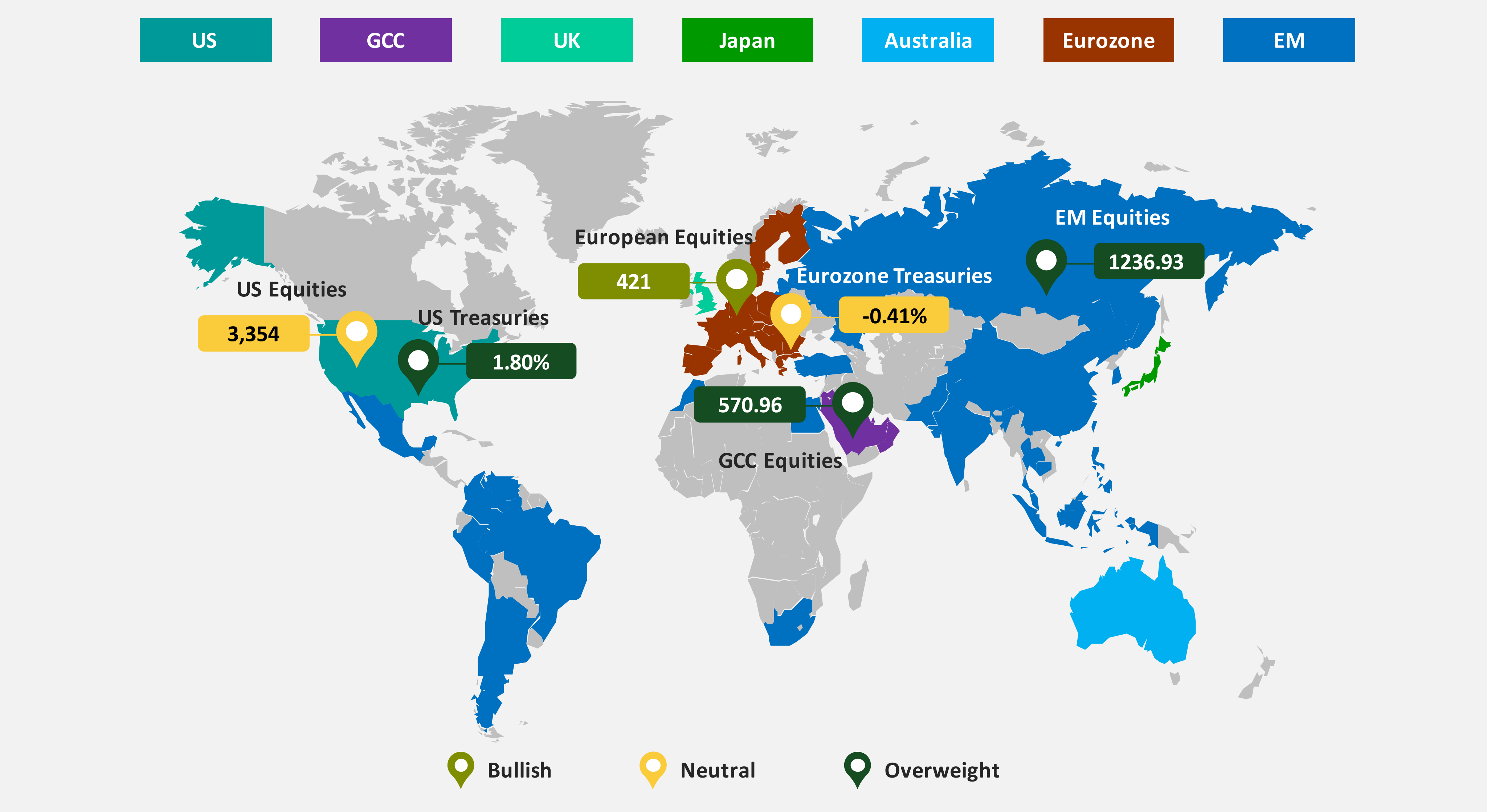
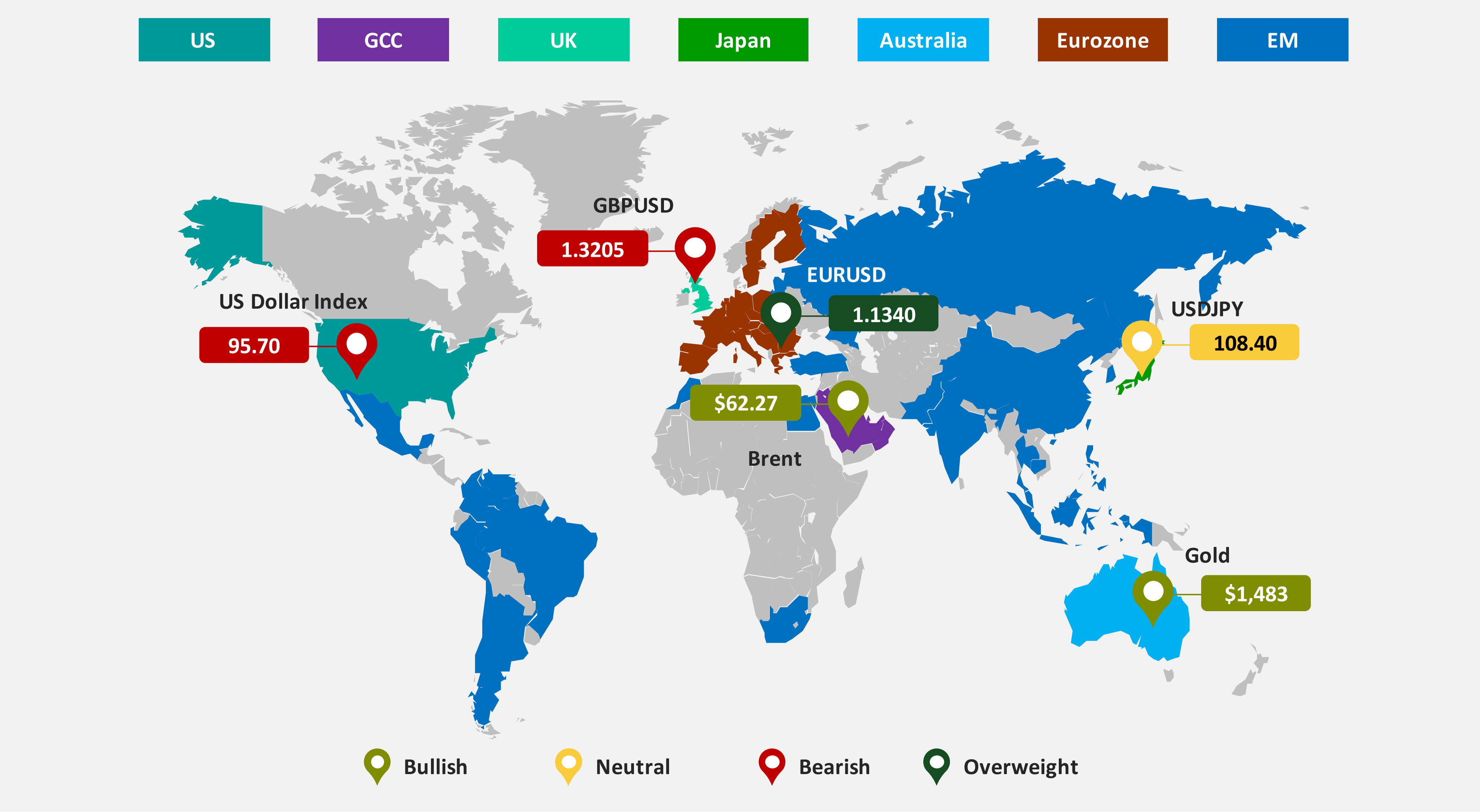
DECiMAL POiNT
Innovative Research Solutions

AssetPulse

Global MacroView Summary

13 January 2020

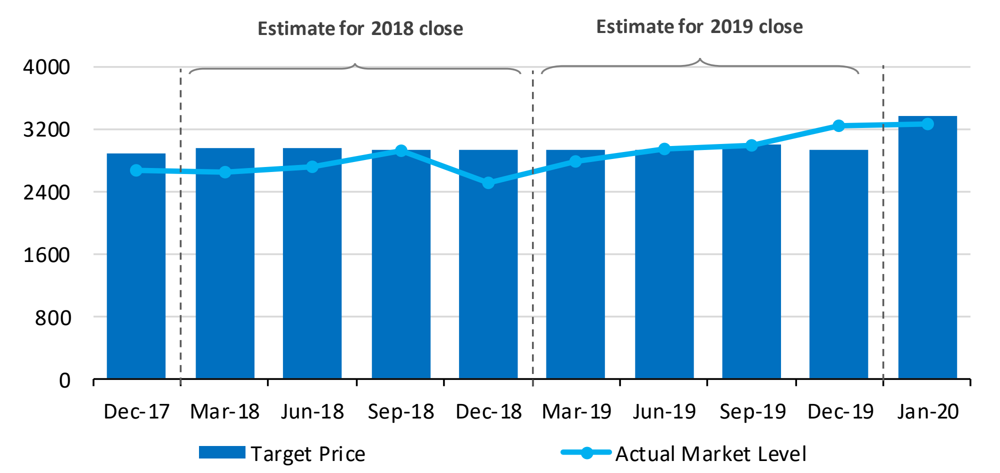

US
GCC
UK
Japan
Australia
Eurozone
EM
European Equities
421
EM Equities
1236.93
Eurozone Treasuries
-0.41%
US Equities
3,354
US Treasuries
1.80%
570.96
GCC Equities
Bullish
Neutral
Overweight


US
GCC
UK
Japan
Australia
Eurozone
EM
GBPUSD
1.3205
US Dollar Index
95.70
EURUSD
1.1340
USDJPY
108.40
$62.27
Brent
Gold
$1,483
Bullish
Neutral
Bearish
Overweight

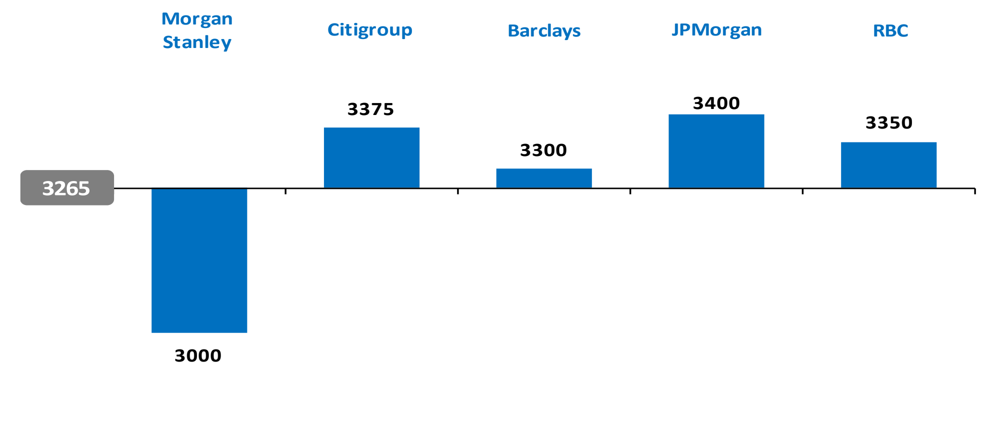
Asset Classes	12-Jul-19	11-Oct-19	10-Jan-20	6 Month Returns	3 Month Returns
Equities					
US Equites (S&P 500)	3013.77	2970.27	3265.35	8.3%	9.9%
Eurozone Equities (Stoxx 600)	386.85	391.61	419.14	8.3%	7.0%
Emerging Equities (MSCI EM Index)	1050.90	1011.54	1133.63	7.9%	12.1%
GCC equities (MSCI GCC Countries Index)	601.80	530.71	567.13	-5.8%	6.9%
Currency					
USD ($ Index)	96.81	98.30	97.36	0.6%	-1.0%
EUR vs. USD	1.1270	1.1042	1.1121	-1.3%	0.72%
USD vs. JPY	107.91	108.29	109.45	1.4%	1.1%
GBP vs. USD	1.2572	1.2668	1.3064	3.9%	3.1%
Fixed Income					
US 10yr Sovereign	2.12	1.76	1.83	-29	7
Europe Core Area (German 10 Yr)	-0.23	-0.46	-0.21	2	24
Europe Peripheral Area (Italy 10 Yr)	1.74	0.94	1.32	-42	38
Commodities					
Gold	1415.75	1489.01	1562.34	10.4%	4.9%
Brent	66.72	60.51	64.98	-2.6%	7.4%

