Monthly Review, Asset Allocation & Outlook

November 2024

Highlights of the Month

- Global equities closed the month higher mainly driven by surge in US equities on Trump winning the presidential election
- MSCI All Country World Index and MSCI DM Index increased by 3.6% and 4.5% in November
- In fixed income, Barclays Global Aggregate Index and Barclays Global High Yield went up by 0.3% and 0.8%, respectively
- 10Y US treasury yield fell 12 bps as it took a breather after witnessing a sharp rise in October
- Brent and Gold fell by 0.3% MoM and 3.7% MoM in November
- MENA equities witnessed a mixed performance with Dubai's DFM Index rising 5.6% & Saudi's Tadawul index falling 3.2%
- FTSE MENA Broad Bond Index was up 0.8% on MTD basis, thereby taking the YTD gains at 4.9%
- We retain an overweight allocation on equities and high-yield credit. We are underweight duration and bonds

Global Review

Global equities outperformed the fixed income, especially driven by US equities. Donald Trump's emerging as a clear winner in the US presidential election, and the Republican party securing a majority in both the House and Senate, drove expectations that his proposed policies would extend US economic exceptionalism. The prospect of further tax cuts, expansionary fiscal policy, lower regulation, and implementation of trade tariffs boosted US equity markets. The MSCI All Country World Index closed the month up 3.6%.

The Federal Reserve (Fed) lowered interest rates by 25 bps to 4.50-4.75% at its November meeting and signaled a more gradual path to interest rate cuts as the US economy showed stronger-than-expected growth and the labor market remained healthy. Treasury yields took a breather after witnessing a sharp rise in October on rising odds of a Trump victory. 10-year and 2-year US Treasury yields fell 12bps and 2bps, respectively to close the month at 4.17% and 4.15%. The market's expectation of rate cuts between Dec-end 2025 reduced to 3 rate cuts from 4 rate cuts in October. The Barclays Global Aggregate Bond Index gained 0.3%. High-yield bonds outperformed investment-grade bonds with the Barclays Global High Yield rising 0.8%. YTD high-yield bonds were up 9.8%, outperforming the investment-grade bonds by 9.3%.

Bloomberg Commodity Index closed flat, as a surge in gas prices offset the fall in most other commodities. Base metals such as Copper and Aluminum fell 5.1% and 0.6%, respectively, on a subdued demand from China. Gold fell 3.7% MoM on expectations of lower rate cuts. Henry Hub (US) natural gas prices rose 24.2% MoM on reduced gas supply globally. Bitcoin surged 38.5% on expectation of lesser regulation and expectation of more crypto friendly policies from the Trump administration. Dollar rose with DXY Index closing up 1.7% on expectations that Trump's policies could be inflationary and could lead to lower rate cuts by the fed and also on expectation of a further strength in US economic growth.

Global Equities:

Within equities, developed markets outperformed the emerging markets with the MSCI World Index rising 4.5% and MSCI Emerging Index dropping 3.7%. Emerging market took a hit on fears of Trump imposing trade tariffs that he proposed during his election campaign, rising dollar, and fiscal and monetary stimulus in China falling short of the market expectations. Growth outperformed value with MSCI All Country World Growth Index rising 4.3% outperforming the value Index by 1.4%. Cyclicals outperformed Defensives with the MSCI All Country World Cyclical Index rising 4.5% outperforming the Defensive Index by 3.8%.

The S&P 500 Index surged 5.7% on Trump's victory. Given, Trump's proposed policies being focused on strengthening the US domestic economic growth the cyclical, value and small caps stocks jumped. Consumer discretionary, financials, industrials and energy were the best performing sectors. The corresponding sector indices rose 13.2%, 10.2%, 7.3% and 6.3%, respectively. The Russell 2000 Index, a small-cap Index of US stocks, rose 10.8%.

US Non-farm Payrolls increased by just 12K vs expectation of 100K, as the data was distorted by the effects of hurricanes and strike at Boeing. The unemployment rate remained steady at 4.1% for October. MoM and YoY October US inflation (CPI) came in at 0.2% and 2.3%, both measures were in line with expectations. The core CPI accelerated to 0.3% for the month and was at 3.3% annually, also meeting forecasts. The shelter index, which carries about a one-third weighting in the broader index, climbed another 0.4% in October, double its September move and up 4.9% on an annual basis. The category was responsible for more than half the gain in the monthly CPI. Super core inflation (core services less housing) rose 0.3% MoM. Retail sales rose 0.4% YoY and were in line with expectations of 0.3%. Core retail sales at 0.1% were below expectations of 0.3%.

