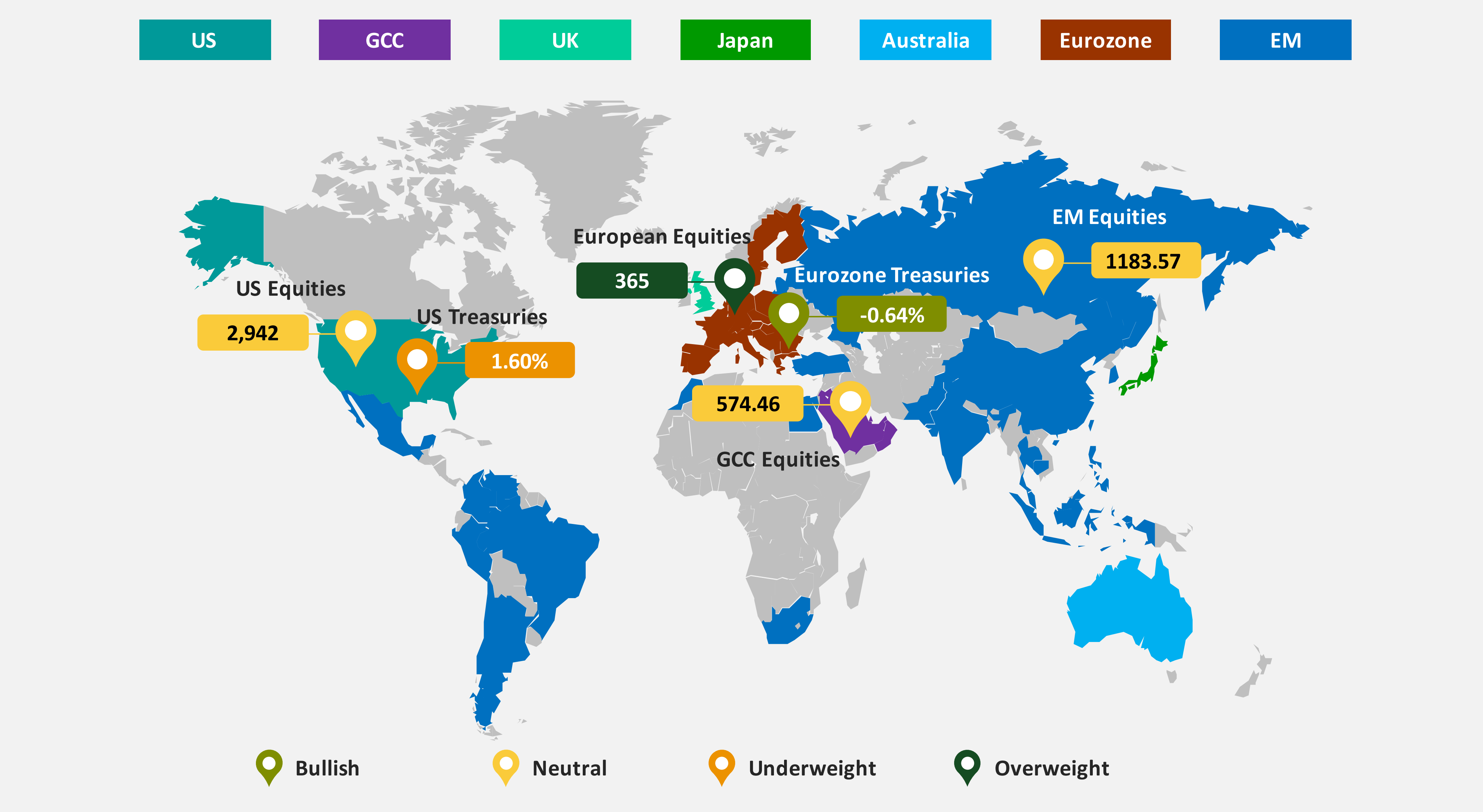
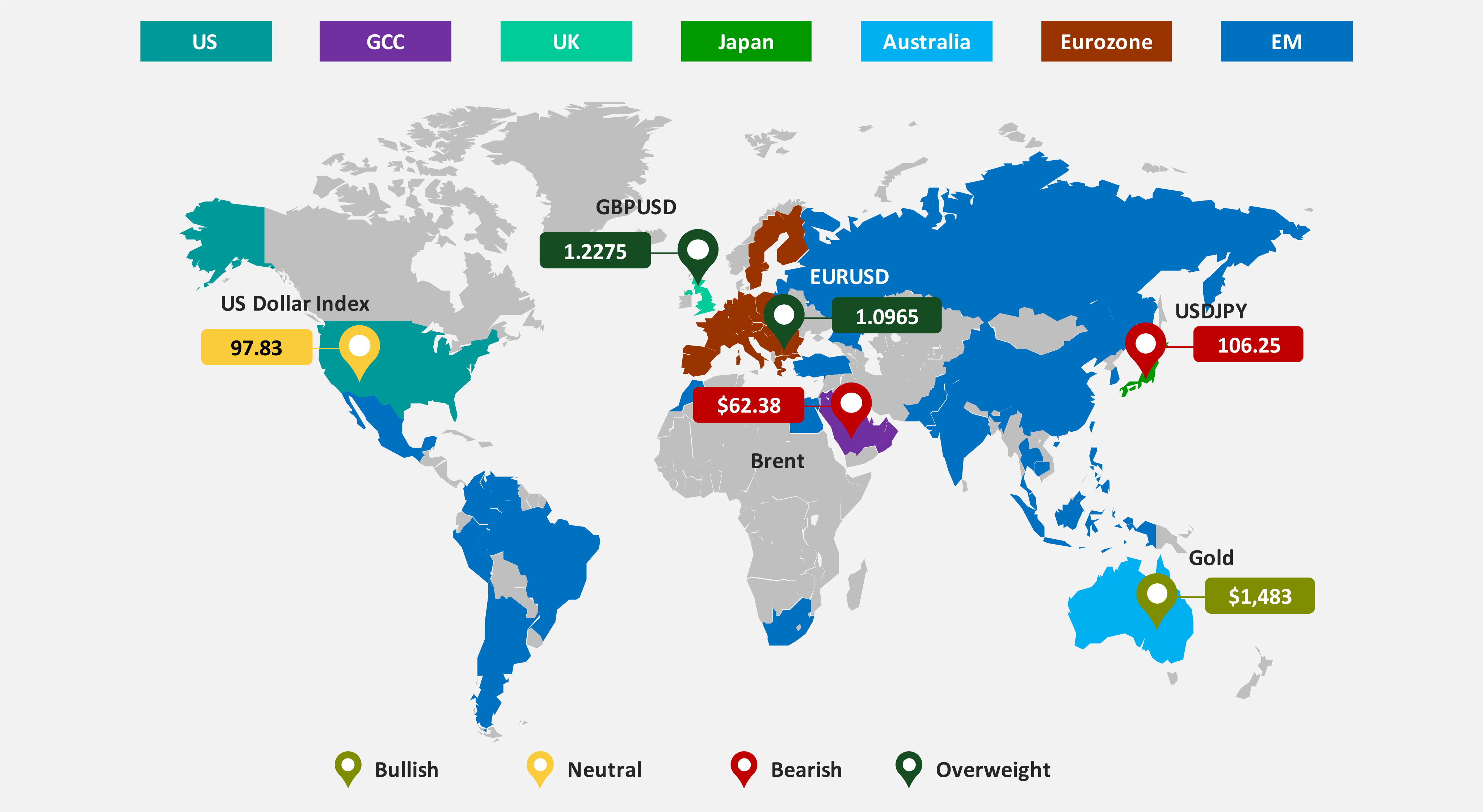
DECiMAL POiNT
Innovative Research Solutions

AssetPulse

Global MacroView Summary

14 October 2019

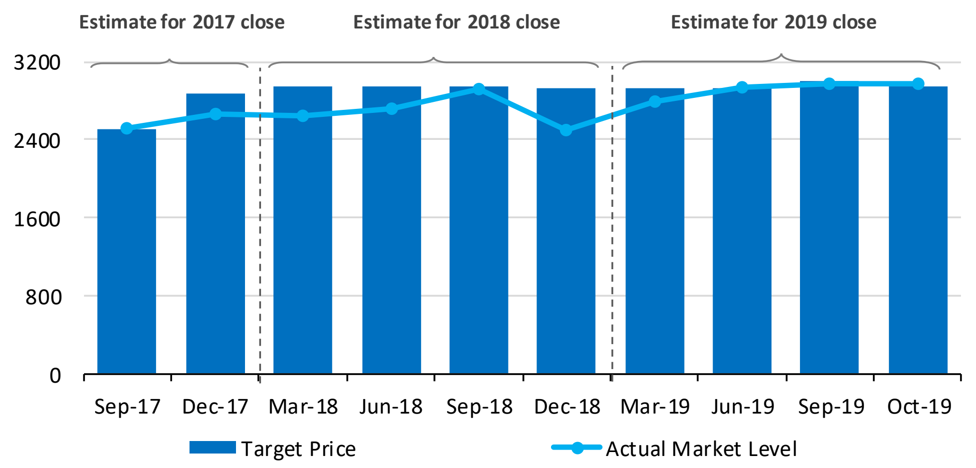

US
GCC
UK
Japan
Australia
Eurozone
EM
European Equities
365
Eurozone Treasuries
-0.64%
EM Equities
1183.57
US Equities
2,942
US Treasuries
1.60%
574.46
GCC Equities
Bullish
Neutral
Underweight
Overweight


US
GCC
UK
Japan
Australia
Eurozone
EM
GBPUSD
1.2275
EURUSD
1.0965
US Dollar Index
97.83
USDJPY
106.25
$62.38
Brent
Gold
$1,483
Bullish
Neutral
Bearish
Overweight

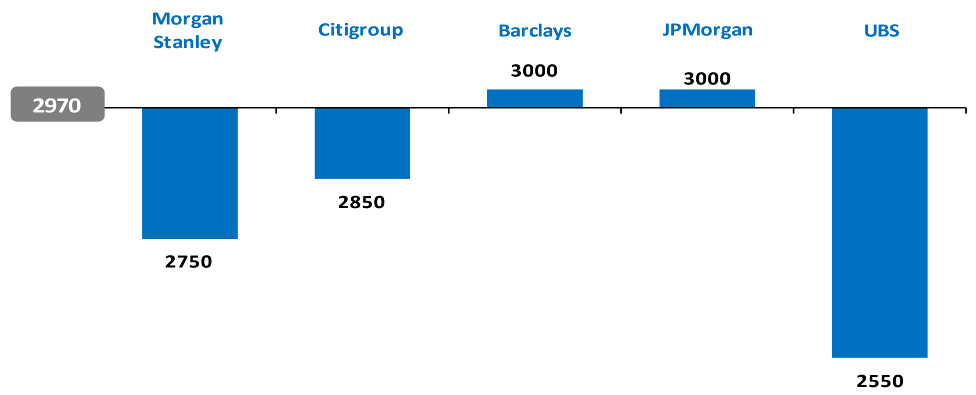
Asset Classes	12-Apr-19	12-Jul-19	11-Oct-19	6 Month Returns	3 Month Returns
Equities					
US Equites (S&P 500)	2907.41	3013.77	2970.27	2.2%	-1.4%
Eurozone Equities (Stoxx 600)	387.53	386.85	389.71	0.6%	0.7%
Emerging Equities (MSCI EM Index)	1089.09	1050.90	1017.04	-6.6%	-3.2%
GCC equities (MSCI GCC Countries Index)	603.03	601.8	530.71	-12.0%	-11.8%
Currency					
USD ($ Index)	96.97	96.81	98.30	1.4%	1.5%
EUR vs. USD	1.1299	1.1270	1.1042	-2.3%	-2.0%
USD vs. JPY	112.02	107.91	108.29	-3.3%	0.4%
GBP vs. USD	1.3074	1.2572	1.2668	-3.1%	0.8%
Fixed Income					
US 10yr Sovereign	2.56	2.12	1.76	-80	-36
Europe Core Area (German 10 Yr)	0.05	-0.23	-0.46	-51	-22
Europe Peripheral Area (Italy 10 Yr)	2.54	1.74	0.94	-160	-80
Commodities					
Gold	1290.43	1415.75	1489.01	15.4%	5.2%
Brent	71.55	66.72	60.51	-15.4%	-9.3%