* 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	2020 TP	2021 TP
S&P 500*	3265.35	3,353.61	-
PE (x)	21.84	18.58	16.9
EPS ($)	149.49	175.78	193.19
Dividend Yield (%)	1.81	2.27	2.01
Price/Book (x)	3.67	3.36	3.11
EV/EBITDA (x)	14.26	12.51	11.75

*Value as on 10 January 2020

S&P 500 Index Returns

Q1 2019	Q2 2019	Q3 2019	Q4 2019	QTD
13.1%	3.8%	1.2%	8.5%	1.1%

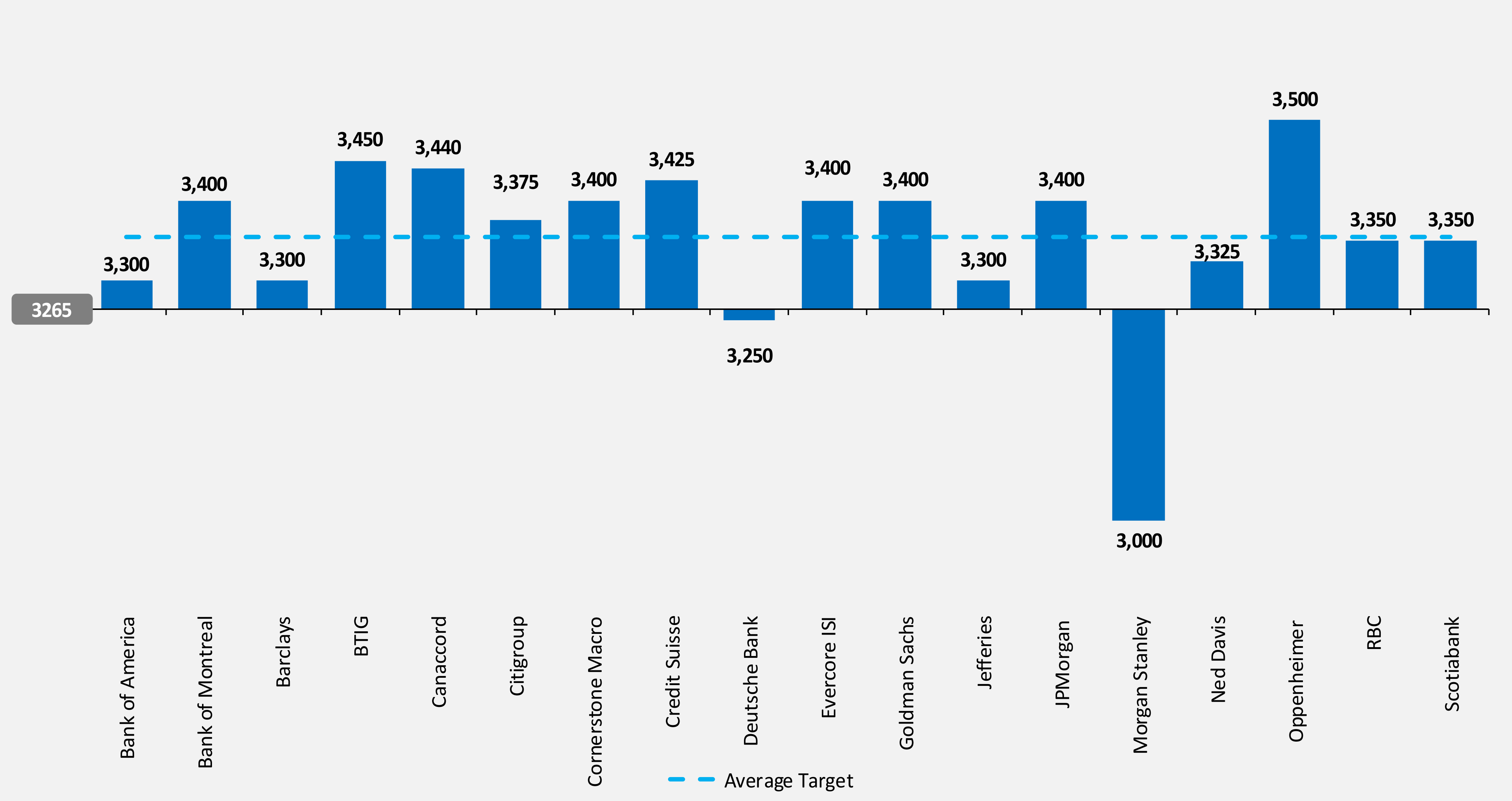
Positive View

- The US equity market is supported by strong earnings growth
- Positive liquidity and low interest rates could support the US equity market
- US large cap stocks are still the preferred market on a fundamental basis

Negative View

- Return expectations for the S&P 500 are positive, but muted, given high valuations
- There will be volatility due to looming Presidential elections and ongoing US-China trade tensions

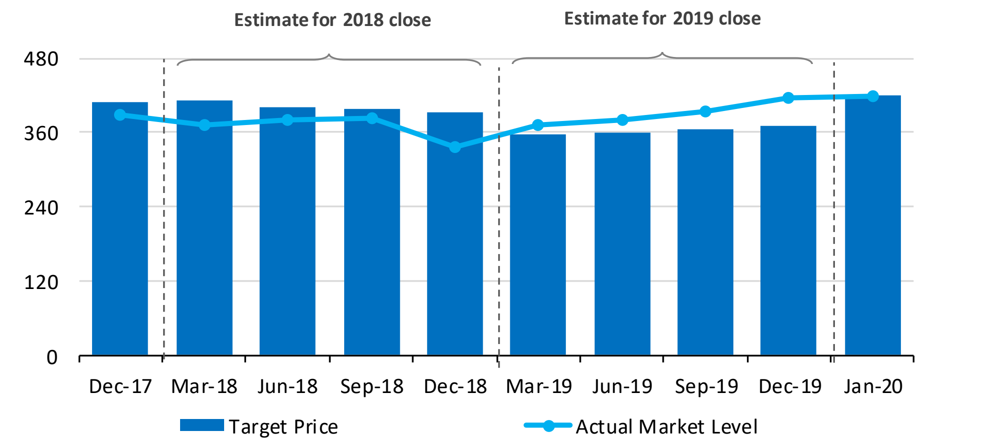
S&P 500 2020 Index Target by Major IBs



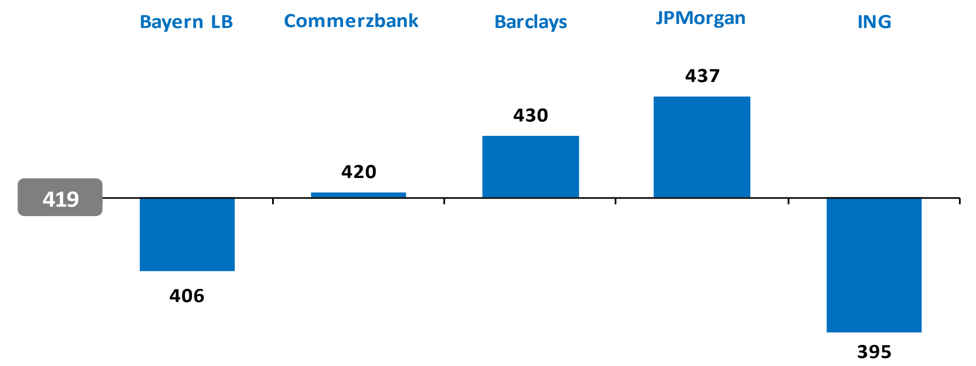
*Target with respect to actual level

Market Experts/ Brokers/ Analyst		Views (Last one month)
JP Morgan	Neutral	• US large cap stocks are still the preferred market on fundamental basis, but quant signal is dented by high P/Es • US small cap stocks are still expensive with high earnings expectations, but better outlook lends support
Amundi Asset Management	Overweight	• The US equity market is supported by strong earnings growth • Earnings revisions are expected to turn positive in the medium term • Positive liquidity and low interest rates could support the US equity market, as long as the trade war does not intensify
BlackRock	Neutral	• Return expectations for the S&P 500 are positive, but muted, given high valuations • A 2020 recession is unlikely • There will be volatility due to looming Presidential elections and ongoing US-China trade tensions
GLC Asset Management	Overweight	• Buybacks are still providing a lift to US equities • The broker expects a total return of 6% in USD for 2020
Charles Schwab	Underweight	• High debt levels and a weaker profitability outlook likely will continue to pressure small-cap stocks • Factor performance trends are likely to be more consistent than equity sector performance trends in 2020 • Availability and cost of credit will be a key to whether economic conditions support stock price gains, given that further Fed rate cuts appear to be on hold • Corporate earnings may have to do more of the heavy lifting
Candrium Investments	Overweight	• US equities remains a relatively safe choice • Valuation are higher than in other regions, but the risk premium seems adequate for now

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	2020 TP	2021 TP
Eurostoxx 600*	419.14	421.00	-
PE (x)	20.81	15.03	13.96
EPS (€)	20.14	27.89	30.03
Dividend Yield (%)	3.48	3.68	3.72
Price/Book (x)	1.94	1.79	1.7
EV/EBITDA (x)	10.73	9.52	9.02

*Value as on 10 January 2020

Stoxx 600 Index Returns

Q1 2019	Q2 2019	Q3 2019	Q4 2019	QTD
12.2%	1.5%	2.2%	5.8%	0.8%

Positive View

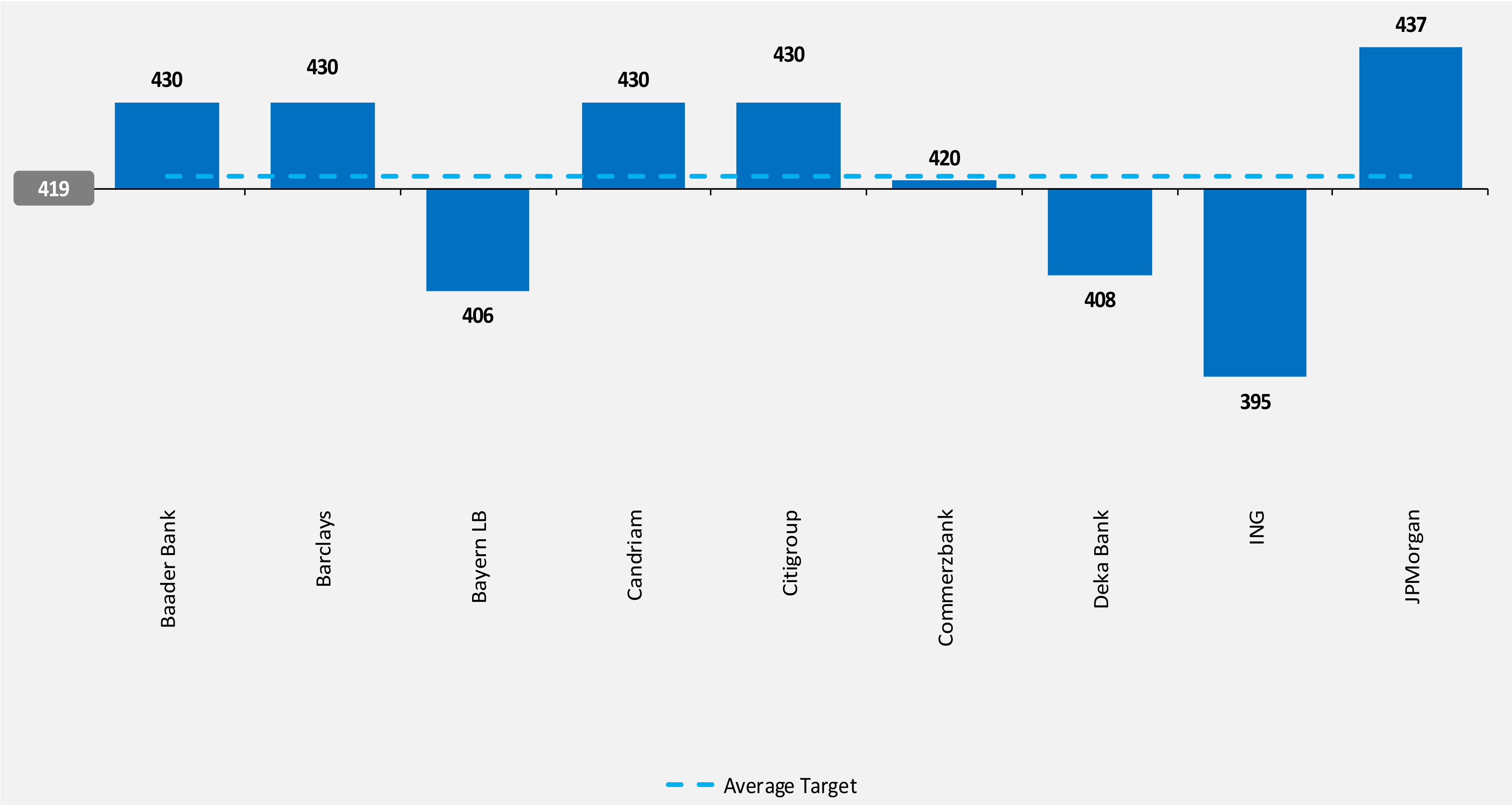
- Negative factors are fading as the probability of a Brexit deal increases
- Attractive valuations
- European stocks are at 50-year lows versus the US, which represents a good entry point

