

# MULTIPLY GROUP

## INVESTORS' UPDATE

AUGUST 2024 | ISSUE 32

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## OUR UPDATES

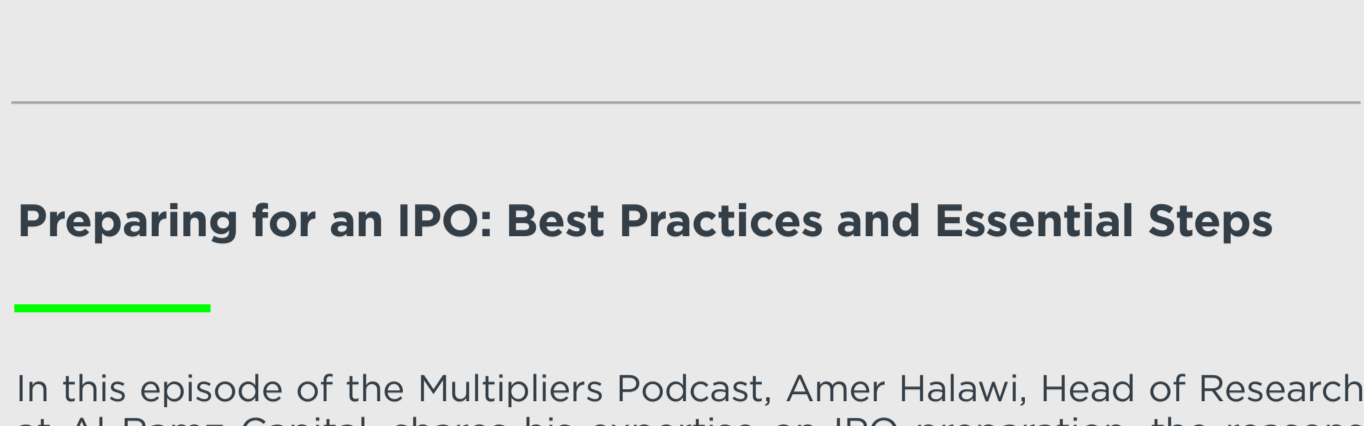
### Multiply Group published the latest edition of the Macro Outlook

The global economy generally surprised to the upside, with steady but slowing growth, as consensus broadened over a soft-landing narrative. However, as tailwinds to the consumer fade and monetary policy lags catch up, we can't discount the possibility of a recession completely yet. Inflation continued trending to target levels, despite proving somewhat stickier in services, allowing central banks to move towards easing policy.

While 20 of 37 major central banks are now in easing mode, the Fed pushed back its dot plot and normalized rates in the medium term will be markedly higher than what we were accustomed to prior to this cycle. Beyond short-term volatility in the data, we recommend looking at long-term trends in a new regime marked by active inflation and interest rates.

The Macro Outlook Midyear Report 2024, prepared by Multiply Group's Research & Insights team, focuses on the global and regional economic outlook, along with our house view on market & investment outlooks, and geographic opportunities.