* Change in bps for fixed income

Consensus Target Price for S&P 500 Index



S&P 500 Index Target by Major IBs



*Target with respect to actual level

S&P 500 Index Key Parameters

	Actual	2019 TP	2020 TP
S&P 500*	2970.27	2,941.56	-
PE (x)	19.53	17.02	16.25
EPS ($)	152.13	174.47	182.74
Dividend Yield (%)	1.93	2.49	2.11
Price/Book (x)	3.4	3.23	3.01
EV/EBITDA (x)	13.35	11.73	11.3

*Value as on 11 October 2019

S&P 500 Index Returns

Q4 2018	Q1 2019	Q2 2019	Q3 2019	QTD
-14.0%	13.1%	3.8%	1.2%	-0.2%

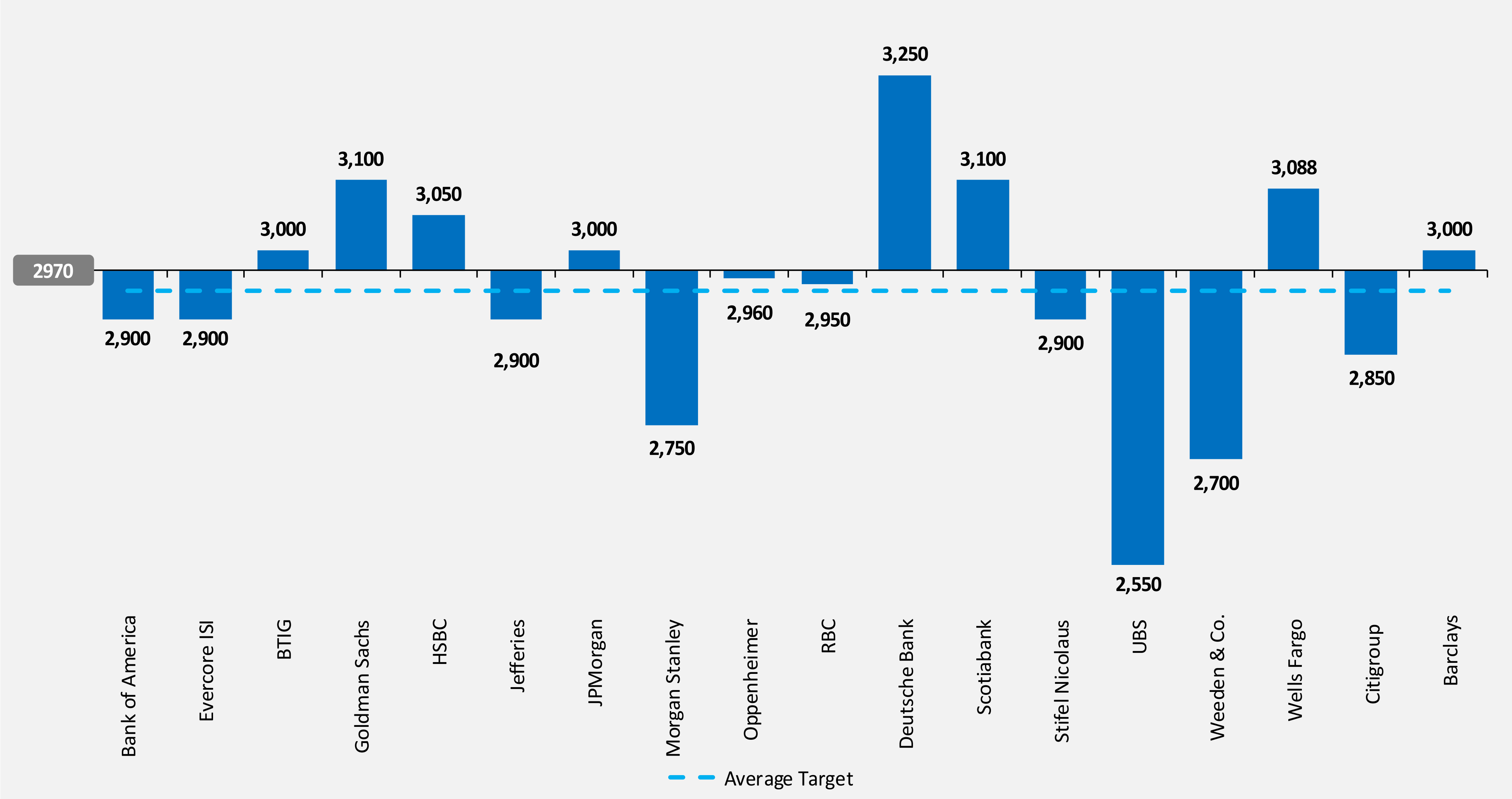
Positive View

- Large cap stocks have earnings that are more resilient than other regions
- Valuation is moderately expensive but not at an alarming level
- Labour market remains solid while inflation is creeping up slowly

Negative View

- Concerns around the trade war escalation
- Fading fiscal stimulus
- Yield curve inversion

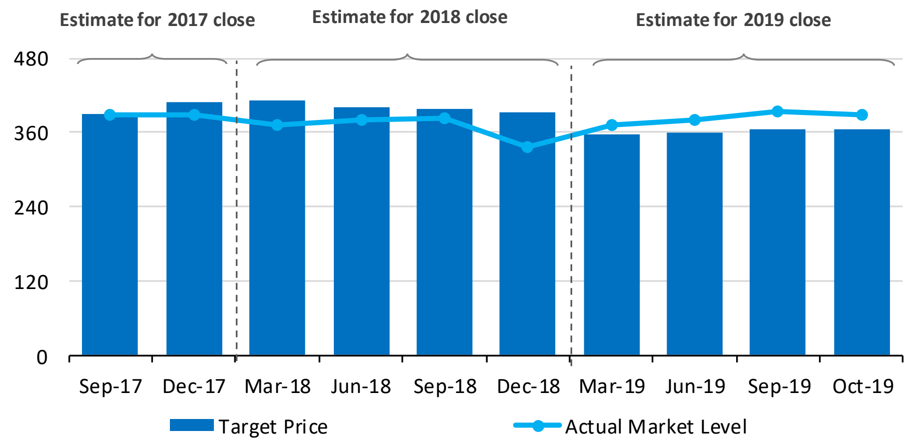
S&P 500 2019 Index Target by Major IBs



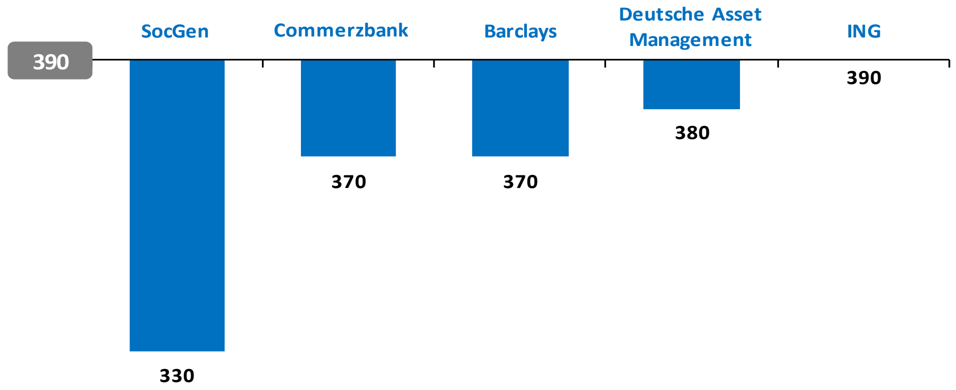
*Target with respect to actual level

Market Experts/ Brokers/ Analyst		Views (Last one month)
Candrium Investments	Overweight	• US equities is relatively safer choice • Consumption is strong • Labour market remains solid while inflation is creeping up slowly
Lazard Asset Management	Overweight	• There is a mixed backdrop of slowing growth globally, supportive central banks, very low interest rates, and equity market resilience amid trade tensions • US equities appear cheap relative to fixed income and believe security selection is critical to avoid overpaying for perceived safety
Russel Investments	Underweight	• Expensive valuation • Cycle concerns around the trade war escalation • Fading fiscal stimulus • Yield curve inversion
J P Morgan	Neutral	• Large cap stocks have earnings that are more resilient than other regions; low yields favour growth/quality style • In small-caps, very high earnings expectations are a struggle to achieve; valuations are not supportive
Schroders	Overweight	• Valuation is moderately expensive but not at an alarming level • Earnings downgrades are showing signs of stabilisation
Gluskin Sheff	Bearish	• US economic growth will turn negative sooner than most investors anticipate, setting the stage for a painful market pullback • Earnings are contracting

Consensus Target Price for Stoxx 600 Index



Stoxx 600 Index Target by Major IBs



*Target with respect to actual level

Stoxx 600 Index Key Parameters

	Actual	2019 TP	2020 TP
Eurostoxx 600*	389.71	365.00	-
PE (x)	18.78	14.43	13.75
EPS (€)	20.86	27.14	28.47
Dividend Yield (%)	3.73	3.8	3.84
Price/Book (x)	1.85	1.73	1.65
EV/EBITDA (x)	10.11	9.06	8.8