European Stoxx 600 Index rose 1%. Germany's DAX Index and UK's FTSE 100 Index gained 2.9% and 2.2%, respectively, while France's CAC Index fell 1.6%. Towards the end of the month, concerns began to build over France's debt. French borrowing costs rose amid worries that the government would fail to obtain sufficient parliamentary support to pass a cost-cutting budget. Eurozone November inflation picked to 2.3% YoY from 2% YoY in October. The German coalition government collapsed after Chancellor Scholz sacked the finance minister. New elections will be held in February. Economic data from the eurozone continued to point to weakness. The flash HCOB composite PMI fell to a 10-month low of 48.1, with both the services and manufacturing sectors showing contraction.

Fixed Income:

November 2024 was a positive month for fixed income investors on the back of a rally in Treasuries since mid-month, as the election-led move faded with markets also pricing back a December Fed rate cut. High Yield bonds outperformed Investment Grade with Bloomberg Global High Yield Index up 0.8% MoM and 9.8% YTD and Bloomberg Global Aggregate Index (investment-grade) mostly flat on monthly and YTD basis.

November saw the Treasury yield curve shift lower, falling by c.10 bps across the mid and long-end while short-end yields were stable. Treasury yields surged higher following Donald Trump's election victory, but eased later through the month. Economic data was mixed, US Non Farm Payrolls for October saw only 12k job additions as compared to expectations of 100k, mainly due to one-off factors such as the hurricanes that occurred and the major Boeing labor strike that took place. Average hourly earnings YoY rose by 4.0%, and the Unemployment Rate stood at 4.1%, both inline with expectations. Looking at inflation, US Headline and Core CPI rose as expected, by 2.6% and 3.3% YoY respectively. Meanwhile, manufacturing activity continued to contract, with the ISM Manufacturing Index coming at 46.5, while the Services PMI stayed upbeat at 56.0. Fed's Jerome Powell and Adriana Kugler remarked that the Fed must proceed with caution with respect to rate cuts and not rush them.

Global corporate dollar bond issuances stood at $182bn in November, 30% lower than October. As compared to November 2023, issuance volumes were down 8% YoY. 81% of the issuance volumes came from IG issuers with HY comprising 16% and unrated issuers taking the remaining 4%.

Emerging market (EM) bonds delivered positive returns in November. Both the Emerging Markets Aggregate Index (EMUSTRUU) and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) were up 1.1% and 0.4%, respectively.

Market Outlook: After the US president elections results we see risks of elevated inflation, as Donald Trump proposals on the tariffs, taxes, regulation and immigration policy in the coming year will add to market volatility and create upward pressure on the inflation. During November markets re-assed the Federal reserve quantitative easing path for 2025 with rate cuts expectations decrease from 4.8 rate cuts as of beginning of the month to 3.2 rate cuts at the end of the month.

Soft Landing Base Case: The primary scenario assumes a "soft landing / goldilocks scenario" for the US economy. However, we move away from our weak dollar scenario, and expect a stronger dollar in the near term. 10Y yields will likely pickup before reversing back to 3.50 levels, in 12 months.

EM Equities: The MSCI EM Index was down 3.7% MoM. LATAM was the worst performing region, down 5.7% followed by Asia (-3.7%) and EMEA (-1.8%). In LATAM, Brazilian equities continued their downward tumble as higher interest rates have pushed investors away from stocks into government bonds that yield double digit returns. Local equities have seen foreign outflows for nine out of 11 months so far this year. In Mexico, a threat of tariffs by President Elect Donald Trump further fueled selling, with the MSCI Mexico Index down 3.6% during the month. In Asia, Chinese stocks continued to see extreme volatility with the MSCI China Index down 4.4% MoM. Weak economic data, skepticism over fiscal measures and the threat of tariffs were key headwinds. India took a breather with the MSCI India Index flat for the month. MSCI Indonesia Index entered a technical correction with foreigners becoming net sellers as a slowing economy, weakening currency and uncertainty linked to US tariffs led to outflows.