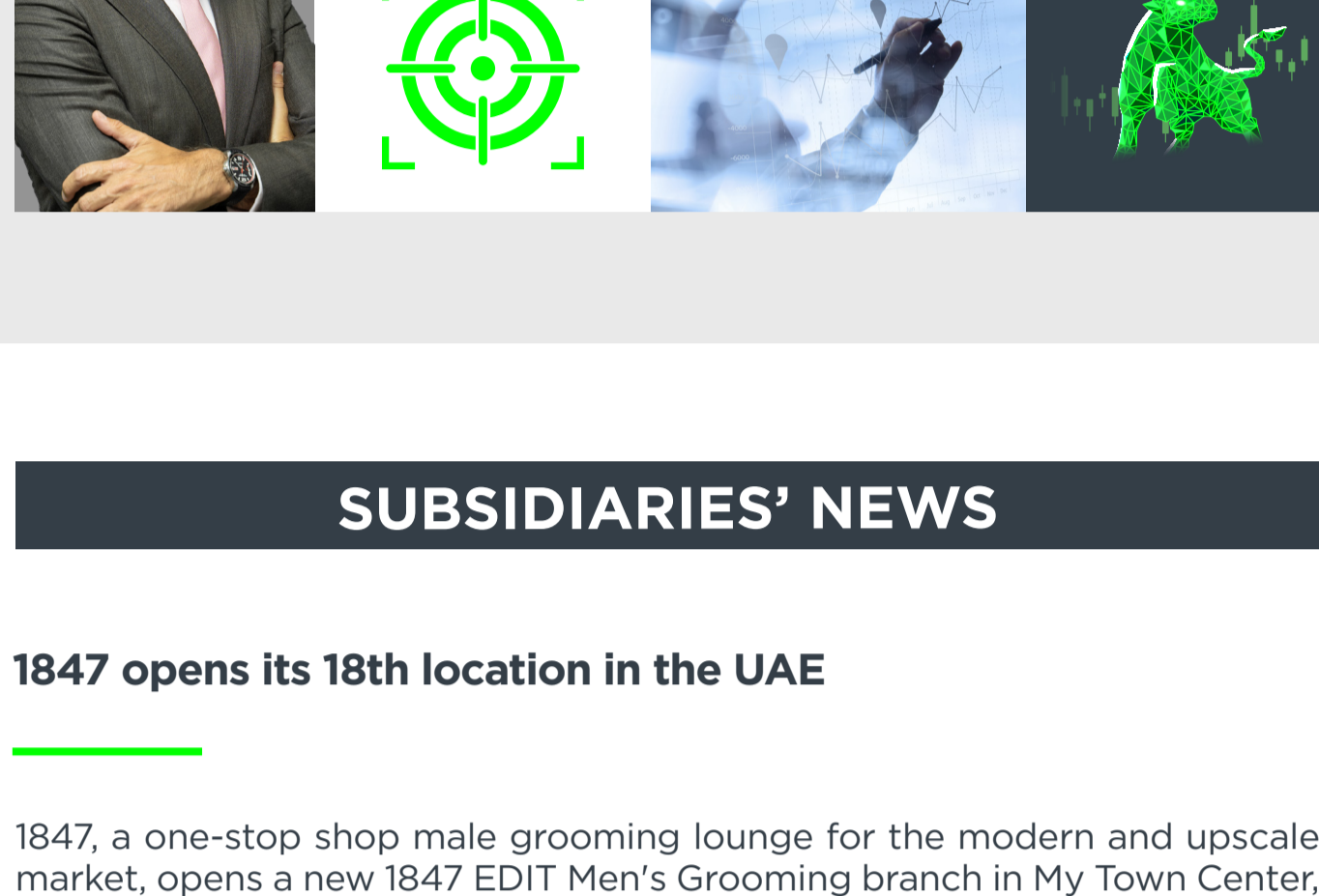
[Download the full report through this link](#)



### Preparing for an IPO: Best Practices and Essential Steps

In this episode of the Multipliers Podcast, Amer Halawi, Head of Research at Al Ramz Capital, shares his expertise on IPO preparation, the reasons companies choose to go public, and the key responsibilities they have toward their shareholders.