*Value as on 11 October 2019

Stoxx 600 Index Returns

Q4 2018	Q1 2019	Q2 2019	Q3 2019	QTD
-11.8%	12.2%	1.5%	2.2%	-0.9%

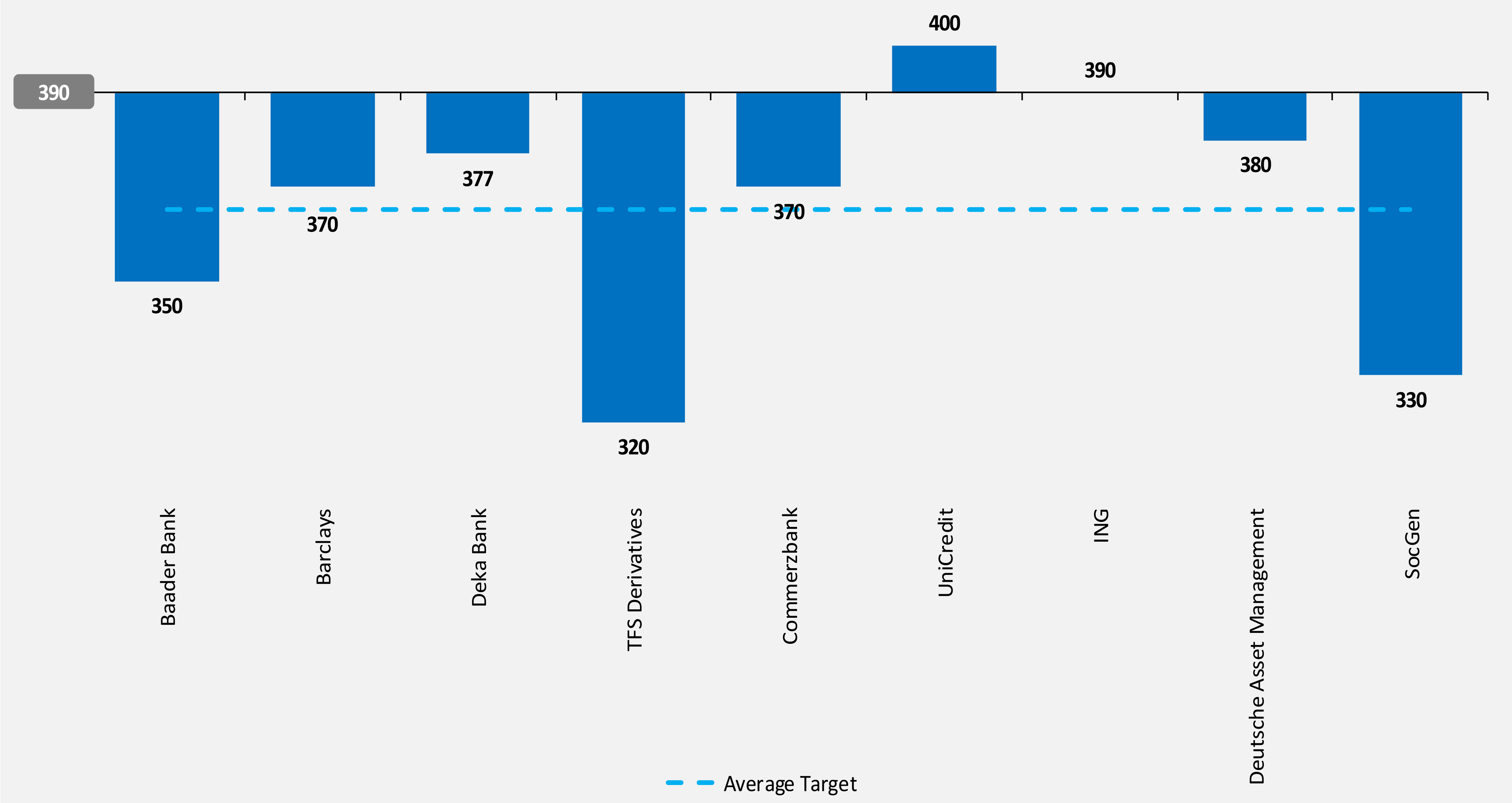
Positive View

- European equities are close to fair value, compared to US equities which are expensive
- Price momentum in Eurozone equities is slightly positive
- Renewed monetary stimulus is likely to make stocks and other risk assets more enticing
- Receding political uncertainty

Negative View

- Macro data still falling
- Banks held back by negative rates
- Outlook for margins have recently turned negative

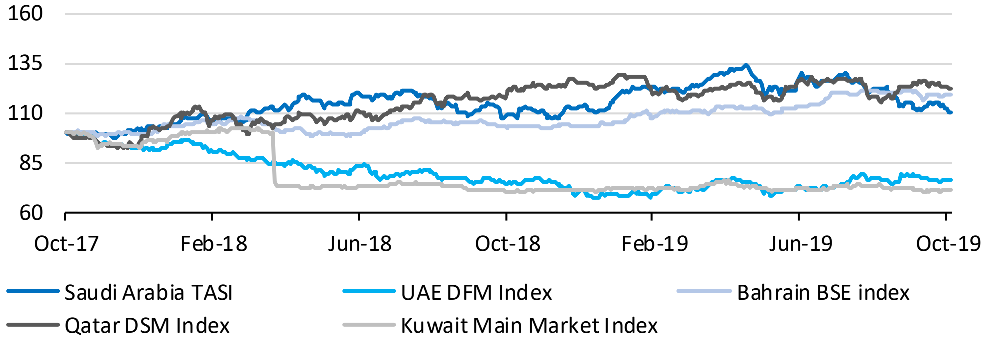
Stoxx 600 2019 Index Target by Major IBs



***Target with respect to actual level**

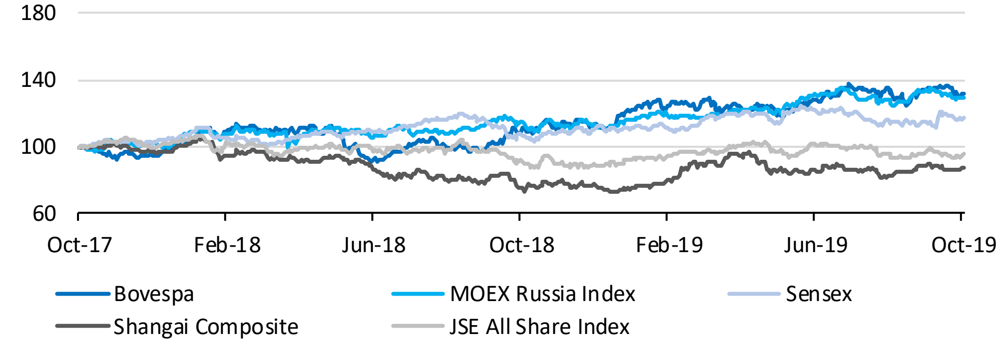
Market Experts/ Brokers/ Analyst		Views (Last one month)
Candrium Investments	Overweight	• Fiscal stimulus in Europe (the Netherlands, Germany, Italy) is becoming a topic, but implementation may take time • A window of opportunity opened with receding political uncertainty and long-term ECB visibility
Russel Investments	Overweight	• Eurozone equities are close to fair value, compared to US equities which are expensive • Contrarian sentiment signals are broadly neutral as of mid-September • There are no signs that equities are either overbought or oversold • Price momentum in Eurozone equities is slightly positive
J P Morgan	Underweight	• Eurozone macro data still falling • Banks held back by negative rates • Little valuation support
Schroders	Bearish	• Consensus forecasts for 2019 earnings have been deteriorating sharply • Outlook for margins have recently turned negative
RBC Global Asset Management	Overweight	• Even as the ECB acknowledges a less-than-rosy macroeconomic picture, renewed monetary stimulus is likely to make stocks and other risk assets more enticing • Assuming that politics don't get in the way, the prospects for European stocks look attractive relative to the US
Morgan Stanley	Overweight	• The populist movements around the world are likely to drive more fiscal policy action in Europe • This would allow the central banks to exit their extraordinary monetary policies and help valuations to rise

2 year Performance of major GCC Indices*



*Data has been rebased to 100

2 year Performance of benchmark BRICS Indices*



*Data has been rebased to 100

MSCI GCC Index Key Parameters

	Actual	2019 TP	2020 TP
MSCI GCC Countries Index *	530.71	574.46	-
PE (x)	14.60	14.28	12.1
EPS ($)	36.24	37.07	43.75
Dividend Yield (%)	4.32	4.63	4.76
Price/Book (x)	1.71	1.40	1.33

*Value as on 10 October 2019

MSCI EM Index Key Parameters

	Actual	2019 TP	2020 TP
MSCI Emerging Markets Index *	1017.04	1183.57	-
PE (x)	13.5	12.33	11.59
EPS ($)	74.92	82.06	87.25
Dividend Yield (%)	2.94	3.08	3.29
Price/Book (x)	1.51	1.50	1.39
EV/EBITDA (x)	8.68	8.52	8.32

*Value as on 11 October 2019

MSCI GCC Index Returns

Q4 2018	Q1 2019	Q2 2019	Q3 2019	QTD
-0.9%	9.3%	0.5%	-7.0%	-3.4%

MSCI EM Index Returns

Q4 2018	Q1 2019	Q2 2019	Q3 2019	QTD
-7.8%	9.6%	-0.3%	-5.1%	1.6%

Positive View

- Regional central banks are easing policy
- EM markets will benefit from China stimulus

Negative View

- Growth and confidence under pressure from the US-China trade dispute
- Disruption in global supply chains

Positive View

- US Fed's dovish stance
- China's fiscal stimulus

Negative View

- Trade dispute risk
- Hard data has room for improvement

Asset Class	
Emerging Market Equities (MSCI EM Index)	
Analyst expectations	
Average	1183.57
Bloomberg Consensus Target Price For MSCI EM Index	1183.57
As on 11 October 2019	1017.04
% Change from Current levels compared to avg	16.37%

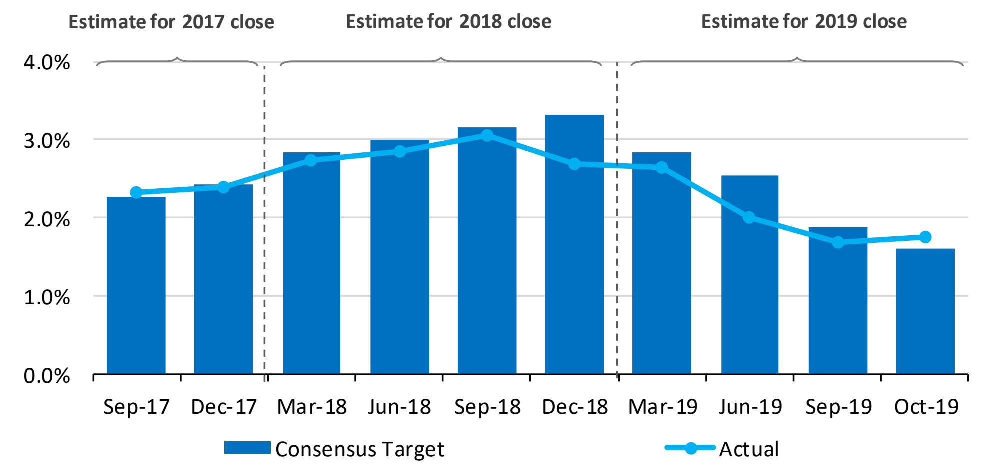
Market Experts/ Brokers/ Analyst		Views (Last one month)
Candrium Investments	Neutral	• The region has underperformed the most year-to-date and could offer some upside • A dovish US Fed is a tailwind
Lazard Asset Management	Bullish	• The EM growth premium compared to developed markets appears ready to widen in 2020 • Earnings growth for EM companies, while negative to flat in 2019, is expected to reach low double digits for 2020
Russel Investments	Neutral	• Regional central banks are easing policy • EM markets will benefit from China stimulus • However, EM markets are at near-term risk from the trade-war escalation and the disruption in global supply chains • Near-term caution is warranted

Market Experts/ Brokers/ Analyst		Views (Last one month)
J P Morgan	Underweight	• Weak earnings revision • Growth and confidence under pressure from the US-China trade dispute
Schroders	Neutral	• Renewed pressures from trade conflicts raise the risks for those markets with an export focus
AllianceBernstein	Underweight	• Continued easing in the context of growth stabilisation would likely be a very compelling setting for EM equities • However, as central banks deliver more stimulus than expected because growth is worse than expected, it would be hard to see EM assets delivering very strong returns
BlackRock	Neutral	• There are overly optimistic market expectations for Chinese stimulus • The greatest opportunities exist in Latin America, such as in Mexico and Brazil, where valuations are attractive and the macro backdrop is stable • An accommodative Fed offers support across the board, particularly for EM countries with large external debt loads
Morgan Stanley	Overweight	• After a difficult 10 months of 2018, EM equities have performed relatively well, a positive sign for future leadership • For the USD to make a secular top this year, global nominal GDP growth should accelerate faster than the US GDP, particularly as China's fiscal stimulus takes hold. • This should disproportionately benefit international equities, led by EM equities
UBS	Underweight	• Risks to the global economy and markets have increased following a renewed escalation in US-China trade tensions • Near-term risks to EM equity markets have risen further • EM firms are more exposed to heightened market volatility, a slowing global economy, and heightened trade tensions