Negative View

- Persistently stagnant growth across the Eurozone
- Vulnerable banking sector could hinder financial conditions and European equity performance

Global MacroView Summary

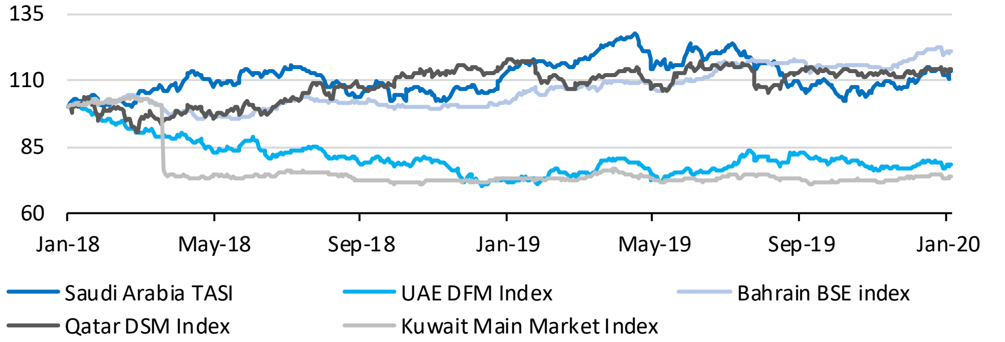
Stoxx 600 2020 Index Target by Major IBs



*Target with respect to actual level

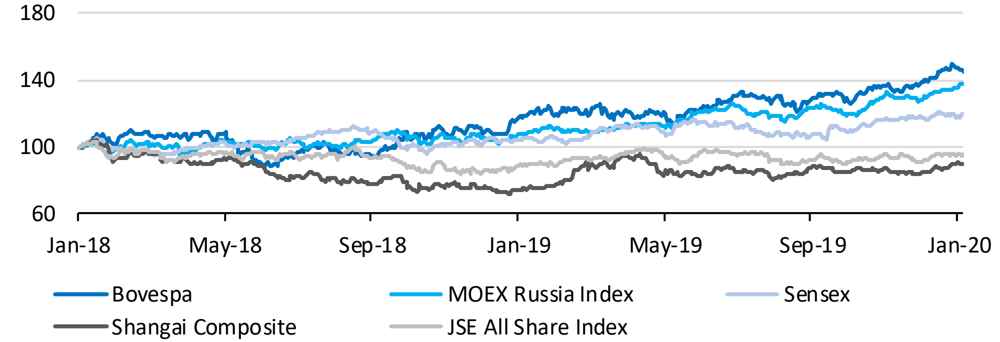
Market Experts/ Brokers/ Analyst		Views (Last one month)
JP Morgan	Overweight	• European equities have been a strong performer in 2019, despite weak macro data • It is the preferred funding market for now
Fiera Capital	Underweight	• Persistently stagnant growth across the Eurozone • Vulnerable banking sector could hinder financial conditions and European equity performance
ClearBridge	Overweight	• The broker is very optimistic about non-US growth equities, particularly in Europe • Good opportunities exist for continued earnings growth and even multiple expansion • European growth equities, compared to counterparts anywhere else, are very inexpensive • European stocks are at 50-year lows versus the US, which represents a good entry point
Amundi Asset Management	Overweight	• Europe has suffered in 2019 due to below potential profits, high international exposure and political risks • However, these negative factors are fading, as the probability of a Brexit deal increases • Should a bottoming out of global manufacturing materialise, Europe will benefit more than others • A shift to value would also be positive
Natixis Investment Managers	Overweight	• Attractive valuations • Greater investor confidence in the economy • There is Brexit clarity
Morgan Stanley	Overweight	• There are multiple expansion opportunities for European equities • A global investor base that is under-indexed to Europe • Less uncertainty around Brexit • Asset allocation decisions away from negative-yielding bonds
Candrium Investments	Neutral	• The latest macro data show signs of resilience and a bottoming out of the economy • A window of opportunity on fiscal accommodation is staying open with more ECB visibility

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	2020 TP	2021 TP
MSCI GCC Countries Index *	567.13	570.96	-
PE (x)	16.24	14.4	13.36
EPS ($)	34.93	39.39	42.45
Dividend Yield (%)	3.85	4.6	4.56
Price/Book (x)	1.83	1.59	1.5

*Value as on 9 January 2020

MSCI EM Index Key Parameters

	Actual	2020 TP	2021 TP
MSCI Emerging Markets Index *	1133.63	1236.93	-
PE (x)	15.69	13.13	11.7
EPS ($)	72.24	86.34	96.89
Dividend Yield (%)	2.56	2.95	3.22
Price/Book (x)	1.74	1.58	1.46
EV/EBITDA (x)	10.06	9.24	8.41

*Value as on 10 January 2020

MSCI GCC Index Returns

Q1 2019	Q2 2019	Q3 2019	Q4 2019	QTD
9.3%	0.5%	-7.0%	3.7%	-0.5%

MSCI EM Index Returns

Q1 2019	Q2 2019	Q3 2019	Q4 2019	QTD
9.6%	-0.3%	-5.1%	11.4%	1.7%

Positive View

- Lower interest rates and Expo 2020 will provide good boost to the non-oil sector economic growth in the country
- Increase in oil prices will lead to renewed optimism in the region

Negative View

- Geopolitical risk
- There are expectations of new problem loans in the construction and real estate sectors

Positive View

- Earnings revisions are bottoming out
- Strong domestic consumption and favourable monetary/fiscal policies

Negative View

- Idiosyncratic issues (Latin America, Brazil and Turkey) are the key risks
- Trade dispute as well as temporary USD strength

Asset Class	
Emerging Market Equities (MSCI EM Index)	
Analyst expectations	
Average	1236.93
Bloomberg Consensus Target Price For MSCI EM Index	1236.93
As on 10 January 2020	1133.63
% Change from Current levels compared to avg	9.11%

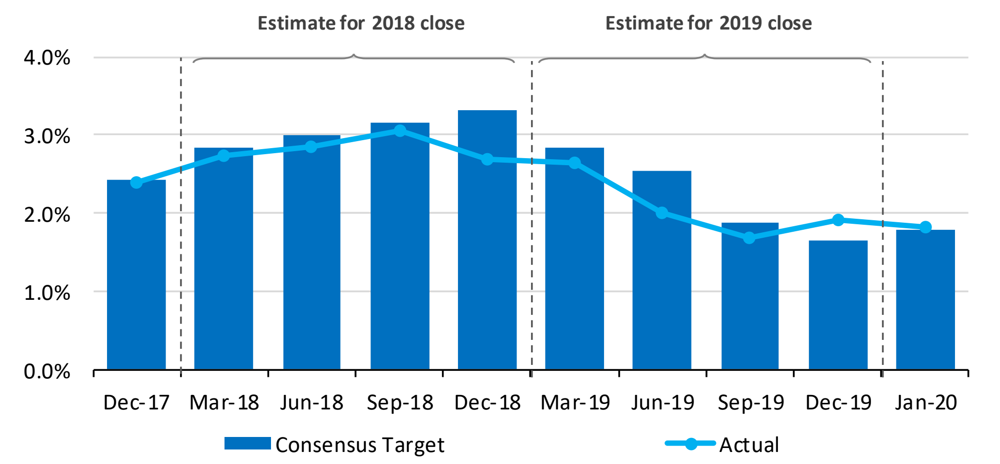
Market Experts/ Brokers/ Analyst		Views (Last one month)
JP Morgan	Overweight	• Earnings revisions are finally bottoming • There is scope for catch-up as trade issues abate
Amundi Asset Management	Overweight	• Earnings revisions are bottoming out and there are good opportunities for investors in EM equities • There is strong domestic consumption and favourable monetary and fiscal policies • The broker remains constructive on China - A shares • However, idiosyncratic issues (Latin America, Brazil and Turkey) are the key risks
Morgan Stanley	Overweight	• Trade tensions and tariffs made 2019 difficult for many EM equities, but a better ex-US global growth outlook may change that narrative • EM equities typically perform better during periods of global economic re-acceleration and USD weakness • The broker's earnings forecasts suggest growth of 12% for EM in 2020

Market Experts/ Brokers/ Analyst		Views (Last one month)
BlackRock	Overweight	• EM equities are beneficiaries of global recovery • EM central banks outside of China are likely to stay on their easing paths, supporting growth and equity markets
Falcon House View	Neutral	• EM equities have relatively cheap valuations, especially on a cyclically-adjusted P/E basis • However, trade dispute as well as temporary USD strength continue to weigh on sentiment for the time being
Candrium Investments	Neutral	• The region has underperformed year-to-date and could offer some upside • A dovish US Fed is a tailwind as the USD weakens somewhat
Credit Suisse	Overweight	• Demand for EM equities have risen, owing to worries over China's slowdown and trade concerns • EM equities are cheap and are a good investment bet for 2020 • Within EMs, India remains one of the high conviction ideas
UBS Asset Management	Overweight	• Chinese and Asian bonds are a "prize pot" opportunity away from expensive developed markets' debt • There are going to be improvements in ex-US growth
RBC Wealth Management	Overweight	• 2020 may prove to be another eventful year for Chinese stocks, as market participants will look for clues on whether the country can contain economic downside risks • Hong Kong's IPO market has been staging a notable comeback and the trend may persist

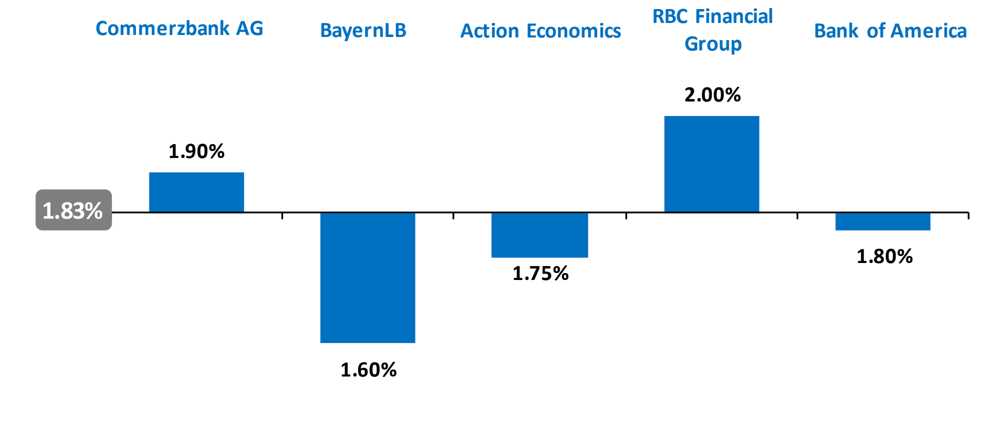
Asset Class	
GCC Equities (MSCI GCC Countries Index)	
Analyst expectations	
Average	570.96
Bloomberg Consensus Target Price For MSCI GCC Index	570.96
As on 9 January 2020	567.13
% Change from Current levels compared to avg	0.68%

