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Gulf News

Oil and shares rise as Fed holds off rate hike

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The Abu Dhabi index rose nearly 0.5 per cent, while Saudi’s Tadawul index jumped more than 1 per cent, supported by oil prices, which jumped more than \$50 per barrel again, amid slack volumes, on the first day of Ramadan.

The Abu Dhabi Securities Exchange General index closed 0.41 per cent higher 4,313.31, after trading in the range of 4,256.06-4,313.31.

“Oil prices are driving markets,” Muhammad Shabbir, head of equity funds & portfolios at Rasmala said.

Most of the stocks on Abu Dhabi bourse remained steady. Etisalat ended 0.15 per cent higher at Dh18.65, while First Gulf Bank ended 0.10 per cent higher at Dh11.95. Going ahead, “outlook would be mixed as there won’t be much action,” Shabbir said.

Investors would also be looking at Brexit poll along with direction on rates from the US Federal Reserve in mid-June.

“There was selective buying in Dubai Parks. Investors have been accumulating the name at lower levels after the rights issue. It may retest the previous high of Dh1.51,” said Shiv Prakash, senior research analyst with National Bank of Abu Dhabi Securities.

Stable stocks

Dubai Parks and Resorts ended 2.17 per cent higher at Dh1.41. Traded volumes on Dubai Parks was at Dh34 million, about 17 per cent of the total volume on the bourse of Dh200 million. The stock has doubled since December 2014 compared to a 8.6 per cent fall on Dubai index, indicating aggressive performance of the stock.

“Investors are shifting to more stable names like Dubai Parks, Gulf Navigation, Tabreed,” said Parakash.

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In Dubai, the general index closed 0.18 per cent lower at 3,279.23. In other stocks, Emaar Malls ended more than 2 per cent lower at Dh2.73, while Dubai Islamic Bank ended 1.79 per cent lower at Dh4.95. Emaar Properties ended more than 1 per cent lower at Dh6.17.

DP World ended half a per cent lower at \$17.35 on Nasdaq Dubai.

Elsewhere in the Gulf, Saudi Arabia's Tadawul index closed 1 per cent higher at 6,477.07, leading the gains in the region. Qatar exchange index closed 0.71 per cent higher at 9,638.95. Kuwait Stock Exchange index closed 0.22 per cent higher at 5,382.97. Bahrain Bourse All Share index closed 0.12 per cent higher at 1,116.39. In the wider Middle East, Egyptian EGX 30 index closed 1.01 per cent higher at 7,639.59.