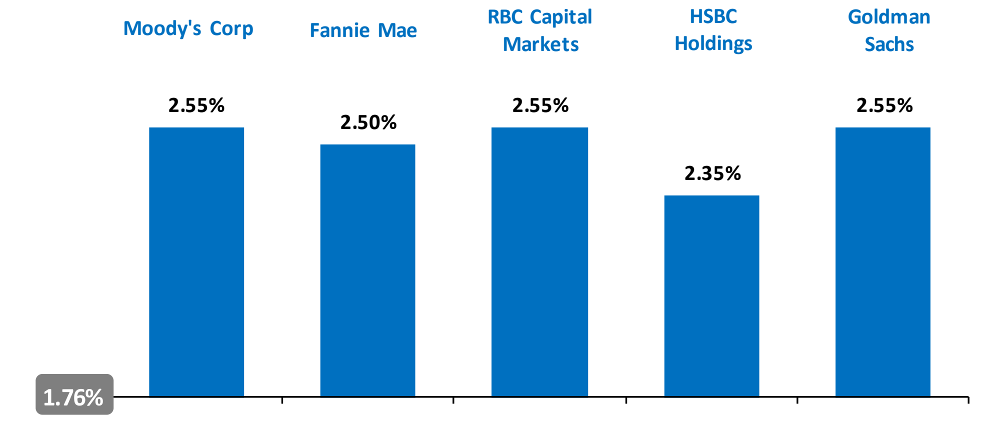
Asset Class	
GCC Equities (MSCI GCC Countries Index)	
Analyst expectations	
Average	574.46
Bloomberg Consensus Target Price For MSCI GCC Index	574.46
As on 10 October 2019	530.71
% Change from Current levels compared to avg	8.24%

Market Experts/ Brokers/ Analyst		Views (Last one month)
Allied Investment Partners	**Underweight**	• GCC equity markets will be influenced by geopolitical conditions as well as events unfolding in global markets • There is still uncertainty and investors attempt to assess risks from trade disputes
Emirates NBD	**Neutral**	• While the UAE stock markets offer attractive opportunities, the rally on Saudi’s Tadawul is expected to fade following the second tranche of the MSCI Emerging Markets Index inclusion • The uncertainty associated with the escalating trade war, Brexit and weak incoming data points from China and Europe will continue to impact risk-assets across the GCC • However, the uncertainty has also underpinned more pervasive global monetary easing and allowed GCC central banks to also cut rates, which should provide some support • Overall, the external outlook remains challenging but regionally performance is likely to diverge
National Bank of Kuwait	**Overweight**	• The GCC non-oil economy has seen general improvements • Higher energy prices, expansive public investments and private sector stimulus programmes have spearheaded output gains

Consensus Target for US 10 Year

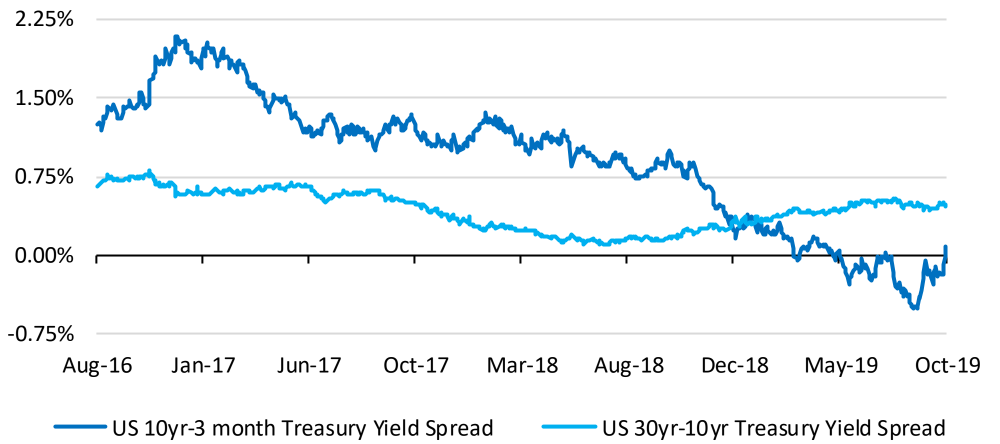


US 10 Year Target by Major IBs



*Target with respect to actual level

Spread Graph for US 10 Yr - 3 month and 30 Yr - 10 Yr



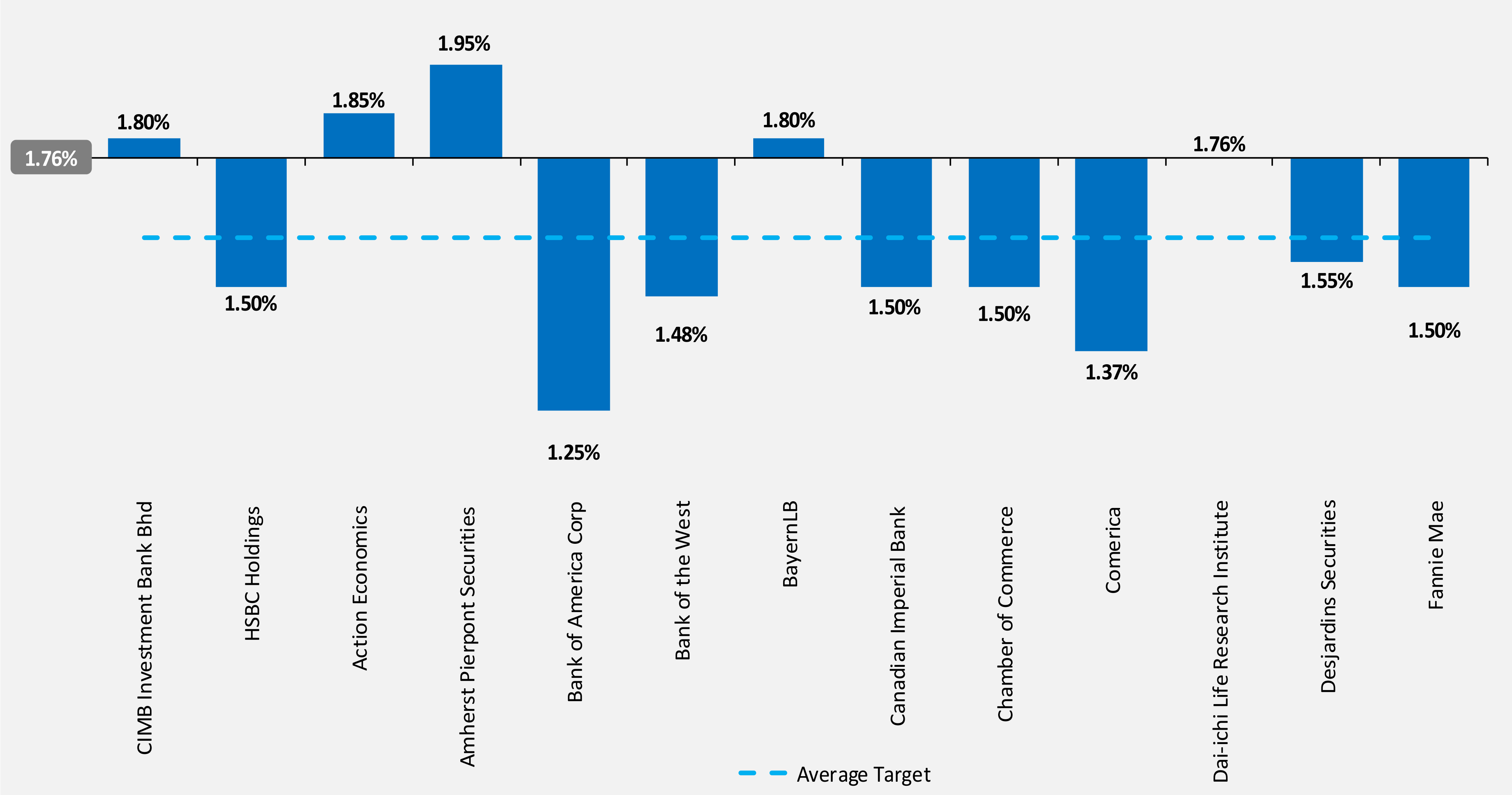
Positive View

- US treasuries have a higher yielding entry point on a globally relative basis
- Increased downside risks to growth and the low visibility on trade issues

Negative View

- A combination of low growth and lower rates
- Tame inflation

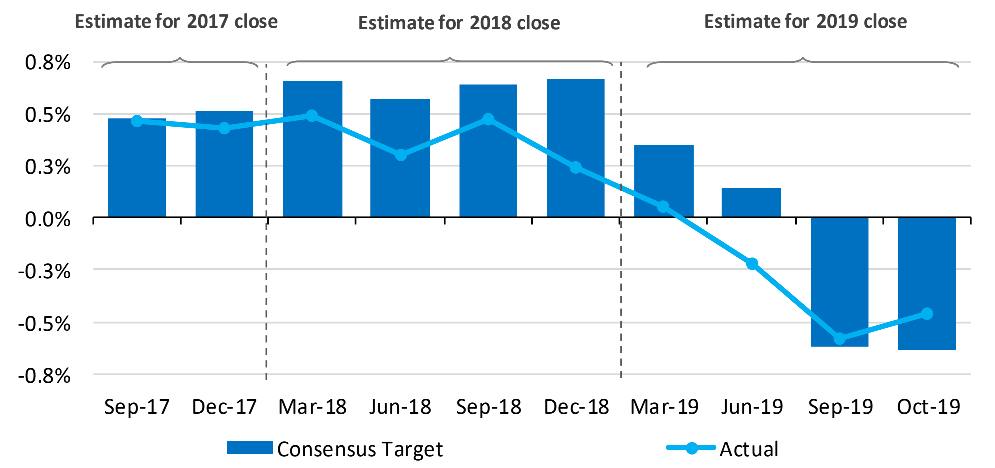
US Treasuries 10 Year Target Yield for Q4 2019 by Major IBs



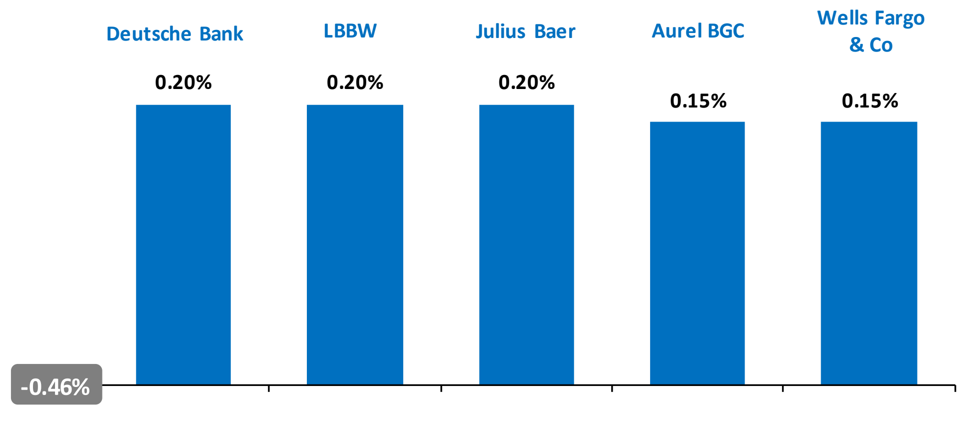
*Target with respect to actual level; Latest values at extreme Right

Market Experts/ Brokers/ Analyst		Views (Last one month)
Societe Generale	Neutral	• US Treasuries are expected to retain most of the gains this year • The broker does not see a clear path for getting back to 2%, given the wall of uncertainty that one needs to get through
PGIM Fixed Income	Underweight	• The broker does not expect any further breakout move in yields • The most likely path is as slightly downhill from here • Swelling debt sales are finally starting to weigh on Treasuries
J P Morgan	Overweight	• Higher yield than most other global bonds • However, quant model support fading a little
Schroders	Overweight	• US government bonds act as a hedge against growth disappointment • It has a higher yielding entry point on a globally relative basis
Charles Schwab	Underweight	• While slowing global economic growth, tame inflation and ongoing trade uncertainty make it probable that the Fed will continue to cut short-term rates, the direction of longer-term yields depends on what comes afterward • If the economy strengthens, 10-year Treasury yields may rebound, but further economic deterioration could drive yields even lower
UBS	Underweight	• Treasury yields are likely to remain under pressure in the near term • Thanks to a combination of low growth and lower rates • The broker has forecast a year end yield of 1.5%