Market Experts/ Brokers/ Analyst		Views (Last one month)
Century Financial	Neutral	• UAE equity markets are expected to remain stable • Lower interest rates and Expo 2020 related activities are likely to provide good boost to the non-oil sector economic growth in the country • However, pressure on oil prices remain, which in turn will probably see government spending to remain constraint
Allied Investment Partners PJSC	Overweight	• The recent rise in oil prices will lead to renewed optimism for the Mena region, especially the GCC • A sustained rise in prices will boost investor confidence to drive markets higher in 2020
Moody's Investor Services	Overweight	• GCC's banking system is driven mainly by strong capital buffers, solid economic growth and substantial liquidity • Government spending programs are expected to push average non-hydrocarbon GDP growth to 2.6% in 2020 • Declining interest rates will start to pressure banks' net interest margins but margins will remain strong compared with global peers • At the end of 2020, the broker expects non-performing loans to slightly rise to 3.5% from 3.3% in 2019 • The ratings agency forecasts to see new problem loans in the construction and real estate sectors

Consensus Target for US 10 Year

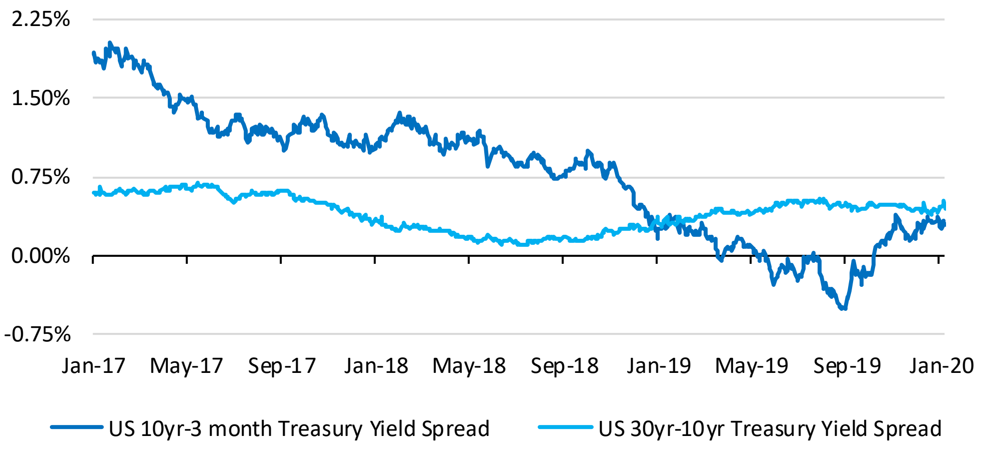


US 10 Year Target by Major IBs



*Target with respect to actual level

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



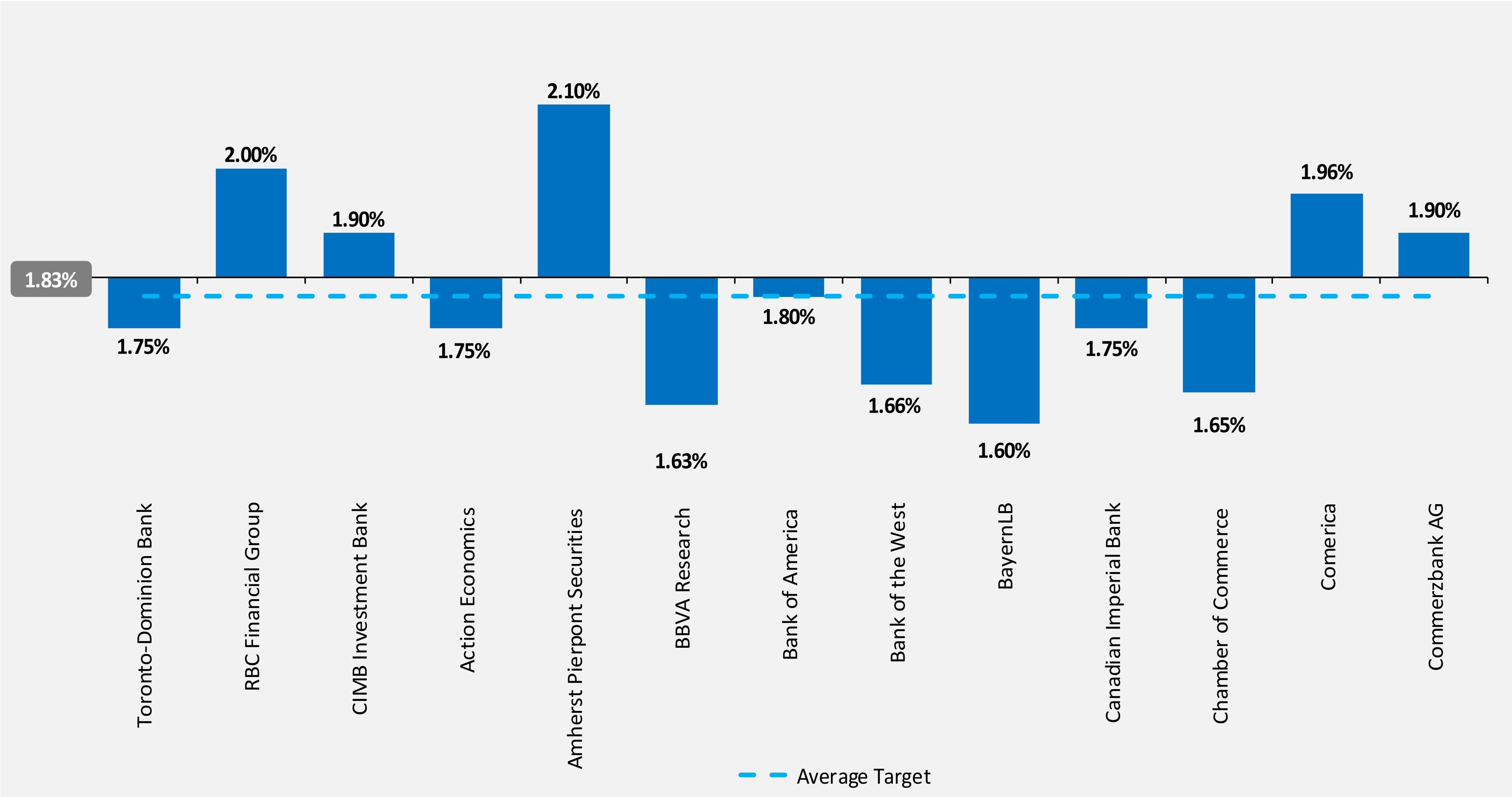
Positive View

- US treasuries have better absolute and relative valuations
- The Fed has more leeway at its disposal on conventional tools

Negative View

- Gravitational pull of negative global yields, slowing growth and low inflation
- Market expectations of Fed easing look excessive

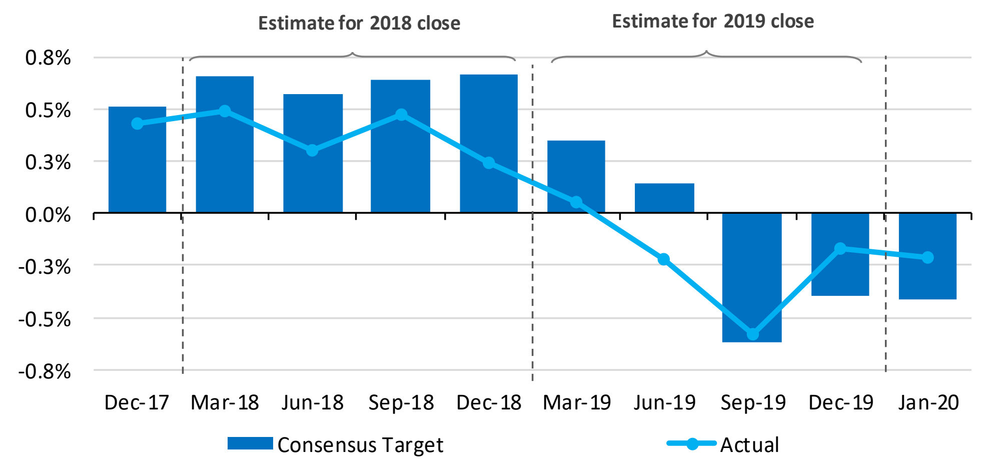
US Treasuries 10 Year Target Yield for Q1 2020 by Major IBs



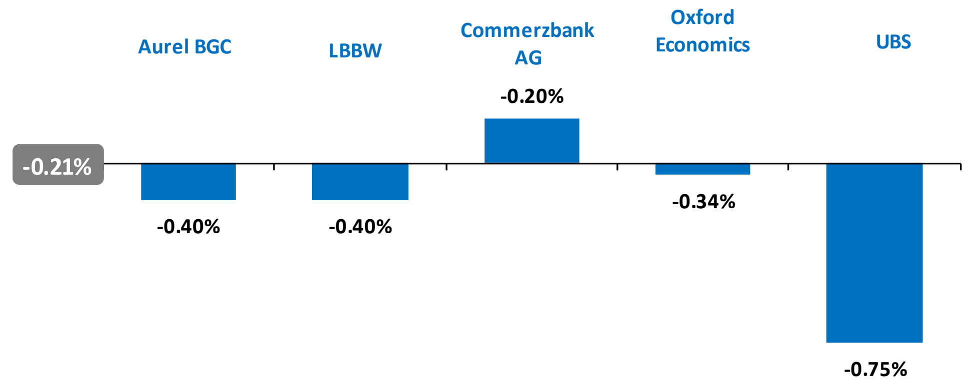
***Target with respect to actual level; Latest values at extreme Right**

Market Experts/ Brokers/ Analyst		Views (Last one month)
JP Morgan	Neutral	• A little better than the negative yielding bond markets • However, yields are expected to rise
Amundi Asset Management	Overweight	• The broker maintains its preference for US treasuries vs other developed markets • US treasuries have better absolute and relative valuations • The Fed has more leeway at its disposal on conventional tools
Charles Schwab	Overweight	• Waning recession fears should tip the scales toward higher 10-year Treasury yields • The Fed's policy stance has also kept financial conditions very easy, countering recession risk
Bank of America	Underweight	• US rates are expected to lead the way in 2020, with downside risks somewhat diminished and higher repricing likely • 10-year rates are expected to move from 2.0% at the end of 2019 to 1.8% in 2020 • Fed actions freed other central banks to ease, and with the exception of China, many are also expected to put rate actions on hold next year
BlackRock	Neutral	• The Fed is not expected to cut rates by a further quarter percentage point this year • Market expectations of Fed easing look excessive • This, coupled with the flatness of the yield curve, leaves the broker cautious on Treasury valuations • The broker sees long-term government bonds as an effective ballast against risk asset selloffs