Commodities: Oil: Brent oil was flat during the month, closing at $72.9/bbl. OPEC cut its oil demand growth forecast for a fourth consecutive month on weakening demand from China and growing supply from the USA. **Natural gas**: Henry hub prices jumped 24.2% MoM to reach USD 3.4/mmbtu as European stockpiles fell below last years average. Concerns about what would happen to the 5-year gas transit deal between Russia and Ukraine, which ends at the end of 2024, also contributed to the increase.

Petchems: SE Asia LDPE, HDPE and LLDPE were flat for the month. PP and MEG were down 1.0% MoM. Given the overhanging weakness in oil prices, prices of polyolefins have moved based on short-term demand/supply dynamics.

Metals: Copper fell 5.1% after stimulus measures announced by the Chinese authorities disappointed investors. Approximately 50% of global supply of copper is consumed in China. **Precious metals**: Gold prices were down 3.7% on a stronger dollar and lower rate cut expectations. 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) lost 0.9%, while the US Dollar (DXY Index) gained 1.7%. The Russian Ruble (-8.6%), Hungarian Forint (-4.1%), and Brazilian Real (-3.1%) were the worst-performing currencies.

MENA Equities: MENA markets put on a mixed performance in November, with the S&P Pan Arab Composite Large Mid Cap Index down 0.9%. DFMGI continued its outperformance, with gains of 5.6% MoM. Kuwait's All Share Index was up 1.2%. Saudi's TASI was down 3.2%, Abu Dhabi's FTSE ADGI lost 1.0% and Qatar's DSM Index was down 1.0%.

In Dubai, DEWA's revenue was up 5% YoY but earnings were down 14% YoY. The miss in earnings came due to a higher-than-expected thermal load instead of renewables, elevated SG&A costs and the base effect of CIT. We continue to remain bullish on DEWA given Dubai's growing population and our outlook for margin expansion as interest rates fall and the renewables contribution to the energy mix rises. Empower's Q3 earnings, while down 6% YoY, came ahead of consensus, driven by robust growth in consumption revenue due to seasonality, population growth and connected capacity additions. Salik saw two new gates go live at the end of November – Business Bay and Al Safa South. The company also announced dynamic pricing during peak hours, which would lead to incremental revenue between the range of AED 60-110mn annually. DTC saw its Q3 earnings drop by 9% YoY due to elevated SG&A costs, higher financing costs as well as lower revenue due to seasonality. The company was awarded 250 new plates in November, taking new fleet added this year to north of 900 vehicles.

In Abu Dhabi, AD Ports turned FCF positive for the first time with top line and EBITDA growing by 10% and 60% YoY, driven by organic growth as well as the consolidation of Noatum, GFS and Sesé Auto Logistics on the inorganic side. Management noted that the expected reduction of interest rates supported by debt refinancing (the firm incurred a one-off expense of AED40mn in Q3 for the same) would help narrow the gap between EBITDA and bottom-line over the medium term. ADNOC Drilling's Q3 earnings were up by 30% YoY on higher revenues driven by rig additions, better margins and lower than expected SG&A. We continue to see multiple catalysts for the name to rerate higher including new awards for rigs in the unconventional oil and gas production and expansion to neighboring countries within the GCC which offer resilient day rates.

In Saudi, Shaker's earnings were up 6% YoY on higher HVAC sales, better cost controls and lower financing costs. Riyadh Cables produced a very impressive set of results with revenue and EBITDA up 17% and 62% YoY due to change in revenue mix and cost efficiencies. Management guided for full year earnings to see an uplift of at least 40% for the year with utilization rates remaining high across the board. Budget's Q3 net income was flat YoY despite the consolidation of Autoworld as lower resale prices of Chinese vehicles and lower utilization rates for short-term rentals weighed on the company's bottom line.