Consensus Target for German 10 Year

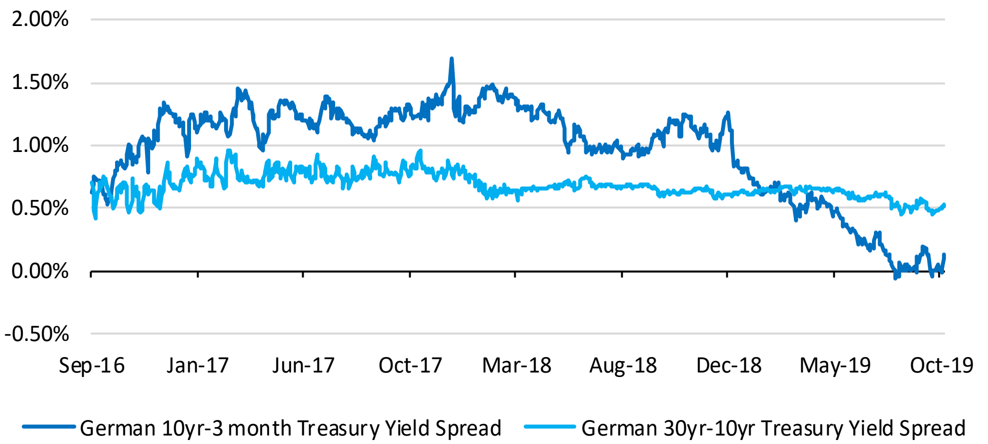


German 10 Year Target by Major IBs



*Target with respect to actual level

Spread Graph for German 10 Yr- 3 month and 30 Yr-10 Yr



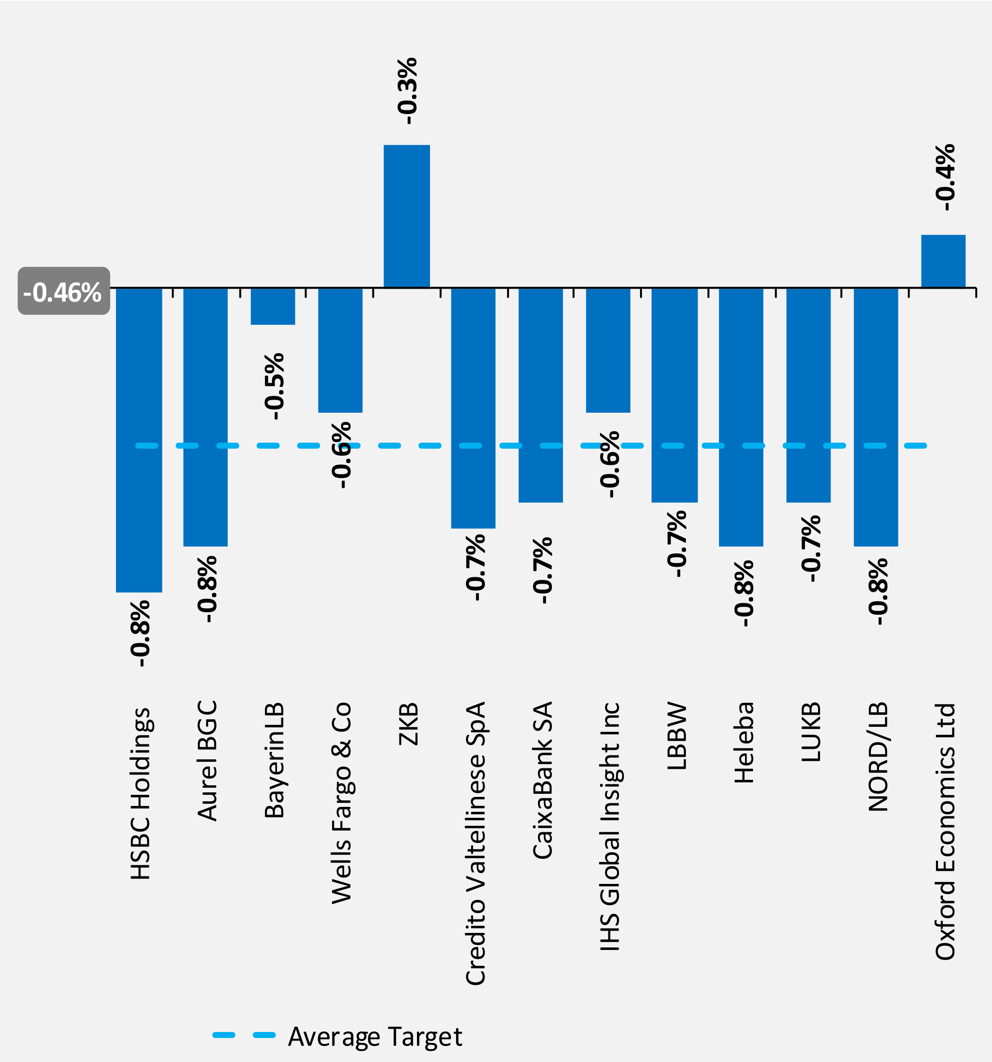
Positive View

- Yields look attractive for hedged USD-based investors
- Converging earnings growth
- A relatively steep yield curve is a plus for Eurozone investors

Negative View

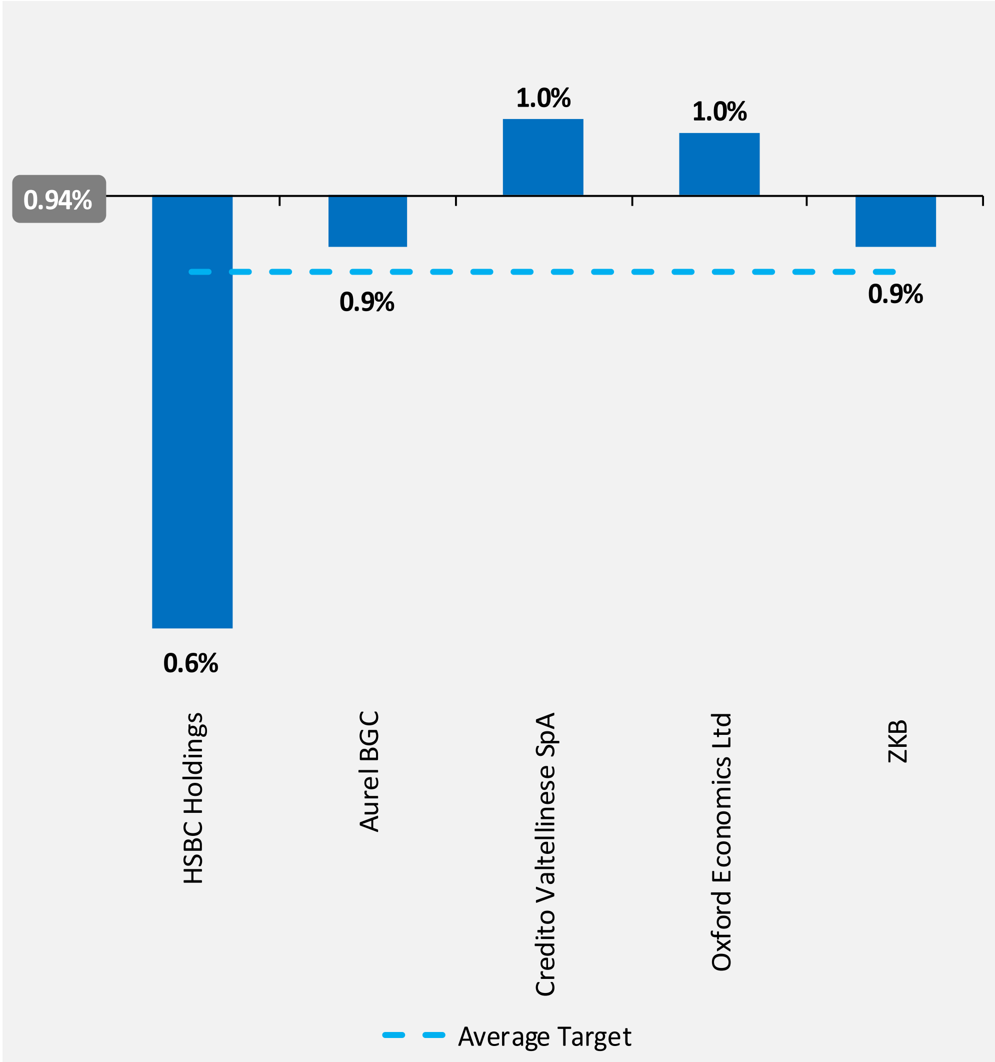
- Valuations are trading at extreme levels
- Core government bonds are long-term expensive

German 10 Year Target Yield for Q4 2019 by Major IBs



*Target with respect to actual level; Latest values at extreme Right

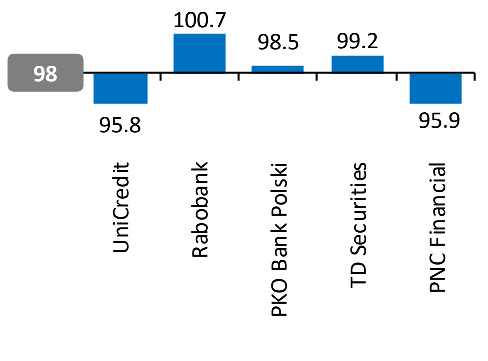
Italy 10 Year Target Yield for Q4 2019 by Major IBs



*Target with respect to actual level; Latest values at extreme Right

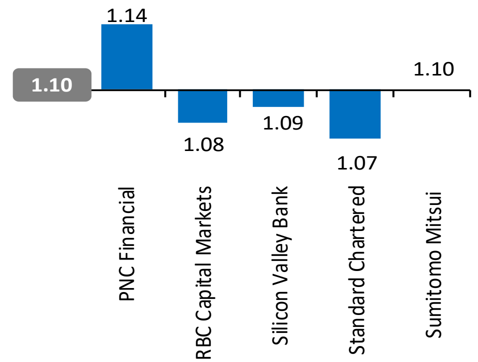
Market Experts/ Brokers/ Analyst		Views (Last one month)
Lazard Asset Management	Bullish	• Yield curves to steepen if expectations begin to reflect the possibility of moderately rising inflation • Credit spreads are well supported by the mixed economic outlook, resilient corporate balance sheets, and positive momentum in corporate earnings. • The broker expects European corporate and sovereign bonds to defend the positive performance seen so far this year into the close of 4Q 2019
Russel Investments	Overweight	• Core government bonds are long-term expensive, including 10-year German Bund yields at -0.45% in mid-September • There is limited scope to fall further
J P Morgan	Neutral	• Despite negative yields, weak economy and ECB QE, the broker keeps a bid in place for Bunds • Among periphery bonds, spreads are likely to remain tight given ECB QE; some carry pickup vs. core Europe
Schroders	Underweight	• Despite an anaemic backdrop, the broker has downgraded bunds as valuations are trading at extreme levels
BlackRock	Overweight	• The ECB is expected to deliver, or even exceed stimulus expectations • Yields look attractive for hedged USD-based investors, thanks to the hefty USD-EUR interest rate differential • A relatively steep yield curve is a plus for Eurozone investors