Consensus Target for German 10 Year

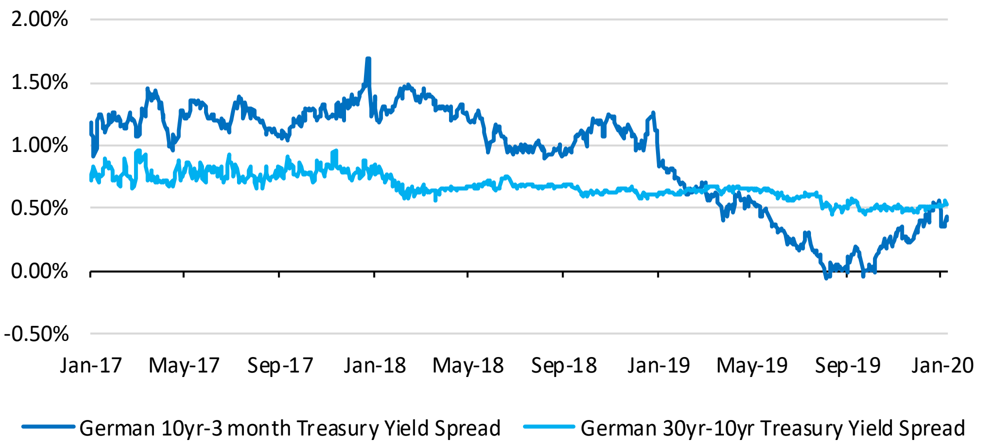


German 10 Year Target by Major IBs



*Target with respect to actual level

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



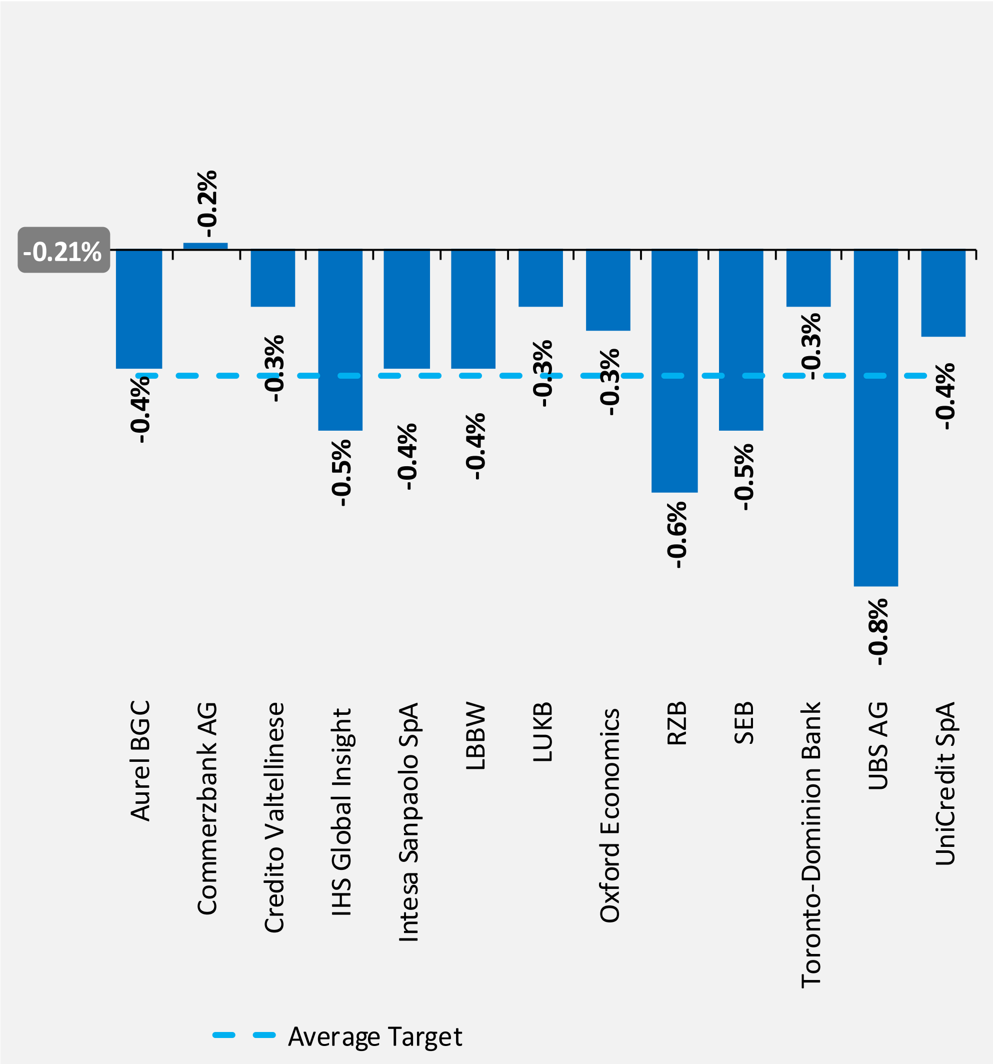
Positive View

- The resumption of asset purchases by the ECB
- A new political pro-European coalition in Italy
- There is an ongoing search for yields

Negative View

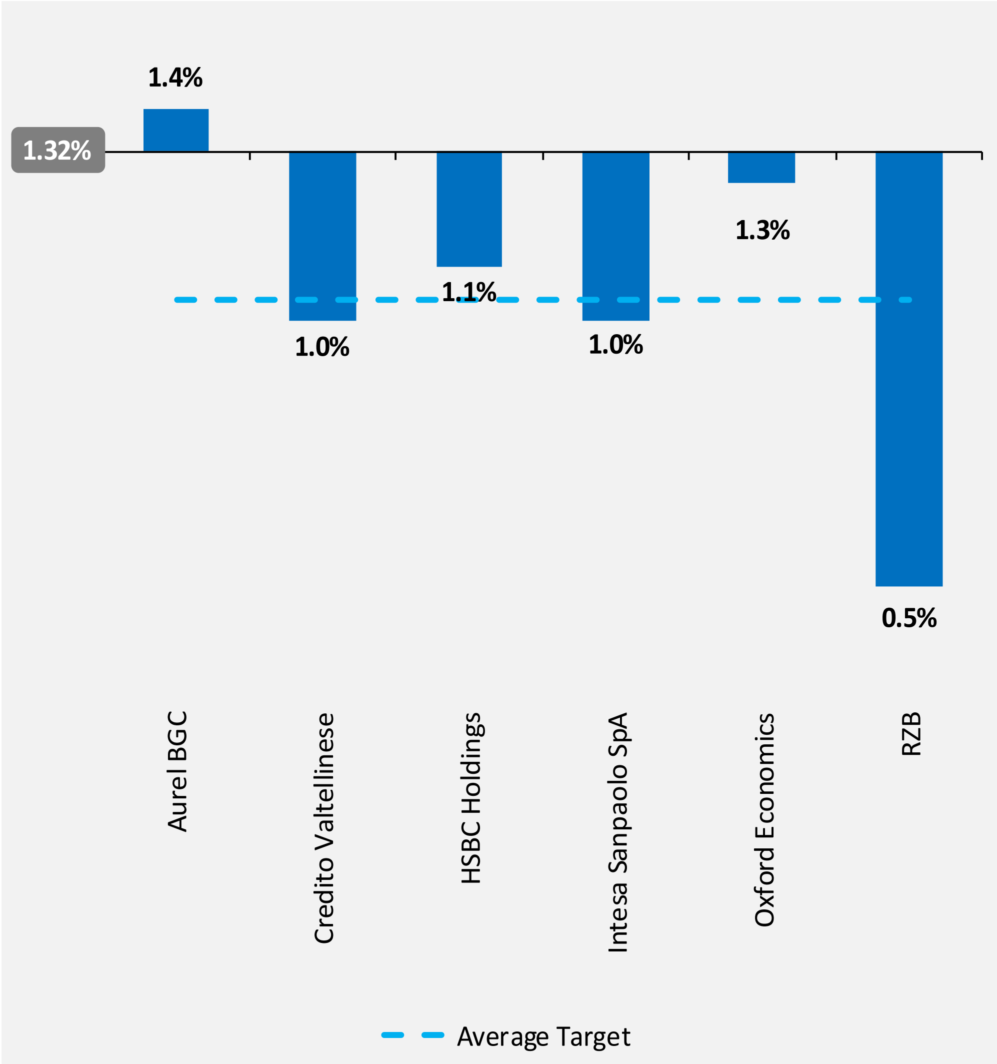
- Yield and spreads are insufficient to compensate investors for under appreciated political risks in the region
- There is limited scope for monetary easing to take rates to even more negative levels

German 10 Year Target Yield for Q1 2020 by Major IBs



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

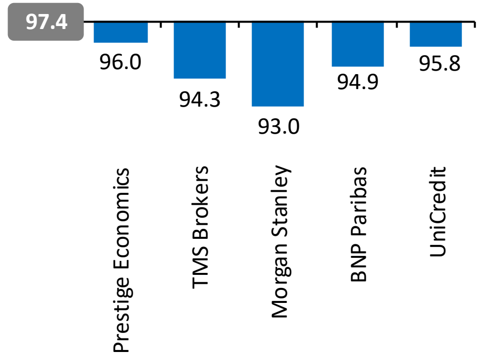
Italy 10 Year Target Yield for Q1 2020 by Major IBs



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

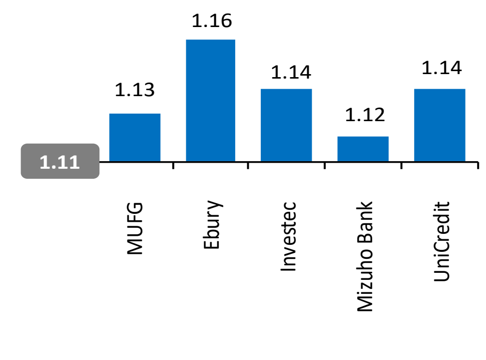
Market Experts/ Brokers/ Analyst		Views (Last one month)
Amundi Asset Management	Neutral	• The broker remains constructive on the main peripheral European countries such as Italy (more positive) and Spain • ECB action, a new political pro-European coalition in Italy and the ongoing search for yield • Curves are expected to flatten on the back of persistent yield hunting
BlackRock	Underweight	• German government bonds prices already reflect the ECB's easy policy stance • There is limited scope for monetary easing to take rate to even more negative levels • The broker has downgraded Euro area peripheral government bonds • Yield and spreads are insufficient to compensate investors for under appreciated political risks in the region
Candrium Investments	Underweight	• Christine Lagarde has begun her tenure as President of the ECB • She faces two major challenges: Healing the rift between the policy makers of the Governing Council and national governments still being reluctant to take over the baton with fiscal stimulus policies • Rates and bond yields are expected to creep up very gradually but stay low
Morgan Stanley	Bullish	• A rise is expected in longer-maturity German Bund yields • The probability of higher yields in the 2-year and 5-year maturities remains fairly low and any increase in yields will be in the 10-year and 30-year Bunds
RBC Wealth Management	Neutral	• With a new ECB President and a substantial stimulus package as a departing gift from outgoing President Mario Draghi, monetary policy is expected to be on pause for a while • Continuing soft economic data may warrant an additional interest rate cut or extension of quantitative easing • There is an expectation that individual Euro area countries may provide a fiscal boost to their domestic economies • This depends on the appetite of each government for stimulus and the budgetary restrictions of the EU Commission

US Dollar Index



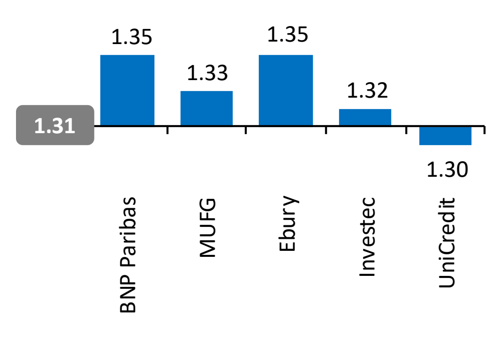
*Target with respect to actual level

EURUSD



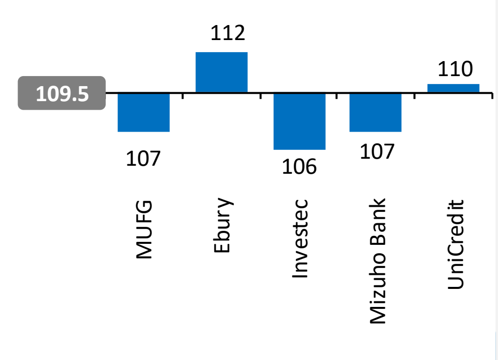
*Target with respect to actual level

GBPUSD



*Target with respect to actual level

USDJPY



*Target with respect to actual level

US Dollar Index

Positive View

- Safe-haven demand emanating from trade tensions
- A resilient domestic economy against a backdrop of slowing global growth

Negative View

- US-China trade dispute resolution
- A broader trend towards de-dollarization by Europe and China may also weaken the USD

EURUSD

Positive View

- Quant signals in the Eurozone are improving after a prolonged weakness
- Eurozone's large current account surplus

Negative View

- Slowdown in Europe, political risks and rate differential between the US and Europe
- Eurozone assets show a poor risk/return profile

GBPUSD

Positive View

- The currency could see a surge as investors revaluate UK's long-term potential
- The GBP is substantially undervalued

Negative View

- Rate cuts if UK exits in December 2020 without a trade deal
- Fears over the prospect of a trade relationship governed by WTO rules

USDJPY

Positive View

- Japan's ultraloose policy could persist through 2020
- Japanese investor appetite for unhedged higher-yielding assets abroad could cap gains

Negative View

- A resolution to the trade war could see the USD weaken, given its counter-cyclical tendency
- The JPY is substantially undervalued

US

GDP Annualised	2.1% (Q3 2019)
Inflation (YoY)	2.1% (November)
Trade Balance	-$43.10 bn (November)

Eurozone

GDP Annualised	1.2% (Q3 2019)
Inflation (YoY)	1.3% (December)
Trade Balance	€24.5 bn (October)