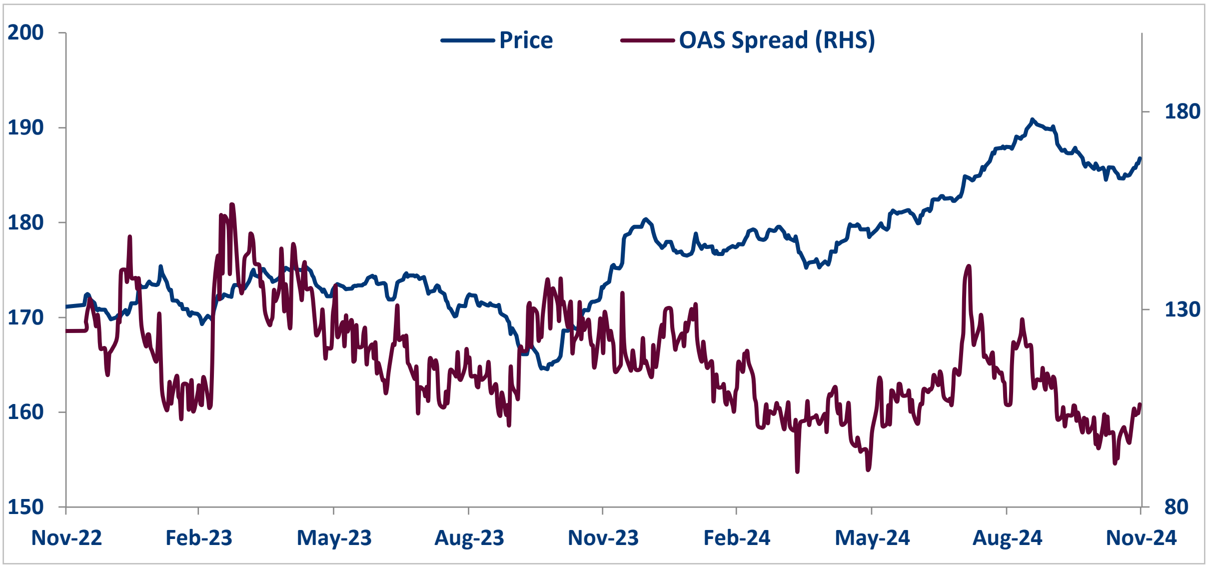
Major Indices Performance

Major Indices Performance	Value	MTD Return	YTD Return	PE (x) 1Yr Fwd	PB (x) 1Yr Fwd	Div. Yield 1Yr Fwd
Saudi Arabia - TASI	11,641	-3.2%	-2.7%	17.2	2.3	4.0%
Dubai - DFMGI	4,847	5.6%	19.4%	9.2	1.3	5.2%
Abu Dhabi - FADGI	9,235	-1.0%	-3.6%	15.0	1.9	3.9%
Qatar - DSM	10,418	-1.0%	-3.8%	11.6	1.5	4.8%
Kuwait - All Share	7,246	1.2%	6.3%	12.3	1.3	4.0%
Oman - MSM30	4,563	-3.9%	1.1%	9.5	0.6	6.3%
Bahrain - BHSEASI	2,032	0.6%	3.1%	7.6	0.6	6.4%
Egypt - EGX30	30,242	-1.4%	21.5%	7.2	1.9	3.2%
Morocco - MOSENEW	14,837	4.7%	22.7%	18.9	2.3	2.8%
S&P Pan Arab Composite	163	-0.9%	-2.1%	14.6	1.9	3.9%
Israel - TA35	2,260	2.6%	21.2%	11.5	1.8	2.5%
Turkey - XU100	9,652	8.9%	29.2%	5.9	0.9	4.8%
Pakistan - KSE100	101,357	13.6%	62.5%	5.8	1.3	6.0%
S&P 500	6,032	5.7%	26.5%	25.7	5.1	1.3%
STOXX 600	510	1.0%	6.5%	14.6	2.0	3.4%
MSCI EM	1,079	-3.7%	5.4%	13.8	1.6	2.8%
MSCI All Country World	862	3.6%	18.6%	20.8	3.2	1.8%
MSCI World	3,810	4.5%	20.2%	22.1	3.6	1.7%

Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	187	0.4%	3.6%
FTSE MENA Broad Bond Index	172	0.8%	4.9%
Dow Jones Sukuk	98	0.0%	0.2%
Barclays Global Aggregate Index	474	0.3%	0.5%
Barclays Global High Yield Index	1,671	0.8%	9.8%
Barclays US Treasury Index	2,326	0.8%	2.2%
Barclays US Corporate Index	3,354	1.3%	4.1%
Barclays US Corporate High Yield index	2,695	1.2%	8.7%
JPM EM Global Bond Index	615	1.3%	8.0%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,263	1.11%	7.9%
Bloomberg Barclays US Aggregate Bond Index	2,225	1.1%	2.9%
Markit CDX Emerging Markets Index	98	0.6%	0.5%
Barclays EM High yield	1,607	1.9%	15.3%
Barclays EM Corporate Index	301	0.5%	7.9%
10-year US Treasury yield* (%)	4.17	-12	29
30-year US Treasury yield* (%)	4.36	-12	33
US Treasury 2-10 Spread*	1.35	-10	39
US Treasury 2-30 Spread*	20.28	-10	43
10-year US Treasury Real yield* (%)	1.91	-5	20
10-year Germany Treasury yield* (%)	2.09	-30	6
US Breakeven 10 Year*	2.27	-6	9
10-year Saudi Arabia Govt USD Bond yield* (%)	4.92	-9	36
8-year Abu Dhabi Govt USD Bond yield* (%)	4.65	-2	47
4-year Kuwait Govt USD Bond yield* (%)	4.61	35	38
9-year Oman Govt USD Bond yield* (%)	5.40	-12	2
10-year Bahrain Govt USD Bond yield* (%)	6.65	8	-19
7-year Qatar Govt USD Bond yield* (%)	4.47	15	28
10-year Egypt Govt USD Bond yield* (%)	9.65	-31	-399
EIBOR 3M* (%)	4.52	-13	-81
QAIBOR 3M* (%)	4.93	-28	-133
Dubai 5 Year CDS* (bps)	61	0	24
Qatar 5 Year CDS* (bps)	40	-1	-5
2-year US Treasury yield* (%)	4.15	-2	-10

Source: Bloomberg, Daman Investments AssetManagement *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)	72.94	-0.3%	-5.3%
Natural Gas (USD/mmbtu)	3.36	24.2%	33.8%
Gold (USD/Ounce)	2,643	-3.7%	28.1%
Copper (USD/MT)	8,892	-5.1%	5.1%
Aluminium (USD/MT)	2,577	-0.6%	9.9%
Nickel (USD/MT)	15,671	1.4%	-4.3%
Urea Middle East (USD/MT)	346	-11.3%	7.3%
Methanol China (USD/MT)	295	3.1%	4.6%
SE Asia Polyethylene (USD/MT)	990	0.0%	1.0%
Polypropylene (USD/MT)	990	-1.0%	4.2%
US Dollar Index	105.74	1.7%	4.3%
MSCI EM Currency index	1,748.63	-0.9%	0.5%
JPM EM Currency index	43.73	-2.4%	-9.2%
EGP/USD	0.020	-1.0%	-37.7%
TRY/USD	0.029	-1.3%	-14.9%
PKR/USD	0.360	-0.1%	1.3%
ILS/USD	0.275	3.0%	-0.3%
EUR/USD	1.06	-2.8%	-4.2%
GBP/USD	1.27	-1.3%	0.0%
USD/JPY	149.77	-1.5%	6.2%

Global Asset Allocation and Outlook

Global Asset Allocation and Outlook

We believe with Trump winning the election, 10-year yield could test the 2024's intra-day high of 4.74%. The rise in yield would be driven by rising inflation expectations tied to a more expansionary fiscal policy on the expected extension of 2017 corporate tax cut and a potential for a further tax cut to 15% from 21% currently, a rise in trade tariffs and reducing illegal immigration. **As a result, we are remaining underweight on duration and bonds.**

Trump policies such as deregulation (lower regulation on banks), fewer antitrust cases on big tech, less scrutiny on M&As and allowing increased production of fossil fuels are expected to positively impact the US stocks. We expect cyclical stocks (such as industrials and financials) and small caps to be key beneficiaries of such policies. Also, the US equity market tends to perform strongly in December during the election years. We expect the reduced Fed rate cut expectations, recent rise in US dollar and potential for increased trade tensions to weigh on the EM equities.

With soft landing as our base case scenario, we continue to **advocate an overweight allocation to equities and high-yield credit.** Although the labor market has shown signs of cooling down, the last 3-month average monthly jobs added are around 173,000. This is close to 150,000 jobs that the economy needs to maintain the unemployment rate around the current levels of 4.1-4.2%.

