ratio for second home purchases to 15% from 25%. China's top leaders vowed to take action to stabilize the country's property market and make real estate prices stop declining. News articles mentioned China planning to issue special sovereign bonds worth about RMB 2 trillion (USD 284.4 billion) this year as part of the fiscal stimulus plan. The package will include RMB 1 trillion of special sovereign debt focused on boosting domestic consumption. MSCI India gained 2% and the market was amongst the best-performing emerging markets along with Turkey YTD. YTD MSCI India Index rose 25.5%. LATAM underperformed falling 0.1%.

Commodities: Oil: Brent oil fell 8.9% MoM and closed at USD 71.8/bbl. The drop was attributable to speculation that Saudi Arabia might increase supply incrementally by the end of the year. Natural gas: Henry hub prices surged 37.4% MoM to reach USD 2.9/mmbtu due to Hurricane Helene causing supply disruption. Almost 20% of the Gulf of Mexico's production was shut in response to storm's path.

Commodity prices advanced in September, supported by a favourable backdrop for precious metals, as falling interest rates pushed gold to fresh highs during the month. By contrast, oil weakened, driven by concerns of declining demand amid signs of a slowing global economy. Speculation emerged that Saudi Arabia might abandon its \$100-per-barrel Brent crude price target and ramp up production. US natural gas prices bucked the trend, with contracts rising as the month progressed.

Petchems: SE Asia LDPE, HDPE, LLDPE and PP were all down MoM. Given the overhanging weakness in oil prices, prices of polyolefins have moved based on short-term demand/supply dynamics.

Metals: Aluminum, Copper, and Nickel rose 7.6%, 6.3%, and 4.4%, respectively, on the fed rate cut and raft of new stimulus measures announced by the Chinese authorities. Precious metals: Gold prices were up 5.2% MoM, taking its YTD gains to 27.7%. Gold has rallied this year on a continued strong buying from global central banks and Chinese investors. Expectation of lower rates in the future is also acting as a tailwind.

Currencies: EM currencies (MSCI EM Currency Index) gained 1.7%, while the US Dollar (DXY Index) fell by 0.9%. The Thai Bhat (+5.0%), Malaysian Ringgit (+4.8%), and South African Rand (+3.2%) were the best-performing currencies.

MENA Equities: MENA markets rose in August, with the S&P Pan Arab Composite Large Mid Cap Index up 1.3%. Higher than expected rate cut by the fund and improved investor sentiment drove the gains. DFMGI was the best performer, gaining 4.1% followed by Qatar's DSM Index (+4%), and Abu Dhabi's FADG Index (+1.5%). Saudi Arabia also closed the month up with the Tadawul Index increasing 0.7%. Egypt's EGX30 Index had a strong month, gaining 2.6% while the Borsa Istanbul 100 Index fell 1.7%.

The Central Bank of UAE upgraded its GDP forecast to 4.0% from 3.9% tied to the better performance of the oil sector. Furthermore, the central bank expects UAE GDP to grow by 6% in 2025. NMDC Energy raised \$876 million thereby making it the biggest IPO of the year in the UAE. The IPO was 31 times oversubscribed. Dubai Taxi and Salik were amongst the top-performing names rising 17.8% and 12.2%, respectively. Dubai Taxi was awarded 300 new plates at the latest RTA auction raising its taxi fleet to nearly 6,000 vehicles

Shares of Aluminum Bahrain recorded a gain of 13% during the month following the news that Saudi Arabia's Ma'aden is pursuing a merger of aluminum operations with Alba. S&P lifted Oman's credit rating from "BB+" to "BBB-". The rating agency emphasized the Sultanate's ongoing measures to improve public finances by the use of public initiatives as well as government restructuring measures. S&P projected a stable outlook for Oman's economy underlining the country's improved financial performance. Qatar National Bank (QNB) disclosed that it has obtained regulatory approvals from the Qatar Central Bank (QCB) and from the Qatar Financial Market Authority (QFMA) to proceed with the share repurchase that the bank's Board of Directors approved on 11 September 2024. The share buyback of up to QAR2.9bn (1.9% of yesterday's market cap) will commence after the publication of the bank's 3Q24 results.