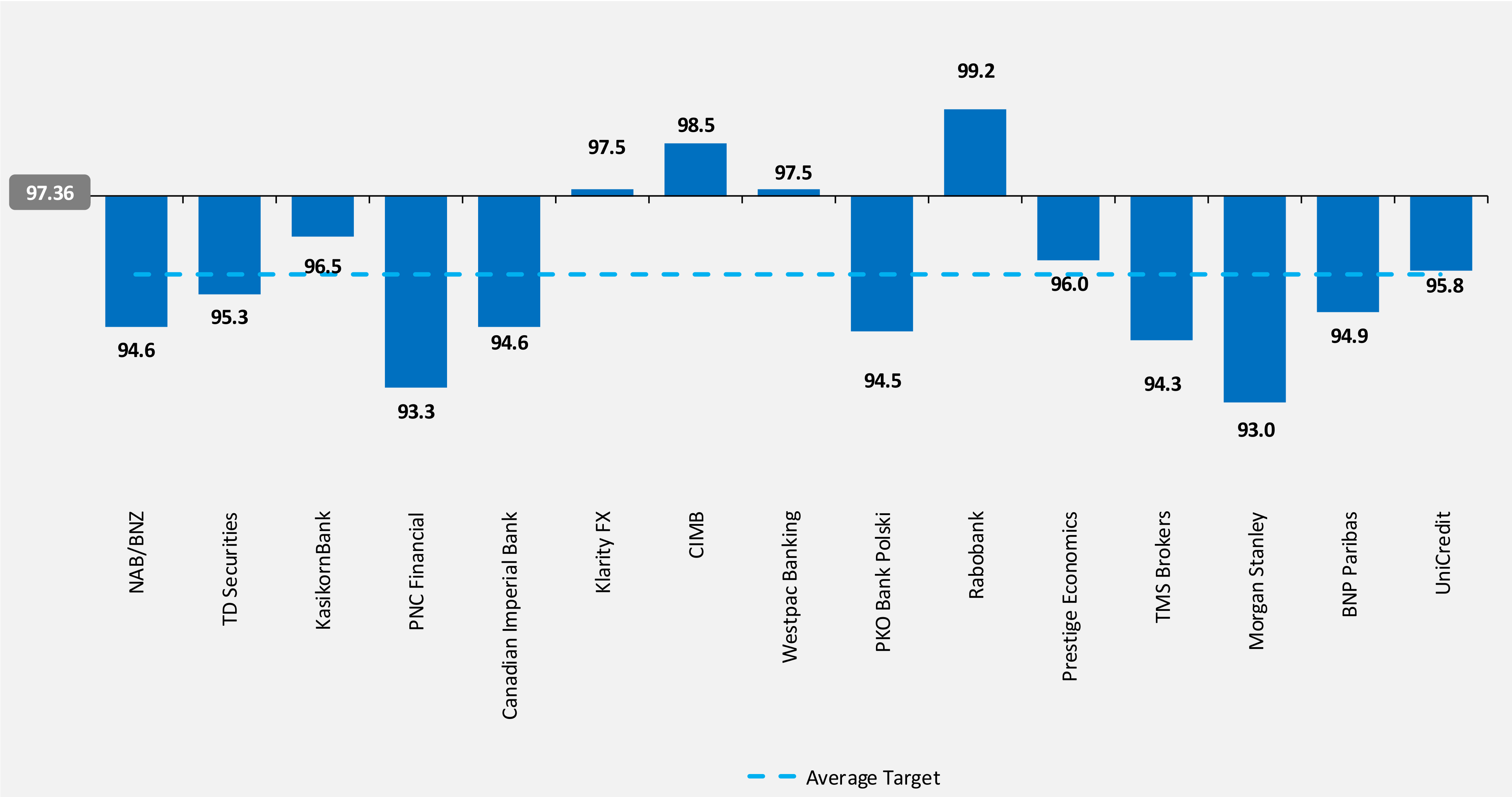
UK

GDP Annualised	1.1% (Q3 2019)
Inflation (YoY)	1.5% (November)
Trade Balance	-£5.26 bn (November)

Japan

GDP Annualised	0.2% (Q3 2019)
Inflation (YoY)	0.5% (November)
Trade Balance	-¥82.10 bn (November)

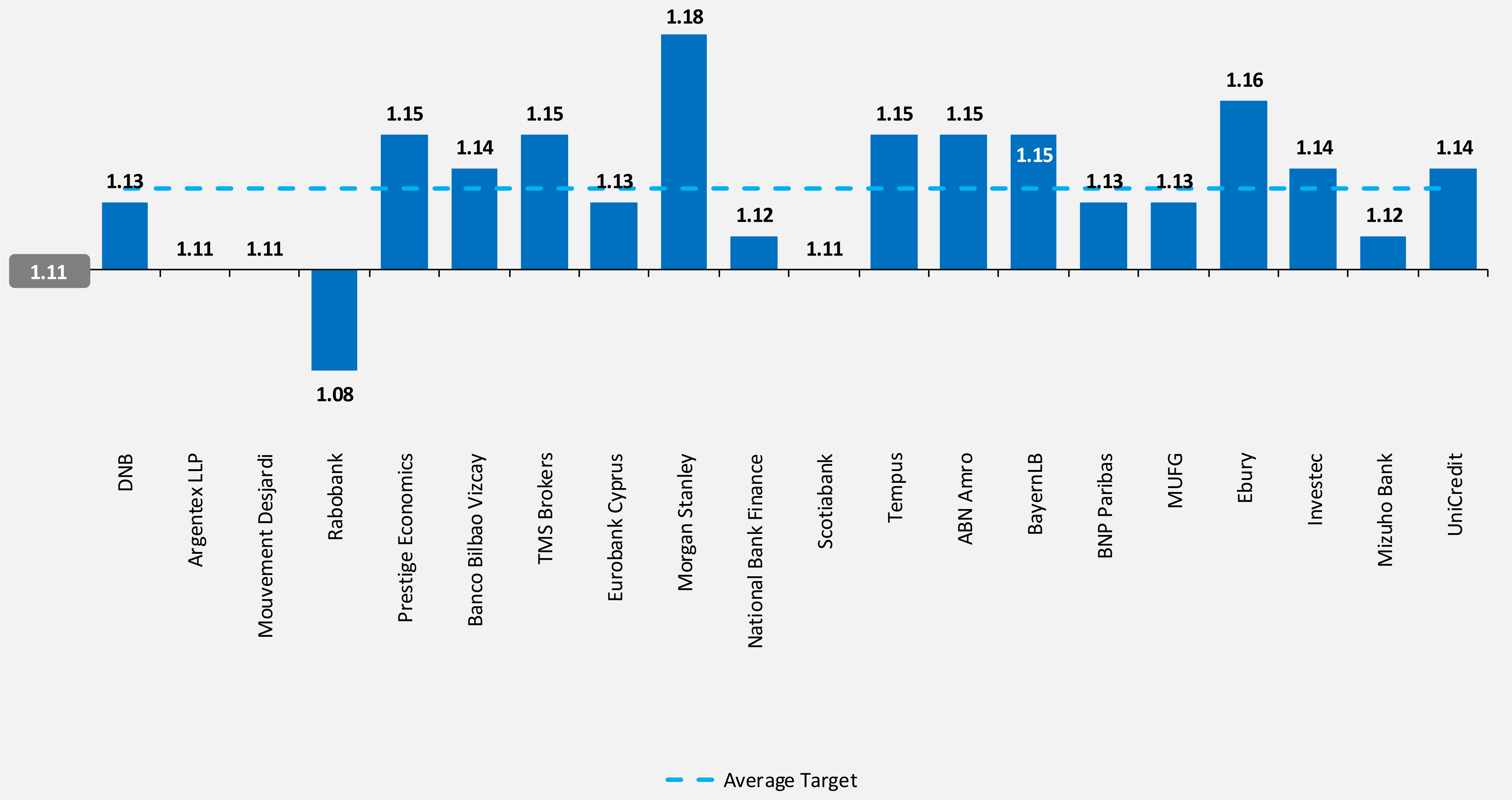
US Dollar Index Target for Q1 2020 by Major IBs



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

Market Experts/ Brokers/ Analyst		Views (Last one month)
JP Morgan	Neutral	• Likely range-bound, given full valuations but easy policy • Risks mildly tilted to downside
Amundi Asset Management	Underweight	• The USD is expected to trade lower on a 12M horizon • The reasons are the US fiscal stimulus, US-China trade dispute resolution and a potential intervention by the Fed/US treasury
Citibank	Bearish	• USD may not be the safe haven of choice in 2020 • With 2 of 3 key uncertainties directly impacting the US (rising political tensions and risks to the US growth outlook), this may lead to USD depreciation especially if the Fed resumes its easing cycle • A broader trend towards de-dollarization by Europe and China should US-China tensions take on a more serious political overtone may also help weaken USD
Invesco	Bearish	• The USD is expected to weaken as global growth bottoms and monetary policy eases in the US • Resolution of trade tensions may also result in downward pressure on the USD, although uncertainty remains • The broker expects appreciation of most developed market and EM currencies versus the USD • The USD will slowly decline, possibly more quickly in 2020, if the global growth differential versus the US widens
Charles Schwab	Overweight	• The dollar should remain firm • Further upside will depend on continued outperformance by the US economy relative to other major countries • The USD is likely to remain in its long-term bull market

