

# BEARBULL PRIVATE BANKING INDICES UAE

## November 2021



### UAE equities drive the indices into positive territory during the month of November

#### POSITIVE PERFORMANCES FOR ALL THE BEARBULL PRIVATE BANKING INDICES IN NOVEMBER

BearBull Private Banking Index « Low Risk »	+0.55%	(YTD +10.95%)
BearBull Private Banking Index « Moderate Risk »	+0.54%	(YTD +17.63%)
BearBull Private Banking Index « Dynamic Risk »	+0.54%	(YTD +24.65%)

#### Comments (performances in AED)

All three Bearbull Private Banking indices performed positively despite the widespread correction in financial markets following the announcement of a new Covid-19 variant. The "low risk" strategy achieved the best performance this month by a small margin (+0.55%). The "moderate" and "dynamic" strategies did only slightly less well, rising by +0.54% in November. The three Bearbull Private Banking UAE strategies have achieved very respectable year-to-date performances (+10.95%, +17.63% and +24.65% respectively). Fixed income markets are on both sides of zero performance line. Indeed, domestic bonds managed to move very moderately into positive territory (+0.06%). On the international front, the performance was slightly below with -0.29%. Equity markets performed well in the United Arab Emirates. Indeed, these are the two best asset classes this month as they have been able to escape the global correction. The Abu Dhabi stock market surged by +8.67% and recorded the biggest YTD gain of the index (+77.03%), while the Dubai market did only slightly less and grew by +7.29%. In contrast, the international equities fell substantially by -2.19%. The Emirati real estate market is also on the rise, reversing its downward trend of recent months with an increase of 6.93%. On the international front, the asset class posted a negative performance (-2.25%). Commodities, which benefited greatly from the reopening of the economy and the spectacular rise in oil prices, were severely affected by the announcement of the new variant (-10.82%). Hedge funds fell by -1.29%. The private equity sector is back in negative territory (-2.93%) after a sharp rise last month (+12.39%).

#### Financial market developments (performances in AED)

November ended poorly for some of the asset classes due to the return of economic growth concerns raised by the surprise outbreak of a particularly contagious new variant in South Africa. The Omicron variant suddenly stirred up trouble in the middle of Thanksgiving and Black Friday, just a few weeks before the end of the year. It is certainly a good time to take profits before the end-of-year holidays, which could once again be affected by the return of new health restrictions and confinements. With vaccination rates rising in most of the developed world, the Covid factor had been largely lost in the psychology of investors, so the Omicron variant is once again casting doubt on the economic outlook. The latest published inflation figures have also led to a change in the perception of investors and central banks on the developments of the inflationary trend. The Federal Reserve now seems to have abandoned its positive outlook by finally admitting, twelve months later, that the rise in inflation would not be as temporary as it had originally hoped. The next Fed meeting in December could therefore be characterized by a firmer tone in favor of tapering and a more rapid normalization of key rates. Unless the arrival of Omicron is used as a pretext for a delay, which would certainly increase the feeling that the Fed is already behind in its policy of controlling the inflationary phenomenon. Rates are drifting on the capital markets, which seem to have already been decided on the basis that the Fed will slow down the announced "tapering". In this context, the equity markets are taking into consideration the risks of a drop in profits and are down overall by -2.19% for the month. International real estate followed the trend (-2.18%), while oil fell by -17.6% and returned to the \$70 level after having almost reached the \$85 a barrel threshold.

#### PERFORMANCES BY ASSET CLASS

##### November

+ 8.67%	Abu Dhabi Equities
+ 7.29%	Dubai Equities
+ 6.93%	UAE Real Estate
+ 0.06%	UAE Bonds
- 0.29%	International Bonds
- 1.29%	Hedge Funds
- 2.19%	International Equities
- 2.25%	International Real Estate
- 2.93%	Private Equity
- 10.82%	Commodities

##### YTD

+ 77.03%	Abu Dhabi Equities
+ 49.89%	Private Equity
+ 34.73%	UAE Real Estate
+ 30.45%	Commodities
+ 27.05%	Dubai Equities
+ 16.82%	International Equities
+ 15.17%	International Real Estate
+ 3.16%	Hedge Funds
+ 0.33%	UAE Bonds
- 4.57%	International Bonds

## COMMENTS BY ASSET CLASS

### Fixed Income

The performance of almost all bond markets remained mixed, with the rise in long-term yields being held back by the emergence of the Omicron variant. Since the beginning of the year, the declines in the bond indices in the main currencies have ranged from -0.85% (High yield) to -6.25% (Australia) for an average result of -4.57%. In November, the ten-year yields eased slightly on the announcement of a new variant. Central banks are aware of the persistence of inflation and will certainly not question the forthcoming normalization of their still extremely generous monetary policies.

### Equities

Equity markets were anxious at the end of the month about the risk of a downturn in the economy caused by the possible return of sanitary measures and new confinements in connection with the outbreak of the Omicron variant. A rapid fall in prices at the end of the month affected all markets, with an average drop of -2.19% in November. An adjustment in earnings growth prospects and valuation levels is consequently in progress. December could therefore once again be a month of profit-taking in a less optimistic environment.