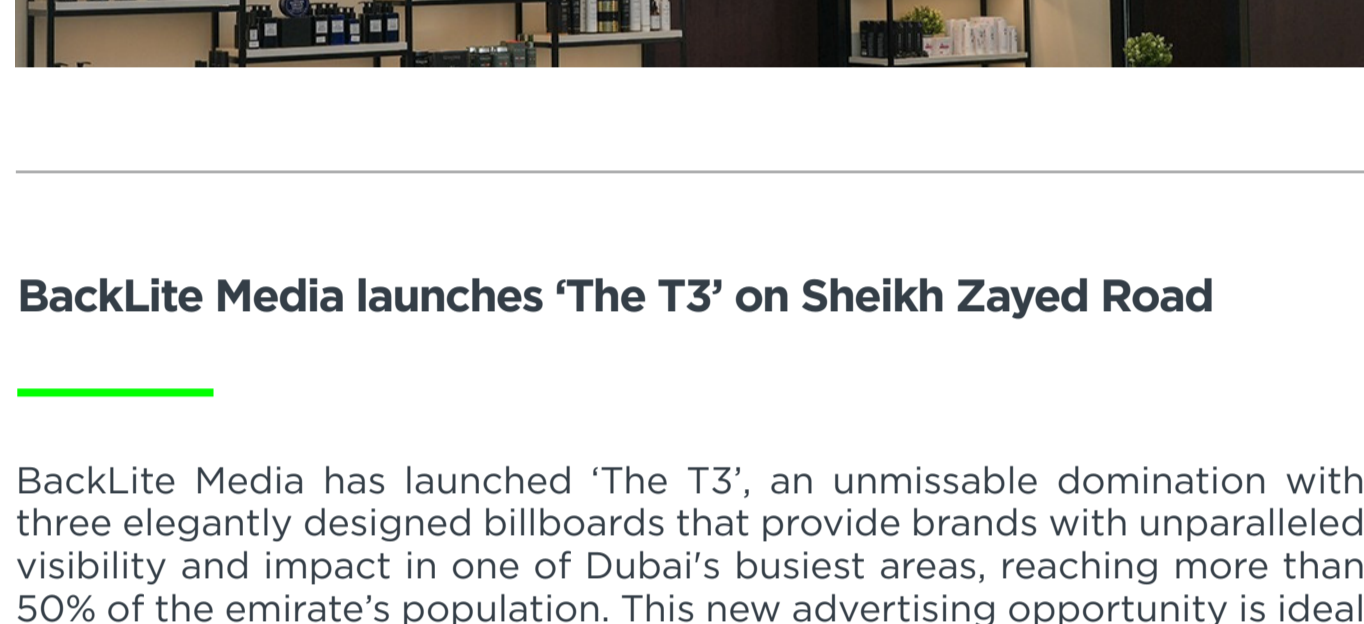
[Check out the full episode on Spotify, Apple Podcasts, Google Podcasts, and our YouTube channel](#)



## SUBSIDIARIES' NEWS

### 1847 opens its 18th location in the UAE

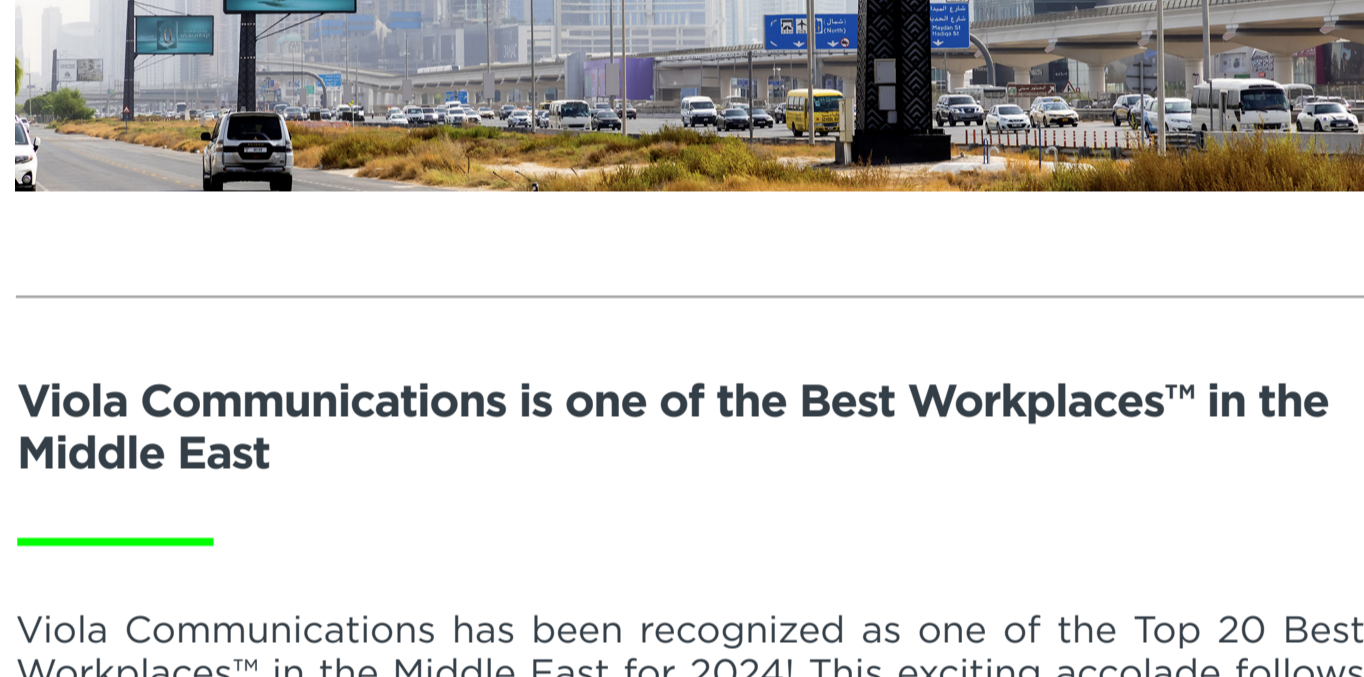
1847, a one-stop shop male grooming lounge for the modern and upscale market, opens a new 1847 EDIT Men's Grooming branch in My Town Center, Mohamed Bin Zayed City, Abu Dhabi. The new 1847 EDIT which brings the number of locations to 18, adds to the convenience of having an 1847 branch closer to customers than ever before. 1847 is a subsidiary of Multiply Group through The Grooming Company Holding, the latest acquisition by Omorfia Group.