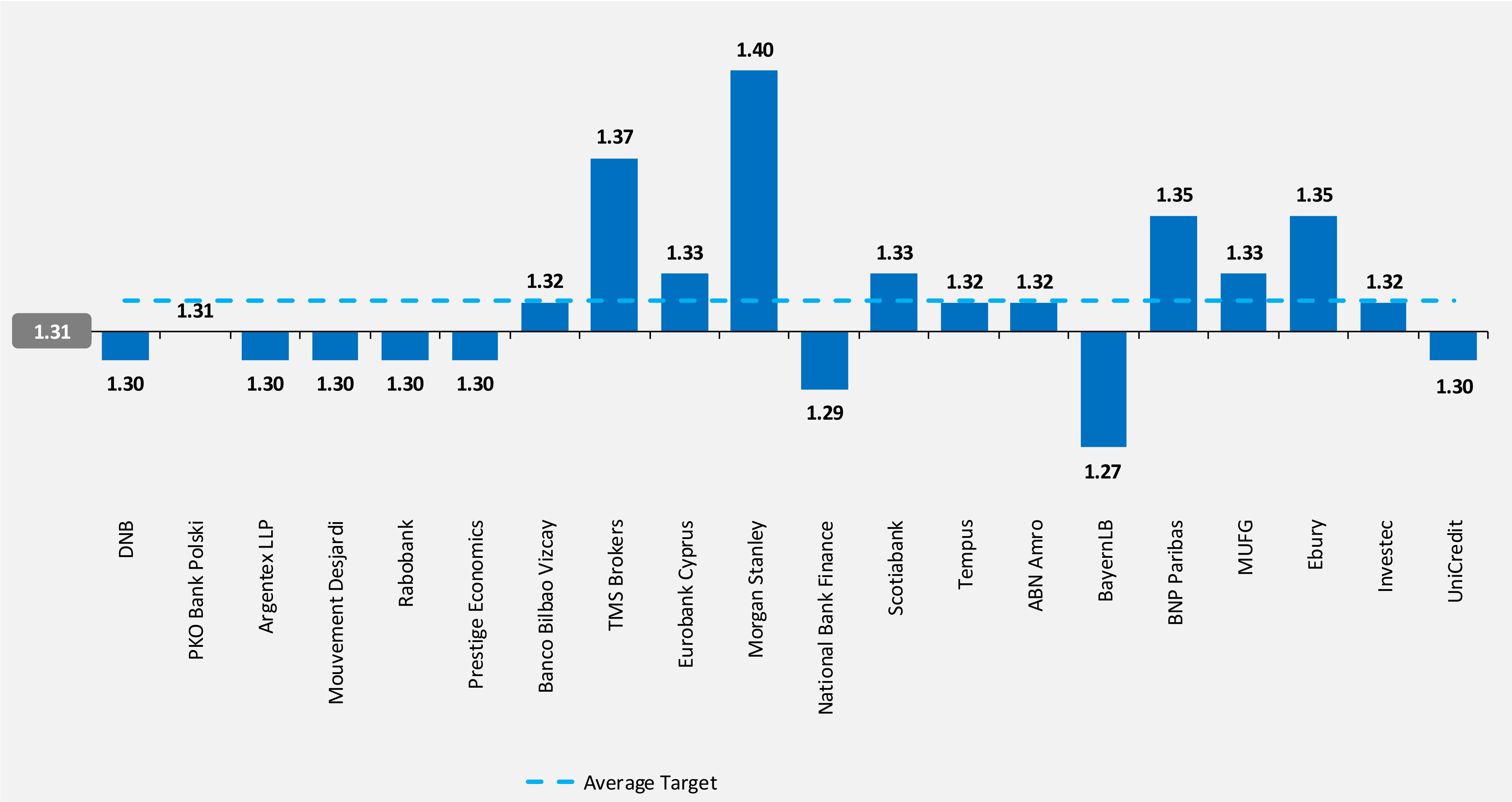
EURUSD Target for Q1 2020 by Major IBs



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

Market Experts/ Brokers/ Analyst		Views (Last one month)
JP Morgan	Overweight	• EUR/USD can strengthen if EU data improves • Quant signals in the Eurozone are improving after prolonged weakness
Amundi Asset Management	Underweight	• The upside on EUR/USD will be limited • Slowdown in Europe, political risks and rate differential between the US and Europe are some of the reasons
Goldman Sachs Asset management	Overweight	• The broker favours EUR to the USD in 2020 • Central banks have likely reached the bottom of easing and global risk tolerance improves • The likelihood of a 'deal' Brexit could also allow for further EUR appreciation
Citibank	Overweight	• US President, Donald Trump and his administration are actively trying to cap the USD upside, both via firing warnings to the ECB and cajoling the Fed to cut rates again
Bank of America	Overweight	• The EUR should benefit from a resolution of Brexit uncertainty • The USD is expected to weaken in 2020 with diminishing policy uncertainty
RBC Wealth Management	Neutral	• Euro weakness prevailed through 2019 as economic activity slowed and continued to disappoint • After delivering a comprehensive stimulus package, the ECB could remain on hold through most of 2020, limiting downward pressure on the EUR • But the challenging growth outlook points to little impetus for a material EUR recovery for now

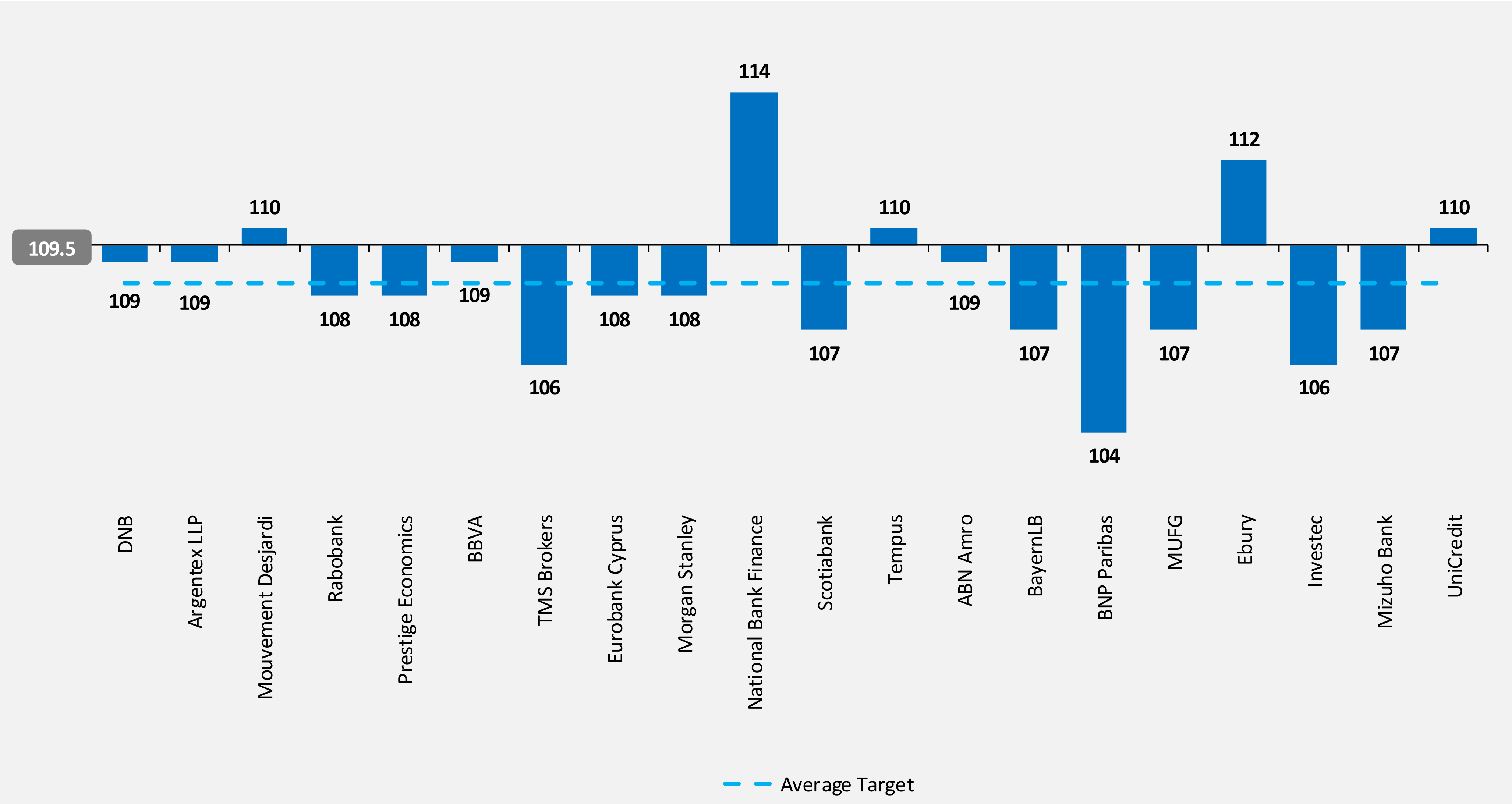
GBPUSD Target for Q1 2020 by Major IBs



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

Market Experts/ Brokers/ Analyst		Views (Last one month)
Cribstone Strategic Macro	Bullish	• The British pound could soar to $1.65 in 2020 and the currency will be one of the biggest trades in the world • The currency could see a surge as investors revaluate UK's long-term potential • As soon as it becomes clear that there's an investable case here based upon some clarity of the direction of this country, the pound will rerate • There is no reason to stated that Brexit will not be sorted
Longforecast.com	Underweight	• If the downward trend of UK economy continues, it will set the stage for rate cut speculations and might exert some additional pressure on the British currency • The fundamental background for the pound remains quite negative, heavily impacting the GBP/USD outlook • The GBP/USD is expected to trade in the range of 1.288-1.344 by December 2020
Pantheon Macroeconomics	Bearish	• The Pound will likely fall in 2H 2020, even though a 'no deal' Brexit will be avoided • Fears over the prospect of a trade relationship governed by World Trade Organization (WTO) rules will likely reach a fever pitch in the second half and that this will weigh on the UK currency • The Pound is expected to depreciate to $1.25 in 2H 2020, when concerns that no trade deal will be agreed likely will peak • The broker has also revised down the forecasts for GDP growth and anticipates bank rate cuts if the UK exits the transition period in December 2020 without a trade deal
UBS Asset Management	Overweight	• The GBP is substantially undervalued and thus offers significant appreciation potential over the coming years • It outweighs the benefits of currency hedging
Barclays	Neutral	• GBP is expected to remain volatile over the medium term • However, GBP is expected to eventually strengthen on the back of a positive resolution

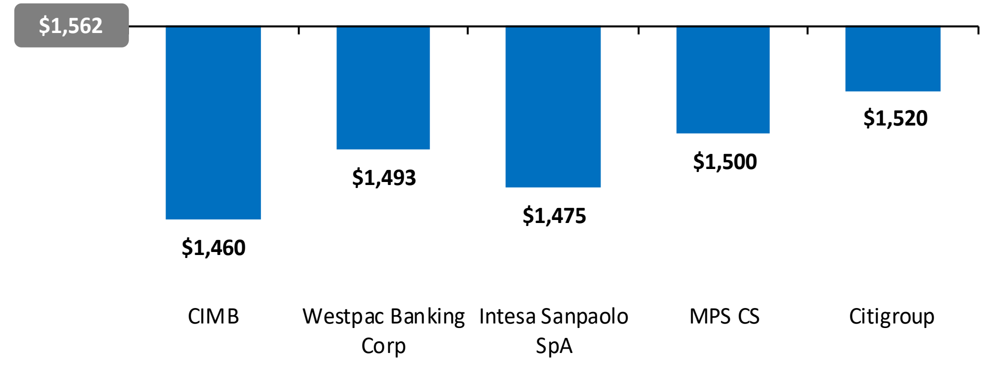
USDJPY Target for Q1 2020 by Major IBs



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

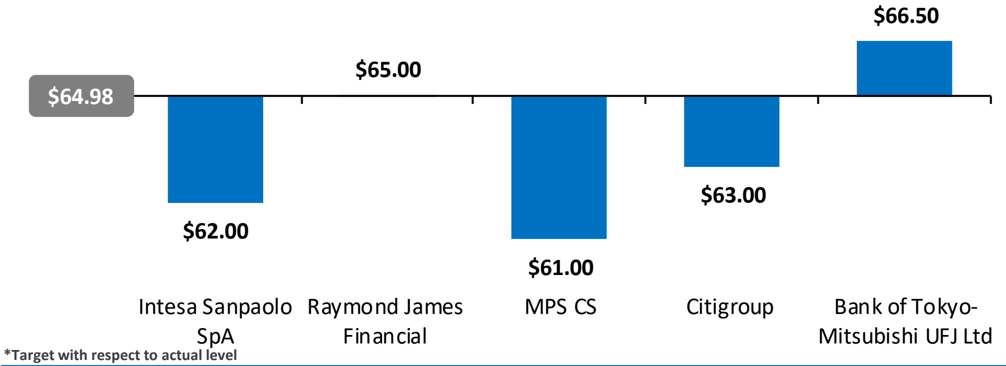
Market Experts/ Brokers/ Analyst		Views (Last one month)
Citibank	Underweight	• In 2020, JPY is likely to find support from its more positive fundamental backdrop • A slower pace of BoJ balance sheet expansion and less rapid money growth as BoJ is unlikely to ease policy further • Potentially narrower US-Japan bond yield differentials, should the US economy slow more than expected
Mizuho Bank	Neutral	• Expectations of a US-China trade agreement seem somewhat over-played, with the USD/JPY pair likely to react sensitively to negative headlines from here on • The USD/JPY pair might suffer a sharper-than-expected slide amid thin trading, so caution will be needed
UBS Asset Management	Underweight	• The JPY is substantially undervalued and thus offers significant appreciation potential over the coming years • It outweighs the benefits of currency hedging
Emirates NBD	Underweight	• JPY will continue to be supported by its appeal as a safe haven • There are expectations of wide spread geopolitical uncertainty that has persisted through much of 2019
RBC Wealth Management	Overweight	• External factors could be key drivers for the JPY • Japan to deliver dovish forward guidance and ultraloose policy could persist through 2020 • Japanese investor appetite for unhedged higher-yielding assets abroad could cap gains
Union Bancaire Privee	Underweight	• Trade war concerns add a layer of complexity to the picture • USD will generally weaken on a trade-weighted basis • A good performance is expected from the likes of JPY

Gold Target by Major IBs



*Target with respect to actual level

Brent Target by Major IBs



*Target with respect to actual level

Positive View

- Additional escalation in US-Iranian tensions could further boost gold prices
- Central bank purchases of gold could provide further momentum
- Weaker USD and negative real rates

Negative View

- The USD and the US economy look a lot better compared to other countries
- Progress in US-China trade deal

Positive View

- The envisaged rebound in global growth
- New International Maritime Organization regulations, will favor sweeter crude varieties such as Brent and WTI
- OPEC's decision to deepen production cuts

Negative View

- Cooling global oil demand and sluggish Chinese growth
- Fragility of the macro outlook
- Strong supply growth from the US, Brazil, Norway and new oil province, Guyana