US Dollar Index



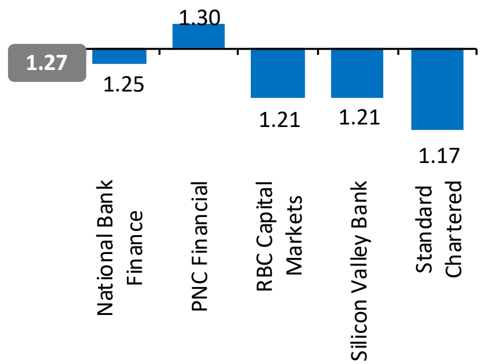
*Target with respect to actual level

EURUSD



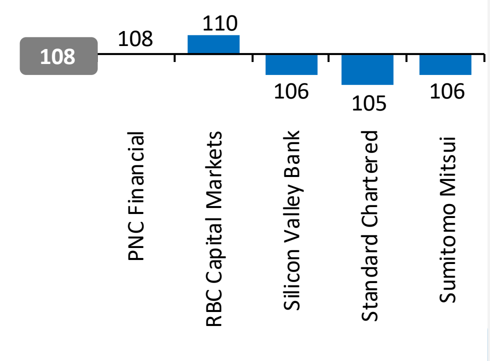
*Target with respect to actual level

GBPUSD



*Target with respect to actual level

USDJPY



*Target with respect to actual level

US Dollar Index

Positive View

- US activity numbers, while weakening, remain stronger than elsewhere, especially Europe
- Brexit and deeper risks for growth abroad

Negative View

- Longer term, twin US deficits may result in a weak USD
- A turn up in global growth is unlikely to support the USD

EURUSD

Positive View

- Not much weakening despite ECB easing
- Ebbing Italian risk owing to a change in government

Negative View

- Weak inflationary pressures and economic data in the Eurozone
- It is vulnerable to increased odds of a disorderly Brexit

GBPUSD

Positive View

- The BoE continues to push back suggestions of future rate cuts
- The probability of a "no deal Brexit" is all but priced in

Negative View

- Risk of hard Brexit and political turmoil
- Recession risks are elevated as consumer confidence remains compromised

USDJPY

Positive View

- Traditionally a safe-haven currency
- Acts as a portfolio diversifier if global activity continues to disappoint

Negative View

- A resolution to the trade war could see the USD weaken, given its counter-cyclical tendency
- Japan has large current account surplus

US

GDP Annualised	2.0% (Q2 2019)
Inflation (YoY)	1.7% (September)
Trade Balance	-$54.90 bn (August)

Eurozone

GDP Annualised	1.2% (Q2 2019)
Inflation (YoY)	0.9% (September)
Trade Balance	€19.00 bn (July)

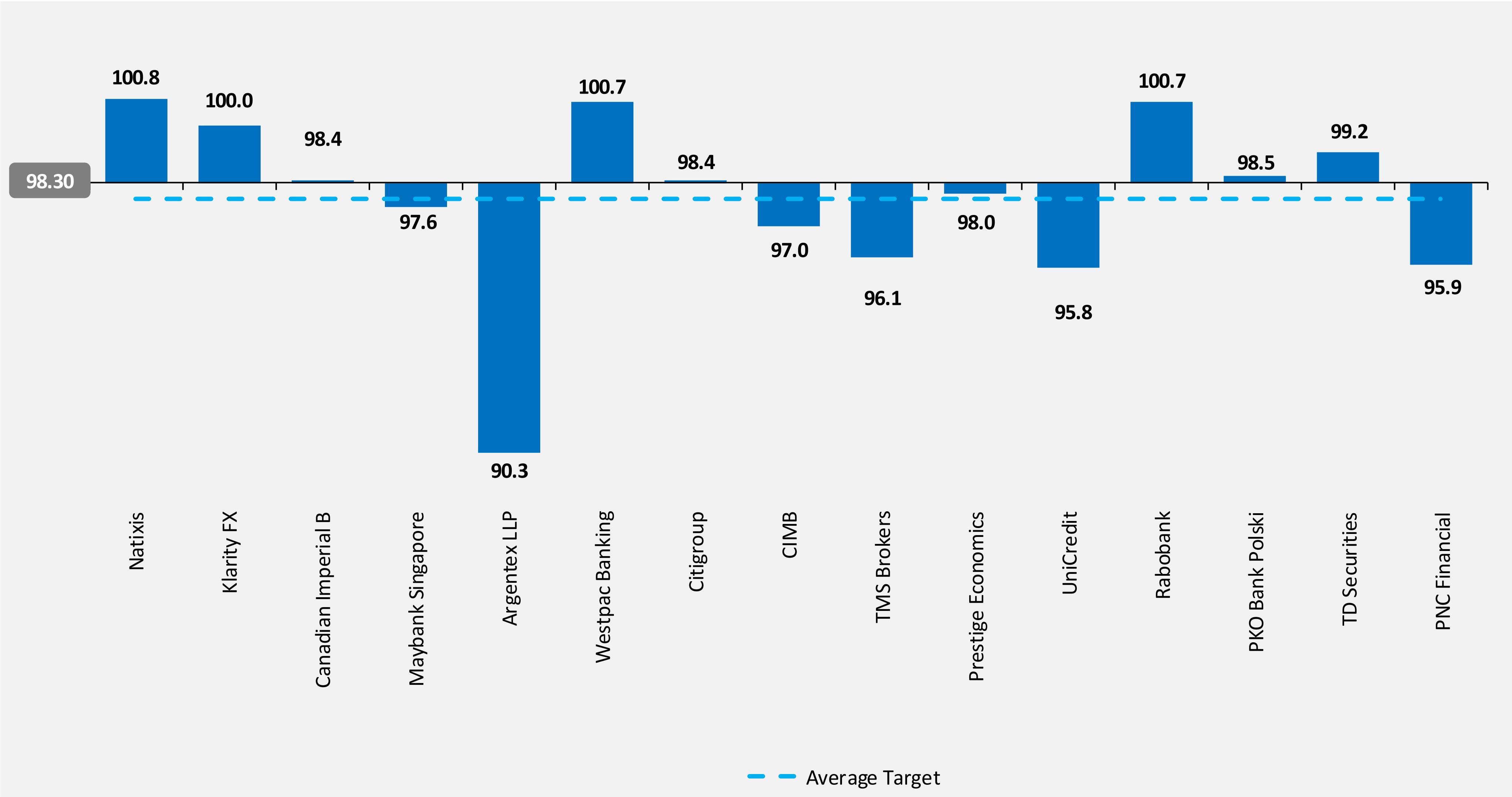
UK

GDP Annualised	1.3% (Q2 2019)
Inflation (YoY)	1.7% (August)
Trade Balance	-£9.81 bn (August)

Japan

GDP Annualised	1.3% (Q2 2019)
Inflation (YoY)	0.3% (August)
Trade Balance	-¥136.30 bn (August)

US Dollar Index Target for Q4 2019 by Major IBs

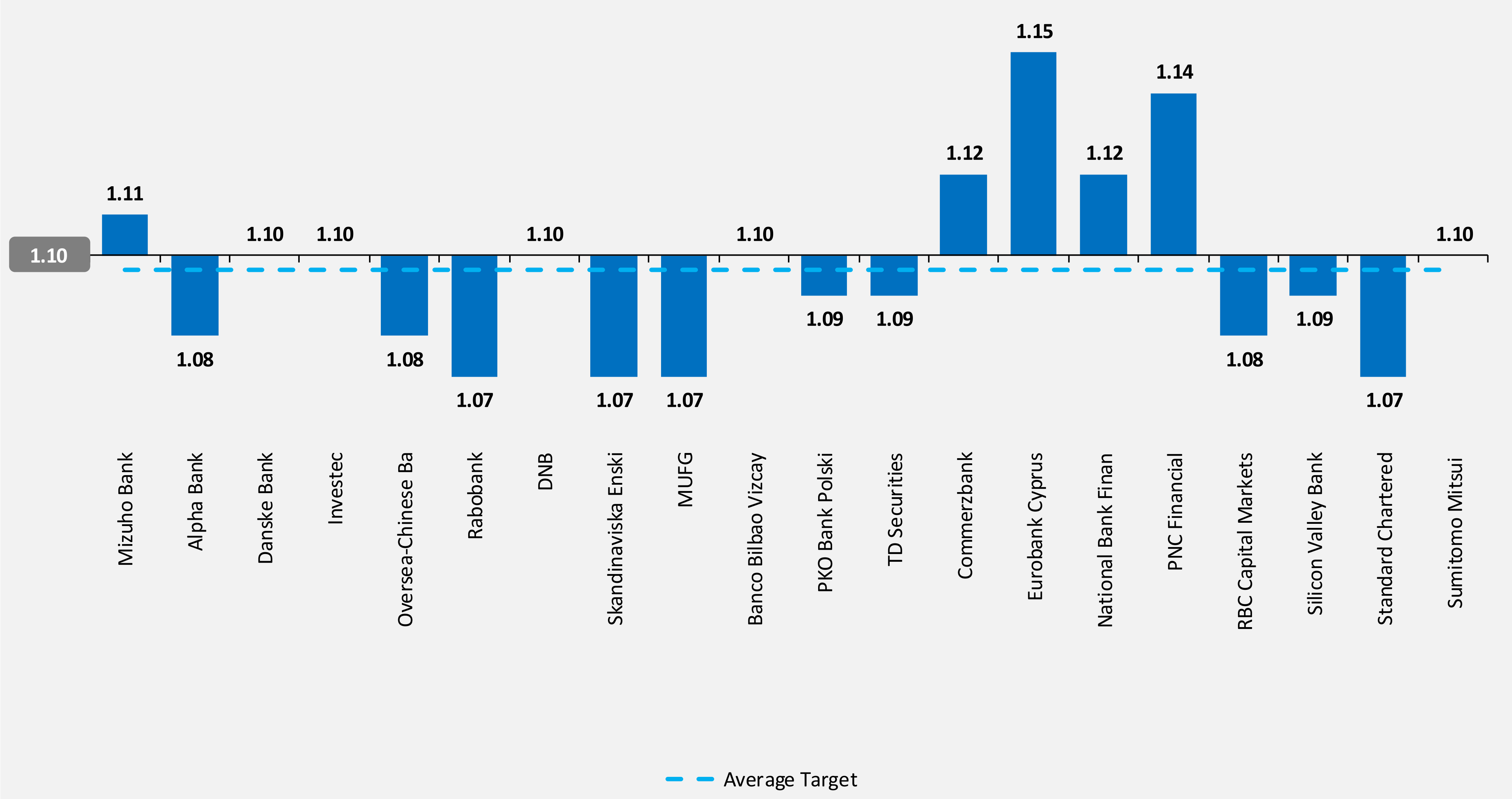


***Target with respect to actual level; Latest values at extreme Right**

Market Experts/ Brokers/ Analyst		Views (Last one month)
National Bank of Canada	Neutral	• Investors are pricing in more than 70% probability that rates will fall to 1.50% or lower by April next year • That's a bit aggressive and as such the USD could find support next year • A possible truce in the ongoing US-China trade war could prompt risk taking by investors and the USD might witness occasional bouts of weakness
Russell Investments	Underweight	• A resolution to the trade war could see the USD weaken, given its counter-cyclical tendency • While the US has much more room to ease than other central banks, a deep and sustained rate-cut cycle would require a full-blown recession scare
CIBC Capital Markets	Overweight	• Rate cuts will be a bit shallower than markets anticipate • In the near term, Brexit and deeper risks for growth abroad will propel safe haven inflows into the USD
Citibank	Neutral	• Higher oil prices are traditionally USD negative but the advent of large scale shale production has changed terms of trade dynamics • US activity numbers, while weakening, remain stronger than elsewhere especially Europe • Longer term, twin US deficits may result in a weak USD and US policymakers may encourage it. More discussion has been appearing on media and congressional circles around shifting away from the strong USD policy • USD will be around flat vs. G10 over 0-3m and 6-12m and about 9% lower over the long run
J P Morgan	Overweight	• Positioning is short USD vs. G10 currencies • If Fed stays less easy with interest rates than hoped, USD could rise a little