### BackLite Media launches 'The T3' on Sheikh Zayed Road

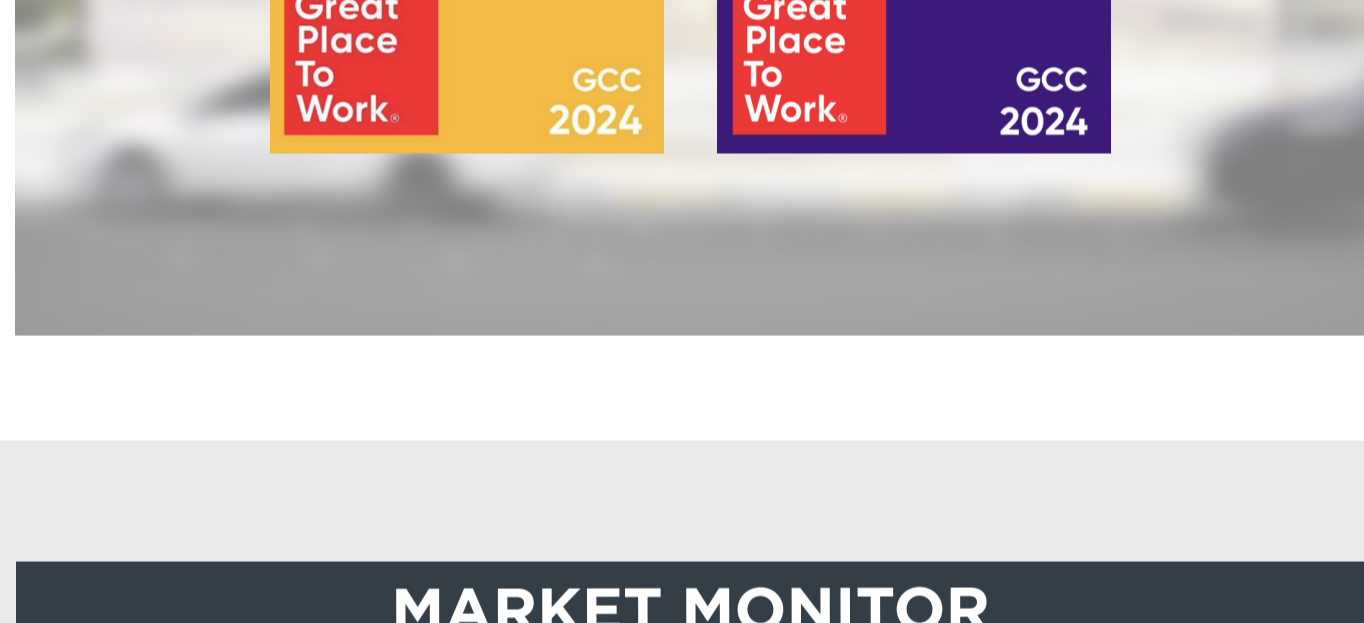
BackLite Media has launched 'The T3', an unmissable domination with three elegantly designed billboards that provide brands with unparalleled visibility and impact in one of Dubai's busiest areas, reaching more than 50% of the emirate's population. This new advertising opportunity is ideal for brands to create memorable statements and achieve significant audience engagement.