Major Indices Performance

Major Indices Performance	Value	MTD Return	YTD Return	PE (x) 1Yr Fwd	PB (x) 1Yr Fwd	Div. Yield 1Yr Fwd
Saudi Arabia - TASI	12,226	0.7%	2.2%	17.5	2.4	4.2%
Dubai - DFMGI	4,503	4.1%	10.9%	8.6	1.2	5.8%
Abu Dhabi - FADGI	9,425	1.5%	-1.6%	14.9	1.9	3.9%
Qatar - DSM	10,614	4.0%	-2.0%	11.7	1.5	4.7%
Kuwait - All Share	7,136	-0.6%	4.7%	12.5	1.2	3.4%
Oman - MSM30	4,710	-0.8%	4.3%	8.9	0.6	5.8%
Bahrain - BHSEASI	2,013	2.8%	2.1%	7.8	0.6	7.3%
Egypt - EGX30	31,587	2.6%	26.9%	7.4	1.9	3.1%
Morocco - MOSENEW	14,373	3.2%	18.9%	19.4	2.9	3.1%
S&P Pan Arab Composite	167	1.3%	0.3%	14.0	1.9	4.2%
Israel - TA35	2,124	1.5%	13.8%	10.6	1.8	2.6%
Turkey - XU100	9,666	-1.7%	29.4%	4.8	0.9	4.4%
Pakistan - KSE100	81,174	3.3%	30.1%	3.9	1.0	8.2%
S&P 500	5,762	2.0%	20.8%	24.0	4.8	1.3%
STOXX 600	523	-0.4%	9.2%	14.6	2.0	3.4%
MSCI EM	1,171	6.4%	14.4%	14.2	1.7	2.6%
MSCI All Country World	852	2.2%	17.2%	19.8	3.0	1.9%
MSCI World	3,723	1.7%	17.5%	20.8	3.3	1.8%

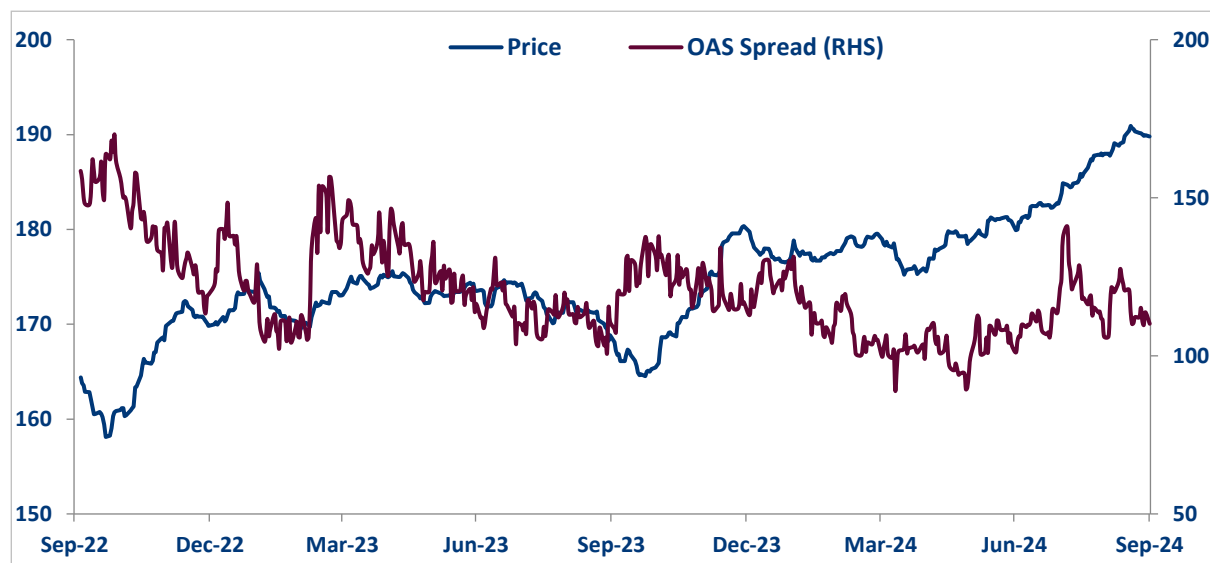
Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	190	1.0%	5.2%
FTSE MENA Broad Bond Index	175	1.4%	6.3%
Dow Jones Sukuk	100	0.9%	2.1%
Barclays Global Aggregate Index	488	1.7%	3.6%
Barclays Global High Yield Index	1,668	2.0%	9.6%
Barclays US Treasury Index	2,364	1.2%	3.8%
Barclays US Corporate Index	3,392	1.8%	5.3%
Barclays US Corporate High Yield index	2,678	1.6%	8.0%
JPM EM Global Bond Index	619	1.9%	8.7%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,267	1.76%	8.2%
Bloomberg Barclays US Aggregate Bond Index	2,258	1.3%	4.4%
Markit CDX Emerging Markets Index	97	-0.2%	0.1%
Barclays EM High yield	1,574	2.5%	12.9%
Barclays EM Corporate Index	303	1.4%	8.5%
10-year US Treasury yield* (%)	3.78	-12	-10
30-year US Treasury yield* (%)	4.12	-8	9
US Treasury 2-10 Spread*	13.78	16	51
US Treasury 2-30 Spread*	47.59	20	70
10-year US Treasury Real yield* (%)	1.60	-16	-11
10-year Germany Treasury yield* (%)	2.12	-18	10
US Breakeven 10 Year*	2.19	4	1
10-year Saudi Arabia Govt USD Bond yield* (%)	4.65	-5	8
8-year Abu Dhabi Govt USD Bond yield* (%)	4.14	-5	-4
4-year Kuwait Govt USD Bond yield* (%)	4.02	-34	-21
9-year Oman Govt USD Bond yield* (%)	5.10	-16	-29
10-year Bahrain Govt USD Bond yield* (%)	6.11	-33	-74
7-year Qatar Govt USD Bond yield* (%)	3.85	-23	-34
10-year Egypt Govt USD Bond yield* (%)	9.82	-56	-381
EIBOR 3M* (%)	4.66	-40	-67
QAIBOR 3M* (%)	5.20	-80	-105
Dubai 5 Year CDS* (bps)	61	1	25
Qatar 5 Year CDS* (bps)	41	4	-4
2-year US Treasury yield* (%)	3.64	-28	-61