### Commodities

The wave of vaccination that took place throughout the year led to a general lifting of restrictions, including those related to international travel. As a matter of fact, freight transport was only slightly affected whereas passenger traffic suffered greatly. The reopening of economies and borders has significantly increased the demand for oil. Adding to this, the seasonality factor, we have seen a massive rise in crude oil prices, which has resulted in the commodity sector being driven upwards. The sudden arrival of a new variant once again raised the threat of restrictions, which directly affected crude oil prices and dragged the sector down (-10.82%).

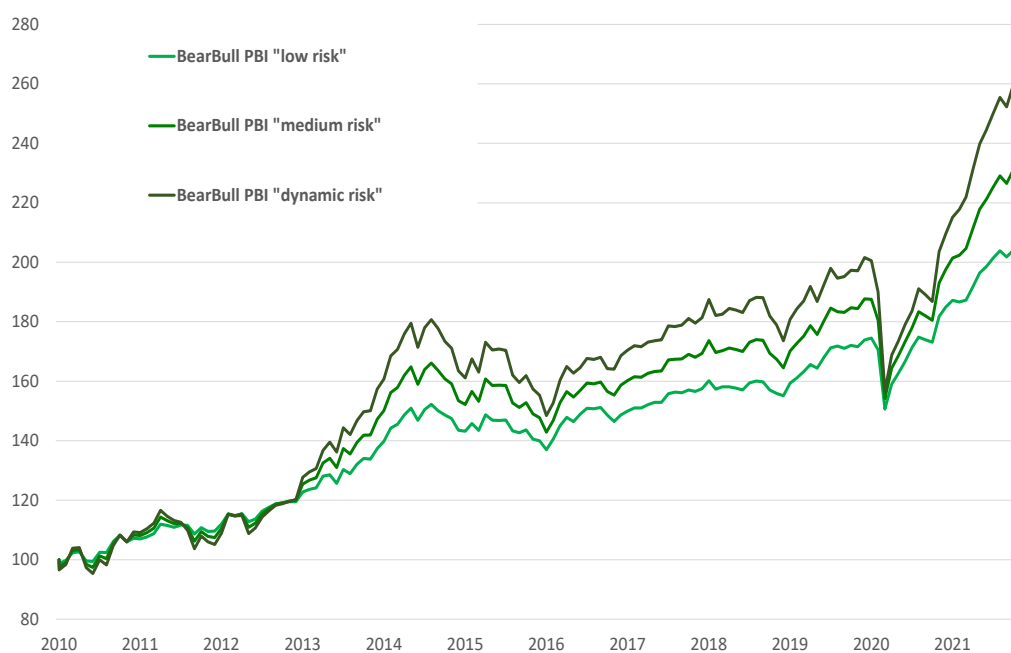
### Private Equity

After a remarkable performance during the last month (+12.31%), the sector did not escape the general panic that swept the financial markets at the end of the month and therefore dropped by 3.09% in November.

## BearBull Private Banking Indices UAE - Performances in USD

	3 last months			YTD	Current year				Annualized Perf.	
	September 2021	October 2021	November 2021	current year	1st quarter	2nd quarter	3rd quarter	4th quarter	2020	2010 to this day
BearBull PBI "low risk" (65% fixed income)	-1.00%	1.12%	0.55%	10.35%	1.24%	7.36%	9.13%		6.34%	6.22%
BearBull PBI "medium risk" (45% fixed income)	-1.12%	2.06%	0.54%	16.99%	3.55%	11.92%	14.63%		5.26%	7.33%
BearBull PBI "dynamic risk" (25% fixed income)	-1.24%	3.00%	0.54%	23.98%	5.90%	16.65%	20.37%		3.97%	8.39%
<b>Sub-indices</b>										
UAE Bonds	-0.51%	-0.14%	0.06%	0.33%	-2.44%	0.10%	0.41%		7.85%	4.57%
International Bonds	-1.78%	-0.24%	-0.29%	-4.57%	-4.46%	-3.21%	-4.06%		9.20%	2.43%
Dubai Equities	-1.98%	0.66%	7.29%	27.05%	4.11%	16.02%	17.65%		-4.98%	9.00%
Abu Dhabi Equities	0.18%	2.25%	8.67%	77.03%	20.81%	41.03%	59.33%		5.26%	15.37%
International Equities	-4.15%	5.66%	-2.19%	16.82%	4.92%	13.05%	13.04%		15.90%	10.67%
UAE Real Estate	-2.09%	-0.56%	6.93%	34.73%	-7.38%	20.29%	26.71%		-11.42%	11.71%
International Real Estate	-5.59%	5.24%	-2.25%	15.17%	5.69%	13.79%	11.96%		-9.95%	7.08%
Commodities	6.03%	5.80%	-10.82%	30.45%	13.55%	31.40%	38.27%		-23.72%	-4.62%
Hedge Funds	-0.38%	0.90%	-1.29%	3.16%	1.29%	3.72%	3.57%		6.82%	1.75%
Private Equity	-4.97%	12.39%	-2.93%	49.89%	12.80%	31.64%	37.40%		10.61%	15.17%

Sources: BearBull Global Investments Group Limited, Bloomberg



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The systematic diversified strategies of the BearBull Private Banking Indices UAE have produced annualized average returns of +6.22% (Low risk) to +8.39% (Dynamic Risk) since 2010.

The composition of our indices is available on request