Earlier this August, BackLite Media also launched 'The Triple Crown': A magnificent Digital-Out-of-Home (DOOH) network featuring six unmissable screens, located in the prime area of Al Khaleej Al Arabi Street at Al Qana in Abu Dhabi.



### Viola Communications is one of the Best Workplaces™ in the Middle East

Viola Communications has been recognized as one of the Top 20 Best Workplaces™ in the Middle East for 2024! This exciting accolade follows their recent ranking as #4 on the Best Workplaces in Media, Advertising, and Marketing™ list. 'Great Place to Work' is a global people authority on workplace culture that helps companies of all sizes produce better business results by focusing on the work experience for every employee.



## MARKET MONITOR

### Global Markets

**Global equities spent the better part of August clawing back losses suffered in the first week of the month, and eventually maintaining a winning streak for a fourth straight month. From a seasonality perspective, as we begin September, it is important to note that September is traditionally the weakest month for global stocks.**

**The MSCI ACWI rose 2.4% in August.** Most markets were up except in the Asia-Pacific region, with notable declines by Japanese and Chinese stocks. Equity volatility in equity markets subsided, having spiked during the month, while the bond market volatility heated up. Yield on the US 10-year government bonds eased, its yield further slipped by 12.7bps to 3.908%. Across assets, performances were mostly lower: gold (+2.3%) and natural gas (+4.3%) were up; Bitcoin (-8.6%), the dollar (-2.6%), Brent crude (-4.7%), iron (-6.8%), and copper (-0.6%) retreated.

The following are the overriding themes that drove market sentiment during August:

- (1) New "Black Monday" event on 5 August
- (2) Big tech AI earnings and capex allocations struggled to justify the hype
- (3) US July labour market reports showed that the market was at its weakest level in years
- (4) Disinflation continues, on balance, in most geographies
- (5) Multi-year equity volatility
- (6) Unwinding of the yen-carry-trade
- (7) Dip-buying

### Summary of Weekly Global Market Movers:

**Week 1:** It was a week of twin disappointments in US earnings (AI/tech) and on the labour front. Other important market movers included the BoJ asserting its policy normalization ambitions and BoE's first rate cut since the pandemic. Also, the eurozone July CPI proved sticky while the bloc's Q2 GDP was slightly above par.

**Week 2:** The VIX touched its highest level since the start of the pandemic during the course of the week, as investors tried to make sense of the US labour report from the preceding week, which precipitated the unwinding of the "yen carry trade".

**Week 3:** Equities staged a strong comeback supported by dip-buying and re-embracing of the "soft-landing" narrative. The latter was driven by strong US retail sales juxtaposed against lower inflation prints. Other notable market movers included the Japanese Q2 GDP coming in ahead of expectations and annual consumer prices in the UK picking up again.

**Week 4:** The US Fed signaled that a rate cut was imminent and set to mark the first easing in more than four years since the onset of the pandemic. Additional market catalysts included dovish cues from both the latest FOMC minutes and a prominent ECB policymaker as well as a downward revision of US payrolls.

**Week 5:** In the eurozone, flash August CPI hit its lowest in more than three years. In Asia, Chinese EVs were hit by another set of trade tariffs while Japanese economic data imply delays in BoJ policy normalization. In earnings, investors were disillusioned by Nvidia's "strong" earnings report.