Source: Bloomberg, Daman Investments Asset Management

Note: *In basis points



Barclays GCC Credit +HY Index



Source: Bloomberg, Daman Investments Asset Management

Major Commodities and Currencies

Performance

	Value	MTD Change	YTD Change
Brent crude oil (USD/bbl)	71.77	-8.9%	-6.8%
Natural Gas (USD/mmbtu)	2.92	37.4%	16.3%
Gold (USD/Ounce)	2,635	5.2%	27.7%
Copper (USD/MT)	9,692	6.3%	14.5%
Aluminium (USD/MT)	2,609	7.6%	11.2%
Nickel (USD/MT)	17,266	4.4%	5.4%
Urea Middle East (USD/MT)	353	2.9%	9.3%
Methanol China (USD/MT)	293	0.7%	3.9%
SE Asia Polyethylene (USD/MT)	980	-1.0%	0.0%
Polypropylene (USD/MT)	980	-1.0%	3.2%
US Dollar Index	100.78	-0.9%	-0.5%
MSCI EM Currency index	1,792.11	1.7%	3.0%
JPM EM Currency index	46.25	0.8%	-3.9%
EGP/USD	0.021	0.5%	-36.1%
TRY/USD	0.029	-0.4%	-13.7%
PKR/USD	0.360	0.3%	1.3%
ILS/USD	0.268	-2.5%	-2.9%
EUR/USD	1.11	0.8%	0.9%
GBP/USD	1.34	1.9%	5.1%
USD/JPY	143.63	-1.7%	1.8%



Global Asset Allocation and Outlook



Global Asset Allocation and Outlook

With core PCE continuing to gradually trend towards the Fed’s 2% target and faster than expected cooling of the labor market the Fed delivered a 50bps rate cut in September. Chairman Powell in the post-FOMC meeting press conference unwelcomed any further cooling in the labor market and committed to moving faster in terms of cutting rates if the labor market slows down further and the unemployment rate rises sharply.

We believe that labor market moderation is required for core PCE to ultimately move towards the Fed’s target of 2%. With September nonfarm payrolls coming significantly above the consensus expectation (254,000 vs 150,000 expected) and an upward revision of 72,000 over the prior two months, the economy continues to remain strong. The unemployment rate fell to 4.1% from 4.2% in August. A cooling down but still resilient economy and moderating inflation resonates with our soft-landing expectation. The yield curve also got repriced upwards as the market was out of sync with the Fed in terms of rate cut expectations. The whole curve moved up by almost 30-40bps.

With soft landing as our base case scenario, **we continue to advocate an overweight allocation to equities and high-yield credit.** In scenarios where the Fed is cutting rates and the economy is not in recession, the S&P 500 tends to show an average return of +10% over the next year. One of the best cases of soft landing was in 1995 when the S&P 500 gained 23% post the Fed’s first rate cut. Rate cuts in US also provide room for EM central banks to cut rates. As a result of the Fed’s 50 bps rate cut we saw a massive monetary stimulus being announced in China.