Global MacroView Summary

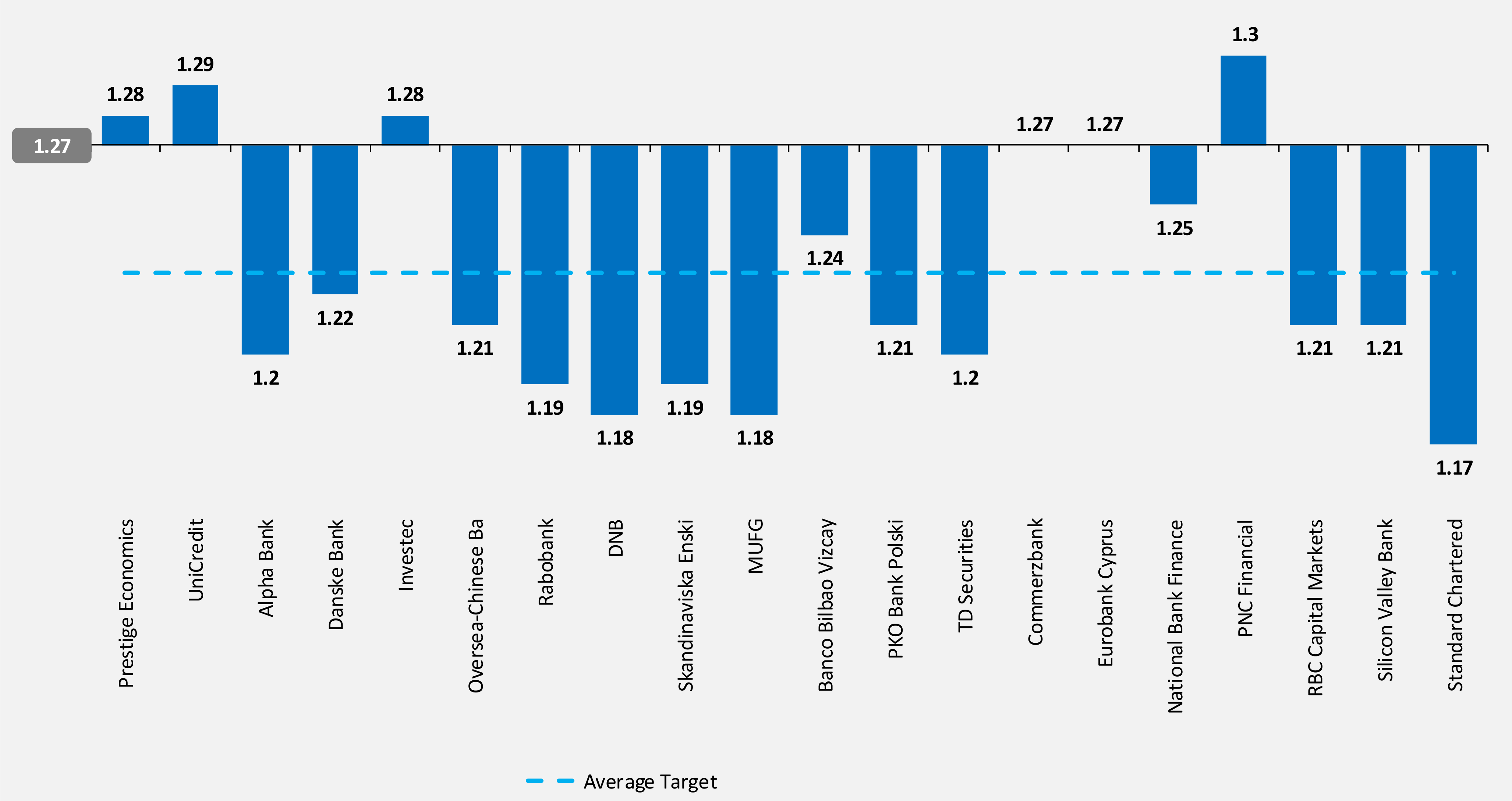
EURUSD Target for Q4 2019 by Major IBs



*Target with respect to actual level; Latest values at extreme Right

Market Experts/ Brokers/ Analyst		Views (Last one month)
RBC Global Asset Management	Overweight	• Monthly portfolio flows have turned positive for the EUR, and will continue to pull the annual figures higher over the coming months
J P Morgan	Neutral	• Not much weakening despite ECB easing • It is cheap vs. USD, but few catalysts to rebound
Emirates NBD	Underweight	• Weakness in the Eurozone is likely to keep the single currency under pressure • There is also widespread pressure on the government to introduce additional fiscal stimulus
Schroders	Overweight	• Increased stimulus from the ECB • There is potential for positive surprises, including ebbing Italian risk owing to a change in government and increased talk of fiscal stimulus from Germany
ING	Underweight	• Prospects of higher energy costs adds to the already weak outlook for industrial production of the Eurozone • Unless the Fed turns exceptionally dovish, worried that an oil shock undermines the key source of US growth – consumption – then it looks like the USD can stay relatively bid and EUR/USD sinks into a 1.05-1.10 range into year-end • The safe-haven and high-yielding USD is expected to continue benefiting from the unease in global markets • The EUR/USD rate to be among the biggest victims of the current environment • The EUR/USD is likely to fall within the 1.05-1.10 range over the coming months
Candriam	Neutral	• As the Fed slashed rates and has somewhat adopted an outright dovish stance, the USD is likely to decline • However, with other central banks, including the ECB, also aggressively easing their monetary policies, the EUR is likely to see short-term declines vs the USD
CIBC Capital Markets	Overweight	• Despite the ECB easing monetary policy in September, investors are betting on the delivery of fiscal stimulus to prop up activity • The EUR is expected to strengthen in 2020

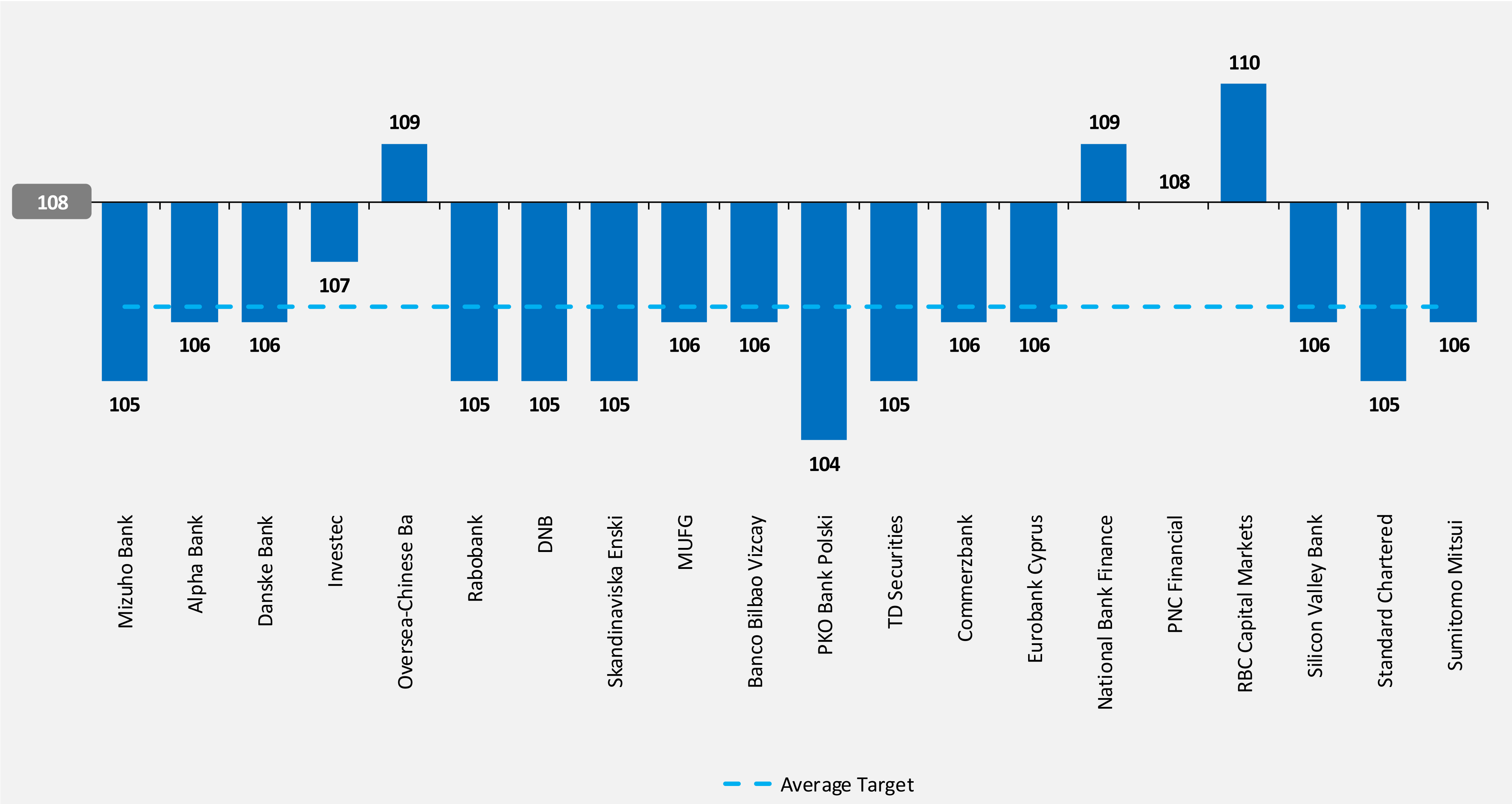
GBPUSD Target for Q4 2019 by Major IBs



*Target with respect to actual level; Latest values at extreme Right

Market Experts/ Brokers/ Analyst		Views (Last one month)
Russel Investments	Neutral	• GBP is undervalued • It is expected to remain volatile around Brexit uncertainty and a potential general election before year-end • The GBP will rebound if British Prime Minister, Boris Johnson, secures a deal with Europe, or if a second referendum is called
Citibank	Overweight	• Bearish GBP catalysts have moderated • Labour now supports a second EU referendum and heavy reliance on the Liberal Democrats would limit the scope for radical policies
J P Morgan	Underweight	• Risk of hard Brexit and political turmoil continue to weigh on the GBP
Schroders	Overweight	• The BoE continues to push back suggestions of future rate cuts • The probability of a “no deal Brexit” is all but priced in
Forex Crunch	Overweight	• Arlene Foster, Leader of the Northern Irish Democratic Unionist Party (DUP), has opened the door to align the region with European norms • Tory members that brought Johnson to power are focused on Brexit • GBP/USD may advance as an Ireland-only backstop may be found
CIBC Capital Markets	Bearish	• The economic backdrop in the UK will continue to weigh on the GBP in the very near term • Recession risks are elevated as consumer confidence remains compromised and business investment constrained • Risks of an election that markets fear could install an extreme left government
UBS	Overweight	• GBP has become very cheap against purchasing power parity • No-deal Brexit risks for October have been overpriced