MSCI All Country World Index	S&P 500	Euro Stoxx 600	FTSE 100	MSCI Emerging Markets Index
2.4%	2.3%	1.3%	0.1%	1.4%

US Dollar Index	Bitcoin	Crude Oil (Brent)	Gold
-2.6%	-8.6%	-4.7%	2.3%

### Regional Markets

**The S&P GCC regional equity performance indicator continued to recover, gaining by 0.3% in August (July: +2.5%). Sub/country-indices that we follow were mixed. Brent declined by 4.7%. The ADX declined by 0.6% in August compared with an increase of 3.1% in July as local investors remained net sellers on the local market.**

**A meeting of Opec+ ministers kept oil output policy unchanged including a plan to start expanding one layer of output cuts from October and reiterated that the hike could be paused or reversed if needed.** Opec+ is currently cutting output by a total of 5.86mbpd, or about 5.7% of global demand, in a series of steps agreed since 2022. Members making the most recent layer of cuts – a 2.2mbpd voluntary cut until September – reiterated that its gradual phase-out could be paused or reversed, depending on market conditions.

GCC S&P Index	FADG	DFM	TASI	GSE
0.3%	-0.6%	1.3%	0.3%	0.5%

### Other News

- **The Bank of England voted 5-4 to cut its benchmark interest rate by 25bps,** for the first time since the pandemic, to 5% as widely expected.
- **Eurozone Q2 GDP grew 0.3% q/q and 0.6% y/y, compared to expectations of +0.2% q/q and +0.6% y/y. However, country performances were mixed.**
- **Foreign investors pulled almost \$15bn from China in the April-June period,** a record amount of foreign direct investment.
- **Jerome Powell, chairman of the Federal Reserve, suggested that the central bank will soon cut interest rates.** Inflation rate is close to the Fed's 2% target. Meanwhile, data suggest that America's economy is slowing; unemployment jumped to 4.3% in July.
- **Nvidia reported \$30bn in revenue in the three months to July, beating estimates by \$1.3bn – up by 122% y/y and 15% q/q. Net income, at \$16.6bn, was up by 168% y/y, slowing down from 262% in the previous quarter.** Despite the strong earnings some investors expected even better, and the firm's shares fell.
- **Chinese sentiment suffered after Canada announced it would impose a 100% tariff on imports of Chinese electric vehicles** and a 25% tariff on imported steel and aluminum from China.
- **The value of global M&A deals rose 11.7% year-on-year to \$1.22 trillion in the first half of 2024,** S&P Global said in a report. This increase came despite a 12.9% drop in deals, totaling 19,415 during the period.
- **The Indian economy expanded by 6.7% y/y in Q2,** slowing from the 7.8% increase in Q1 and missing market expectations of a 6.9% growth rate. It was the slowest expansion in five quarters.
- **The value of announced M&A transactions with any MENA involvement reached \$46.6 billion during the first six months of 2024, up 48% compared to year ago levels, according to data from LSEG's Deals Intelligence.**
- **Saudi Arabia is poised to invest \$1trn in a "capex super cycle", with 73% of the capital infusion designated to fuel the kingdom's non-oil economy by 2030,** according to Goldman Sachs.
- **Start-up funding in the MENA region made a comeback in July 2024,** raising \$355 million during the month, up by 206% from the previous month and 260% from a year ago, according to the latest data from Wamda and Digital Digest.
- **Saudi's real GDP shrank 0.4% year-on-year in Q2 2024 due to weak oil output as non-oil exports recorded an increase of 10.5%.**
- **Dealmaking activity in the oil and gas industry increased 57% last year** as energy companies boosted development spending, driven by higher cash flows from profits in prior years.
- **Dubai-based companies had invested a total of \$1.4bn in the Chinese market from 2015 to 2023,** said Mohammad Ali Rashed Lootah, President and CEO of Dubai Chambers.
- **As much as \$50bn in liquidity is currently trapped on the balance sheets of listed companies in the Middle East,** according to an estimate by PwC Middle East.