We also continue to increase the duration of our portfolios. At the same time, we are actively monitoring the risks tied to the US election. October, when followed by the election, is generally a volatile month due to uncertainty tied to policy continuity. However, the investors tend to focus back on fundamentals post the election.



Asset Allocation

	Underweight	Neutral	Overweight
By Asset class:			
Equities			
Fixed Income			
Alternatives			
Cash			
Equities - by region:			
DM			
US			
Japan			
Euro Area			
EM			
EM Asia			
EM Europe			
EM MENA			
EM LatAm			
Fixed Income - by region:			
South Asia			
Far East Asia			
Latin America			
MENA			
Sub-Saharan Africa			
Central & Eastern Europe			
Fixed Income - Rates, Spreads and Duration			
Rates			
Spreads			
Duration			
Fixed Income - Credit:			
Global Investment Grade			
Global High Yield			



Global Asset Allocation and Outlook

Global Equities:

- In equities, we believe a proper bottom-up analysis is important to own quality stocks with solid balance sheets, high operating cash flows and contained leverage to protect from market volatility tied to fluctuation in macroeconomic data and reset of rate cut expectations

- We see a diversified portfolio with a dividend yield cushion to be better equipped to face market volatility. We see a barbell portfolio split between technology and cyclical sectors as well placed to navigate macroeconomic and geopolitical uncertainties that we may face in 2024

- Performance to broaden out with cyclical sectors, healthcare and utilities participating which were laggard in 2023

- We remain underweight tech. given stretched valuations and on an expected deceleration in earnings of technology sector names and in acceleration in earnings in other sectors

- We avoid names on higher risk sides of the capital structure such as unprofitable tech and biotech names, etc.

We maintain overweight on the US on improving earnings growth and resilient and economic growth. We see the US economy holding up much better than Europe given relatively stronger consumer spending and consumer confidence. The US will continue to be the driver of innovation in sectors such as AI, semiconductors, clean energy, biotech, etc. We downgrade Japan to underweight given higher rates are expected to hurt the exporters and market sentiment

Preferred Picks:

Technology and communication services: Alphabet, Microsoft, Nvidia, AMD, Amazon, Adobe, Sales Force, META, Netflix

Healthcare: Pfizer, Merck

Industrials/Auto: GM, Ford, Caterpillar, Deere

Financials: Visa and Mastercard

Airlines: Delta Airlines, United Airlines

Utilities: Nextera Energy

Consumer Staples: Walmart

We stay underweight on Europe as we expect earnings growth to struggle on a weaker macro - economic growth environment despite lower relative valuation vs US (14.3x vs 22.9x). We remain overweight on Japan given the start of a strong capex cycle - driven by both domestic and foreign driven investment, and expectation of strong corporate profit growth.

We keep EMs to neutral. However, there are strong structural domestically driven economic growth stories such as India, Indonesia, Mexico and Brazil, which we continue to remain overweight on.

MENA Equities:

We have barbelled our equity portfolio by adding high dividend yield names with high beta names to provide defense to our portfolios given increased volatility tied to geopolitical risks. We advocate a quality bias and strong active management approach to take benefit of market volatility and selective security picking, focusing on balance sheet quality and cash flow visibility. Currently, MENA markets trade in line with the MSCI EM Index on a 1-year forward PE basis, which is below the long-term average premium of 10%. If oil price can average above USD75/bbl, we believe the MENA market should trade at a premium to EM. We continue to see selective opportunities in the Saudi and UAE due to their government's commitment towards economic diversification leading to sustained spending on infrastructure, industrial, oil and gas, and tourism projects.

Our preferred plays include:

- Banks: Al Rajhi, SNB, NBK
- Capital Goods: Riyadh Cables, Shaker
- Consumer Staples: Spinneys, Tanmiah
- Energy: ADNOC Drilling, Gas and L&S, NMDC Energy
- Real Estate: Aldar, Emaar Dev, Emaar Prop,
- Financial Services: Al Ansari, Boursa Kuwait, Investcorp Capital
- Transport: AD Ports, Budget, DTC,
- Utilities: AWPT, DEWA, Empower



Global Asset Allocation and Outlook

EM Fixed Income:

We continue to prefer duration as we see inflation continue to trend downwards. Fixed income markets seem to be moving in the right direction despite macro challenges, tight monetary policy, geopolitical tensions, and rates and commodity volatility, among others. During the month, 10y US treasury yields closed 12 bp lower at 3.78%. Barclays Global Aggregate Index during the month was up by 1.7%, while High Yield Index continues to show resilience with a MTD change of 2.0%. Interesting, the high yield index has returned 9.6% on a YTD basis. We continue to hold duration via names like SECO 2053, PIF 2054, ARAMCO 2070 and QPETRO 2041 and believe these are remain a good duration play.