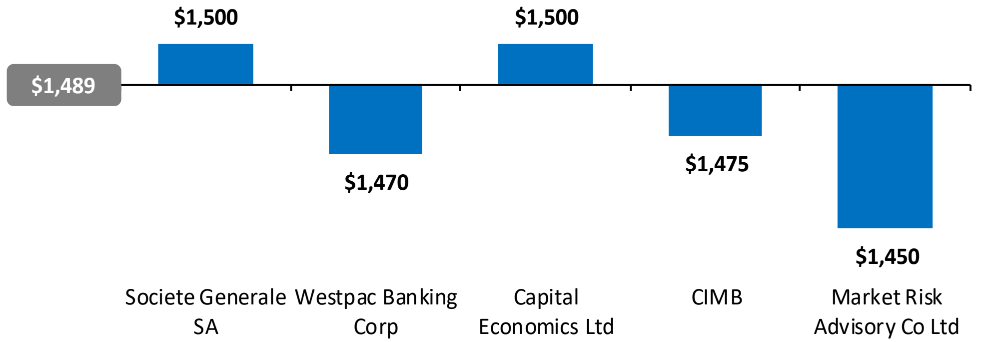
USDJPY Target for Q4 2019 by Major IBs



*Target with respect to actual level; Latest values at extreme Right

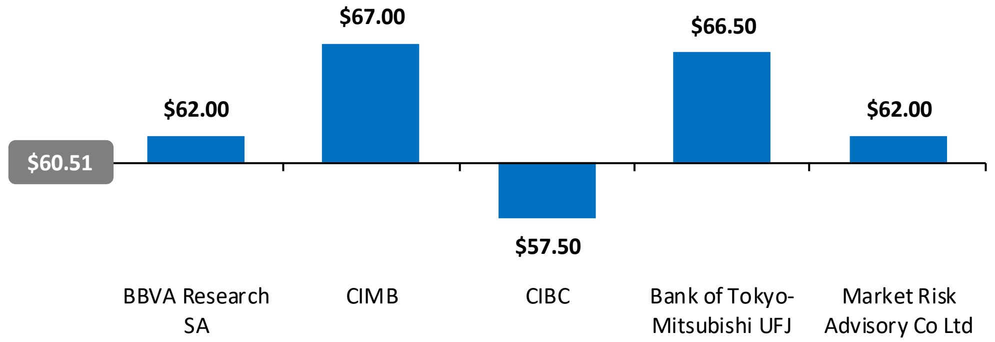
Market Experts/ Brokers/ Analyst		Views (Last one month)
RBC Global Asset Management	Bearish	• JPY is the most undervalued developed-world currencies on a purchasing-power-parity basis • It also enjoys the benefit of a large current-account surplus • JPY has benefited from a move lower in US Treasury yields, to which it is tightly correlated • Trade tensions are actually positive for the JPY, as the Japanese currency is widely regarded as a safe-haven asset during times of financial and economic stress. • JPY usually rallies when stocks sink because Japanese investors who own global assets tend to repatriate funds when asset markets falter • JPY is likely to appreciate to 98 per U.S. dollar in 12 months' time from about 106 now
Russel Investments	Underweight	• The JPY continues to be the broker's preferred currency • It's still undervalued despite this year's rally and has safe-haven appeal if the trade war escalates • A resolution to the trade war could see the USD weaken, given its counter-cyclical tendency
J P Morgan	Neutral	• JPY has been range-bound through most of 2019 • It is caught between safe haven characteristics and BoJ's QE
Schroders	Underweight	• In the face of a slowing global economy and geopolitical risk, the broker remains positive on the JPY given its safe haven status
Candriam	Neutral	• Rate differentials remain detrimental and the broker's long-term view also points to a decline in the overall score for the JPY • However, in the current environment marked by geopolitical uncertainty and a heavy dose of event risk, the JPY remains an attractive safe haven and a diversification tool
CIBC Capital Markets	Underweight	• Japan's status as a net creditor still reigns supreme • Skews have become less pronounced over the past month as the risk tone has improved, but there are enough macro challenges out there • The JPY will continue to gain strength in the medium term

Gold Target by Major IBs



*Target with respect to actual level

Brent Target by Major IBs



*Target with respect to actual level

Gold – Positive View

- Rising global geopolitical tensions
- Lower interest rates, escalating global recession risks

Gold – Negative View

- The USD and the US economy look a lot better compared to other countries
- Loose monetary policy supports equity markets

Brent – Positive View

- The impact of mounting geopolitical tensions is offsetting the effects of weakening economic sentiment
- The possibility of similar attacks on key Saudi energy infrastructure in the future cannot be ruled out

Brent – Negative View

- A slowdown in oil demand growth
- Stronger-than-expected USD
- Rising US crude inventories

Gold

	Q2 2018	Q2 2019
Demand	1,038.8 t	1,123.0 t
Supply	1,121.3 t	1,186.7 t

Brent

	June 2019	July 2019
US Production (thousand barrels per day)	12,082	11,806
US Supply (thousand barrels per day)	20,604	20,742

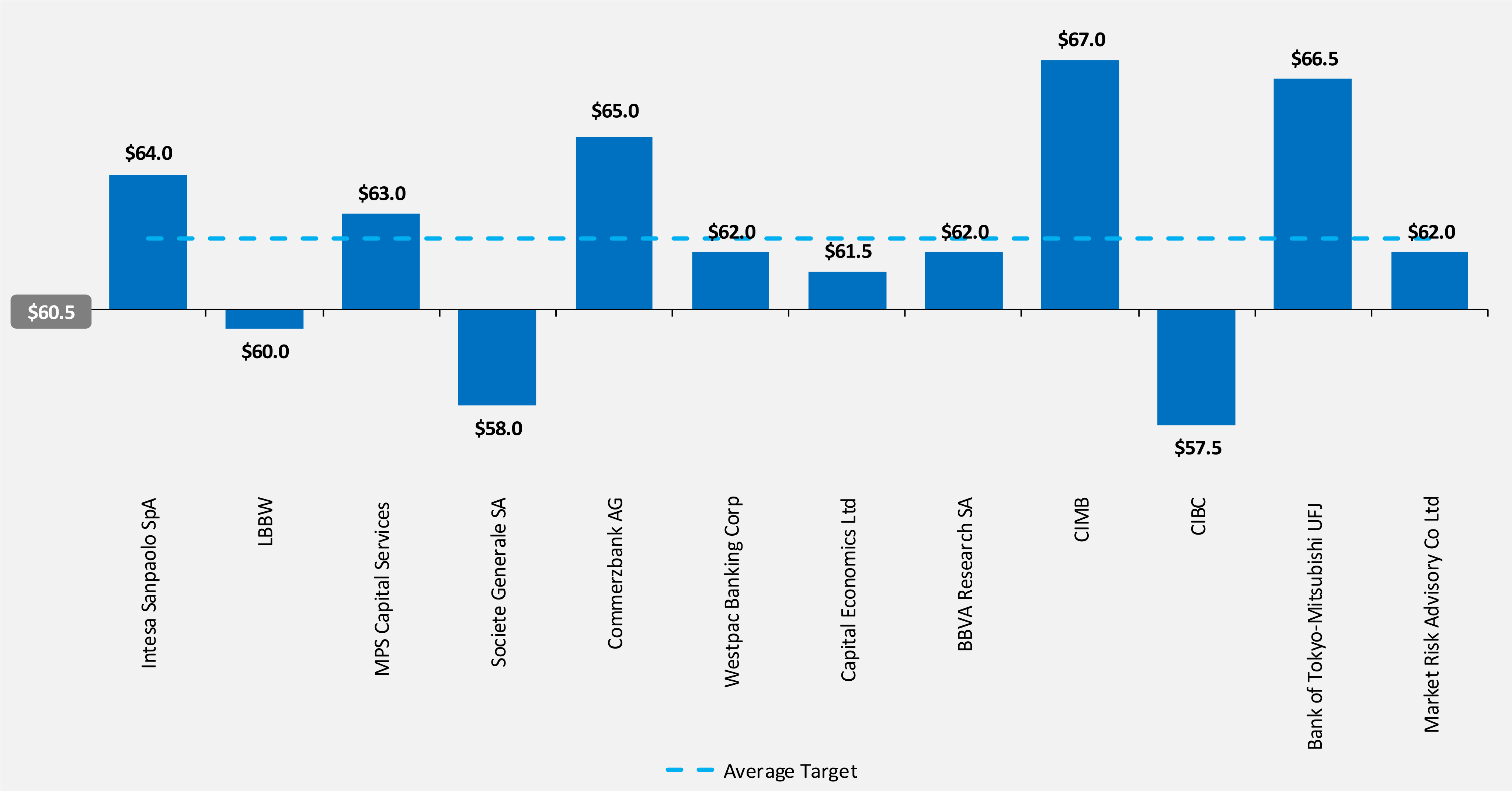
Global MacroView Summary

Gold Target for Q4 2019 by Major IBs

*Target with respect to actual level; Latest values at extreme Right

Market Experts/ Brokers/ Analyst		Views (Last one month)
Saxobank	Bullish	• The USD is likely to weaken and global bond yields are expected to stay low • Following a period of consolidation, gold could move higher to reach $1,550/oz by year end before moving higher into 2020 • The Fed is likely to continue to cut rates • Nominal and real bond yields are expected to stay low and, in some places, negative. This removes the opportunity cost associated with holding a non-coupon and non-interest paying asset • Continued buying of gold by central banks looking to diversify and, for some, reduce the dependency on the USD (so-called de-dollarisation) • The bullish outlook for gold should be able to withstand a correction all the way back to $1,384/oz, the level which signalled the breakout of its five-year range
Citibank	Bullish	• Lower interest rates, escalating global recession risks—exacerbated by US-China trade tensions • Heightened geopolitical rifts amid rich equity and credit market valuations, coupled with strong central bank and investor buying activity, are all combining to buttress a bullish gold market environment • Spot gold prices are expected to trade stronger for longer • However, a hawkish turn from the FOMC may pull back the gold price
Schroders	Overweight	• Gold continues to be supported by the provision of liquidity by central banks stemming from economic growth concerns • Global geopolitical tensions are also rising
UBS	Overweight	• Gold is likely to hit $1,600 in under six months and then climb to $1,650 in under a year • The US-China trade war has boosted the case for long-gold positions • The broker has revised its next three-month price projections to a range of $1,450 to $1,600 an ounce • The company's six-month forecast is at $1,600 an ounce and the 12-month estimate is at $1,650

Brent Target for Q4 2019 by Major IBs



***Target with respect to actual level; Latest values at extreme Right**

Market Experts/ Brokers/ Analyst		Views (Last one month)
Fitch Ratings	Overweight	• Although oil production was restored fully by end-September, the broker believes that there is a risk of further attacks on Saudi Arabia • US-China trade war
AxiTrader	Underweight	• US inventories may rise further over the near term, further pressuring prices, as American refiners curb runs for maintenance • The expected lower demand for oil inputs into (US) refineries typically sees US crude inventories swell, all of which could pose a significant downside risk for prompt oil prices
Schroders	Neutral	• Following the recent oil price spike, the impact of mounting geopolitical tensions is offsetting the effects of weakening economic sentiment
Goldman Sachs	Underweight	• Oil prices are unlikely to gather much upside traction from current levels • The global oil market has sufficient resources to balance lost Saudi barrels without a release from the Strategic Petroleum Reserves (SPR) of OECD countries
Commerzbank	Bearish	• The oil price rally fuelled by attacks on production facilities in Saudi Arabia is not sustainable • The bank lowered its Brent forecast for next year by $5 to $60 per barrel while keeping its 2019 outlook unchanged at $65 • It also reduced its 2020 forecast for WTI to $57 from $62 and WTI is likely to average $58 this year • There is also the US-China trade dispute and resulting fears of a recession • A slowdown in oil demand growth and a stronger-than-expected USD, are likely to weigh on oil prices
UBS	Overweight	• Considering limited spare capacity outside Saudi Arabia and risks of renewed attacks on Saudi energy infrastructure, a risk premium is likely to stay on oil prices in the foreseeable future • The possibility of similar attacks on key Saudi energy infrastructure in the future cannot be ruled out • The bank raised its three-month trading range for Brent crude by $6 to $59 to $71 a barrel

About Decimal Point Analytics

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INDIA	UK	US
5A, B-Wing, Trade Star Building, J.B. Nagar, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059 Maharashtra, India Phone: + 91 22 3001 5200 Fax: + 91 22 3001 5250 Email: info@decimalpointanalytics.com	1st Floor, 99 Bishopsgate, London, EC2M 3XD, United Kingdom Tel: +44 20 3286 1998	17 State Street, Suite 4000, New York, NY 10004 U.S.A. Tel.: +1 (917) 341 3218