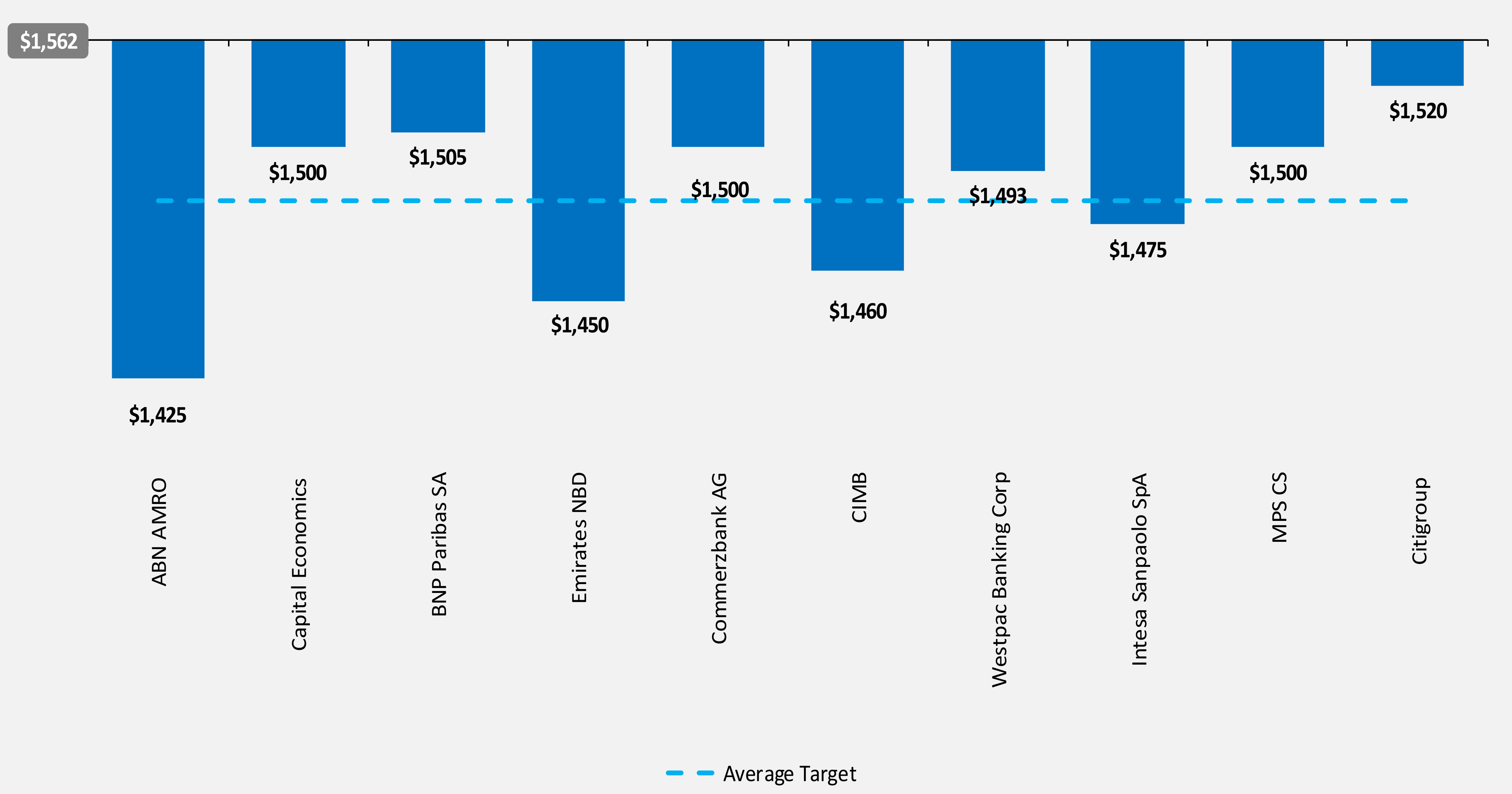
Gold

	Q3 2018	Q3 2019
Demand	1,078.0 t	1,107.9 t
Supply	1,179.7 t	1,222.3 t

Brent

	September 2019	October 2019
US Production (thousand barrels per day)	12,484	12,655
US Supply (thousand barrels per day)	20,221	20,772

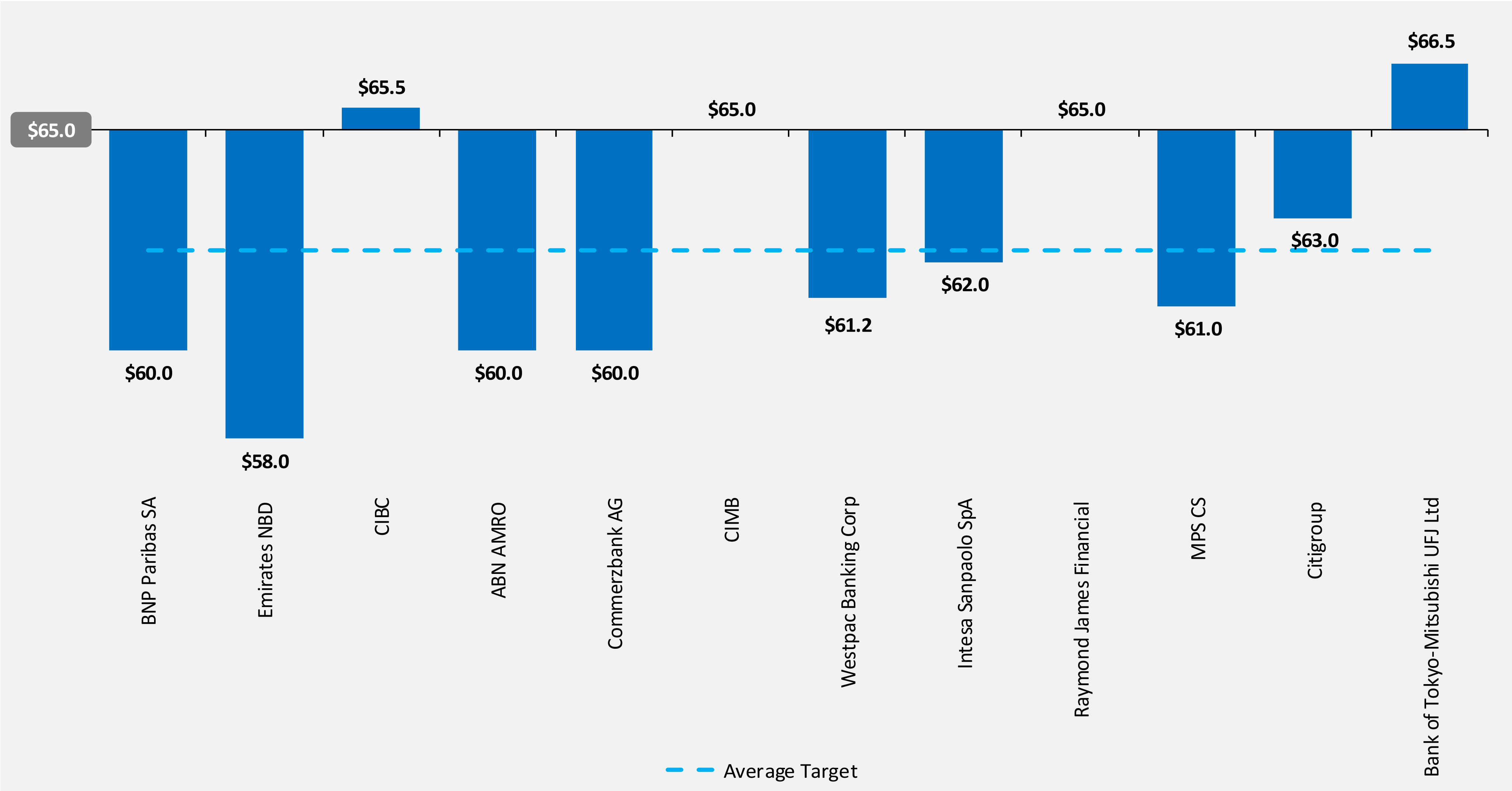
Gold Target for Q1 2020 by Major IBs



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

Market Experts/ Brokers/ Analyst		Views (Last one month)
UBS	Bullish	• Gold is expected to trade through and average around $1,600 per ounce in 2020 • A combination of continued geopolitical risk, a weaker USD and negative real rates would continue gold's rally through 2020 • Producer selling might help rein in the rally in the near term, but it is not expected to derail the broader uptrend, especially if macro factors continue to move in gold's favour
BMO Capital Markets	Bullish	• January and February are typically strong months due to a combination of physical demand in China ahead of the Lunar New Year holidays and a rebalancing of investor portfolios, particularly ETFs • Central bank purchases of gold could provide further momentum, particularly with central banks around the world looking to de-dollarize • There's still going to be Kazakhstan, Russia, China, who are still going to be net purchasers of gold — that's kind of like an annuity for the gold market
Goldman Sachs	Bullish	• Gold is a stronger hedge than oil for investors seeking safe returns amid the escalation of tensions between the US and Iran • Under most outcomes gold will likely rally to well beyond current levels • Gold performed well, even controlling for real rates and USD weakness, during the beginning of both Gulf wars and during the events of September 11, 2001 • Additional escalation in US-Iranian tensions could further boost gold prices • The broker sticks with its three, six and 12-month forecast of $1,600/toz, but sees upside risks if geopolitical tensions worsen
City Index	Overweight	• Gold is preparing to ring in the new year above the psychologically critical $1,500-an-ounce level • Gold's technical outlook remains bullish, given that breakout in the summer from a 6-year-old consolidation at $1,350 and the subsequent bullish consolidation seen in recent months
Morgan Stanley	Underweight	• Gold has pulled back recently as progress toward a US-China trade deal leads investors to lighten up on this hedge • For 2020, gold prices are expected to stay in its current range of $1,500

Brent Target for Q1 2020 by Major IBs



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

Market Experts/ Brokers/ Analyst		Views (Last one month)
Amundi Asset Management	Neutral	• The broker reiterates the target range for oil at $55-$65 for WTI and $60-$70 for Brent • Risks are skewed to the downside due to cooling global oil demand and sluggish Chinese growth • Long term, oil prices will be dependent on US oil production and OPEC strategy
JP Morgan	Overweight	• Oil prices will likely be boosted by the higher cuts in supply committed to by the OPEC and its allies and the envisaged rebound in global growth, particularly in EM • Oil prices are expected to peak in the first three months of 2020 at $67 per barrel, before dampening as increased supply from non-OPEC producers hits the market. Brent should average $64.5 per barrel in 2020
Citibank	Bearish	• Despite heightened geopolitical risks in the Gulf, the outlook for oil looks bearish in 2020 • Strong supply growth from the US, Brazil, Norway and new oil province, Guyana • Average Brent and WTI prices for 2020 stand at $59/bbl and $56/bbl, respectively
Capital Economics	Overweight	• Together with the expectation of slowing US supply growth, the OPEC's decision to deepen production cuts will likely tip the oil market into a deficit in early 2020
OANDA	Bullish	• The global growth rebound story should do wonders for oil prices in 1H 2020 • Oversupply concerns will remain, but a pick up in demand will alleviate strong increases in production from Norway, Brazil and Guyana
Goldman Sachs	Overweight	• Brent benchmark is expected to average $63 per barrel in 2020 • For the US WTI benchmark, the investment bank sees it averaging at $58.50 per barrel • Shift in OPEC strategy—shifting away from trying to correct long-term supply and demand imbalances and going towards short-term imbalances • There is likely to be a gap between supply and demand next year tightening by 300,000 more barrels per day
S&P Global Platts	Overweight	• The broker sees Brent topping $65 per barrel in early 2020, after which will fall back to the low $60s by year end • The reason for the early 2020 increase is the new International Maritime Organization regulations, which will favor sweeter crude varieties such as Brent and WTI
Morgan Stanley	Bearish	• Brent crude is expected to reach $62.50 in 1Q 2020, before falling back to $60 per barrel for the rest of the year • Single-quarter nature of the deeper OPEC production cuts which will only have a short-term effect • OPEC needed to cut deeper at all in order to lift prices, highlighting the softness in underlying fundamentals • For WTI, the broker expects prices to hold at $57.50 per barrel in Q1, and $55 for the rest of 2020

About Decimal Point Analytics

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