Saudi Arabia. Issuance from the country now accounts for 50% of YTD issuance in GCC. Nearly, USD54bn has been issued in 2024 already, surpassing FY23 when it hit USD41bn. In September, ARAMCO issued 5y and 10Y maturing Eurobond. Besides, Riyadh Bank's 5.5% Sukuk issuance dropped below reoffer during the month on the back of non-compliance to the AAOIFI standards. The Bloomberg Global Aggregate- Saudi Arabia (I14669US Index) gave a positive return of 0.8% in September marking the fifth consecutive month of positive returns.

What we like: ARACEN, DAR AL-ARKAN, SAUDI Govt, SECO, KSA Sukuk, ARAMCO, PIF

UAE. UAE enjoys a positive balance on both its budget and external accounts. Bond issuance is scarce with the federal government selling only its fourth Eurobond ever in June this year. Meanwhile, Abu Dhabi sold USD5bn of debt in April. We expect no more bond issuance this year. On the corporate issuance side, Sobha 8.75% and ARADA 8.00% came out with a tap on its existing bond maturing in 2028 and 2029, respectively.

What we like: ABU DHABI Govt, ARADA Sukuk, DAMAC, DIB Sukuk, EIB, EMAAR Sukuk, ESIC Sukuk, FAB Sukuk, GEMS, PD Sukuk, Sobha Sukuk, Binghatti Sukuk, ABU DHABI National Energy, UAE Govt, ADCBUH Perp, EBUIH Perp, DP World

KUWAIT -Equate Petrochemical Company issued a sukuk worth USD750mn maturing in Sep 2031 (5%) with REGS documentation only in August. It is important to remember that majority of Eurobond issuances from Kuwait is from the country's banks and sovereign is a rare issuer, as are corporates. The country has just one sovereign outstanding bond KUWIB 3 ½ 03/20/27 (USD4.5bn).

MEXICO - In Mexico, the Claudia Sheinbaum was sworn in as Mexico's first female president on 2nd October, pledging to continue the outgoing president AMLO's welfare programs. The peso continues to be under pressure on the back of non-market friendly reforms mainly the judicial reforms. Meanwhile, investors will keenly await US Presidential election results as Mexico's export heavy activity is largely linked with US on the back of USMCA free trade agreement.

What we like: PEMEX, CEMEX

INDIA -All eyes remained on the monetary policy meeting on 9 October. Softer growth numbers have trickled in recently, inflation has been falling, and the external environment has moved from rate hikes to cuts. During the policy meeting, RBI changed its stance from a hawkish 'withdrawal of accommodation' to 'neutral' and subsequently cutting rates in the December meeting.

What we like: INCLEN, ADANI PORTS, INDIABULLS HOUSING, ADANI GREEN



Performance of our Funds

Concerto IS Daman MENA UCITS Fund

The Fund's investment objective is to achieve medium to long-term capital appreciation by investing primarily in securities of issuers listed in the MENAPT Region or investing in securities of issuers listed outside of the MENAPT Region but deriving most of their revenues from MENAPT.

The fund gained 2.6% during the month.

	2024	Inception (30 Jul 2020) (Class I)
Total Return*	8.3%	83.9%
Annualized Return	11.5%	15.7%
Annualized Volatility	4.8%	7.8%
Sharpe Ratio	1.6	1.7

* NAV as of 26th September 2024

Daman UAE IPO Fund

The Fund's investment objective is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering or by investing in companies that have listed on UAE exchanges in the previous 24 months. The fund was up 4.9% for the month.

	2024	Inception (Aug 2022) (Class A)
Total Return*	14.6%	23.1%
Annualized Return	20.0%	10.1%
Annualized Volatility	10.0%	9.1%
Sharpe Ratio	1.6	0.7

* NAV as of 27th September 2024

* NAV as of December 1st, 2023



About Daman Investments

Daman Asset Management is a dedicated MENA specialist offering mutual funds strategies and bespoke investment products, which have been built on our independent research insights and backed with a proven track record of delivering superior risk-adjusted returns which have substantially outperformed peers and regional benchmarks. Our experienced team manages investments on behalf of local and regional institutions, family offices and high net worth individuals.

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