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. Focus will also shift to earnings next year where the market expects S&P 500 EPS to grow 13% YoY. Along with tech healthcare, industrials and materials sectors are expected to show low double digit to high teen earnings growth.

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 Equites:

•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 barbel portfolio split between technology and cyclical sectors as well placed to navigate macroeconomic and geopolitical uncertainties that we may face in 2024

•Performance would continue to broaden out with cyclical sectors and small caps participating which were laggard in 2023

•We remain underweight tech. given stretched valuations and on an expected deacceleration 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 remain underweight on Japan.

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: Nextra 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 (1 year forward PE- 14.6x vs 25.7x).

We remain neutral on EMs due to uncertainty regarding the tariffs and rising dollar. However, there are strong structural domestically driven economic growth stories such as India 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 advantage of market volatility and selective security picking, focusing on balance sheet quality and cash flow visibility. Currently, MENA markets (S&P Pan Arab Composite Large Mid Cap Index) trades 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 prices 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, GBK, NBK, SNB**
- Capital Goods: **Riyadh Cables, Shaker**
- Consumer: **Lulu Retail, Spinneys, Tanmiah, Talabat**
- Energy: **ADNOC Drilling, ADNOC Gas, ADNOC L&S, NMDC Energy**
- Financial Services: **Boursa Kuwait, Investcorp Capital**
- Healthcare: **Mouwasat, Pure Health**
- Real Estate: **Aldar Properties, Emaar Development, Emaar Properties, TECOM**
- Transportation: **AD Ports, Budget, DTC, Salik**
- Utilities: **AWPT, DEWA, Empower**

Global Asset Allocation and Outlook

EM Fixed Income:

We have shifted to underweight on duration on the back of higher yields and stronger economic data. Fixed income markets gained during the month with yields pushing down. During the month, 10y US treasury yields closed 12 bp lower at 4.17%. Barclays Global Aggregate Index rallied (0.3%) during the month, while High Yield Index continued to show resilience inching up by 0.8%. Interesting, the high yield index has returned 9.8% on a YTD basis. The MENA Broad Bond index was up 0.8% on a MTD basis.

Saudi Arabia. SAUDI Yield curve inched lower during the month. Yields on KSA 5.75 2054 were down by 11bps in November. The Saudi government and entities have issued around $50 billion in bonds in 2024,, which includes corporate and sovereign sales in US dollars and euros. That flurry of activity has made the oil-rich country one of the biggest issuers of international debt in emerging markets this year. The Bloomberg Global Aggregate- Saudi Arabia (I14669US Index) gave a positive return of 0.8% in November.

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. We expect no more bond issuance this year.

What we like: ABU DHABI Govt, ARADA Sukuk, ESIC Sukuk, FAB Sukuk, GEMS, PD Sukuk, Sobha Sukuk, Binghatti Sukuk, ABU DHABI National Energy, UAE Govt, ADCBUH Perp, EBIUH 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 – Mexico's central bank board members will announce the last monetary policy decision for this year on 19 December. With better-than-expected inflation numbers, FX appreciation and expectation of softer growth could see some board members augur for an increase in the pace of monetary easing. The threat of increasing tariffs on Mexican products post US presidential election remains a cause of concern for investors. What we like: PEMEX, CEMEX

INDIA –India's bond market is benefiting from investors seeking higher all-in-yields and diversification. These factors have driven relatively stronger capital flows into the region and credit-spread tightening amid thin liquidity secondary-market conditions in Asia. Meanwhile with a new Central bank governor in place market participants will keenly watch the upcoming central bank policy meeting on 7th February with markets pricing in a more dovish central bank in 2025 than before.

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 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 MENAPT but deriving most of their revenues from MENAPT.
The fund gained 1.5% during the month.

	2024	Inception (30 Jul 2020) (Class I)
Total Return	9.9%	86.7%
Annualized Return	11.0%	15.4%
Annualized Volatility	5.3%	7.8%
Sharpe Ratio	1.3	1.6

** NAV as of 28th November 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 0.4% for the month.

	2024	Inception (Aug 2022) (Class A)
Total Return	17.9%	26.7%
Annualized Return	19.6%	10.7%
Annualized Volatility	10.2%	9.2%
Shape Ratio	1.5	0.7

** NAV as of 29th November 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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