

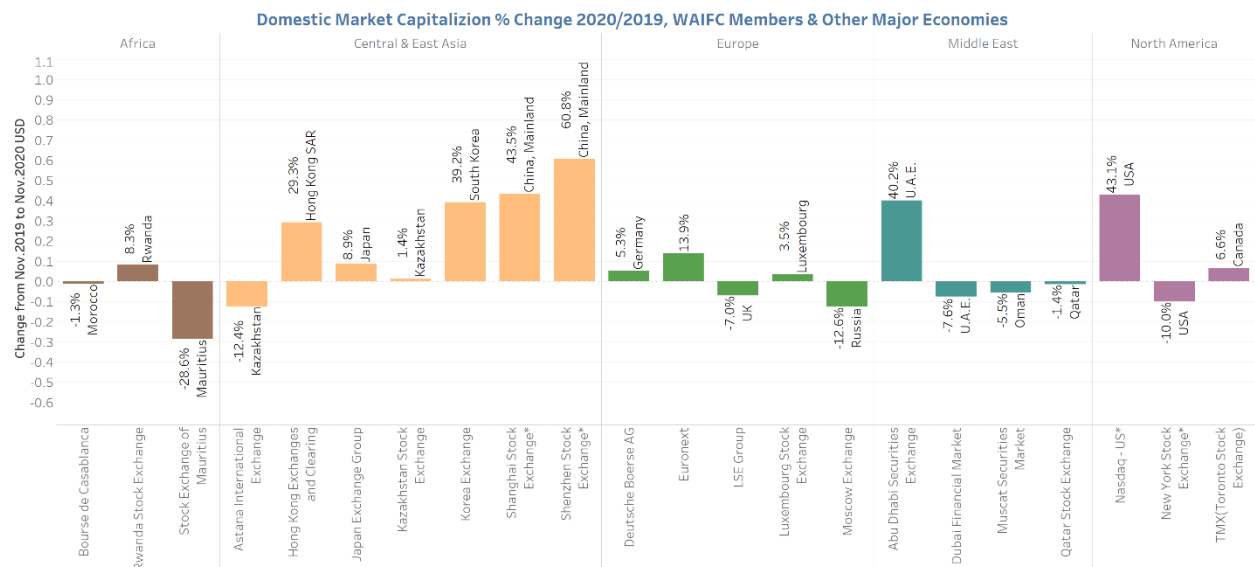
Capital Markets Briefing

Global Financial Center Development in 2020

January sees the curtain opening in 2021 that many will undoubtedly look forward to. Volatility and poor performance dogged some markets for part of last year, and while recent news on vaccines has brought a sliver of hope to a tumultuous 2020, much remains to be seen.

With the newest data from global equity markets, we hope to generate constructive insights for WAIFC 18 member institutions and other public audiences.

Emerging markets and developing economies (EMDEs) have faced a perfect storm in the wake of COVID-19. Many markets faced unprecedented capital outflows from foreign investors.

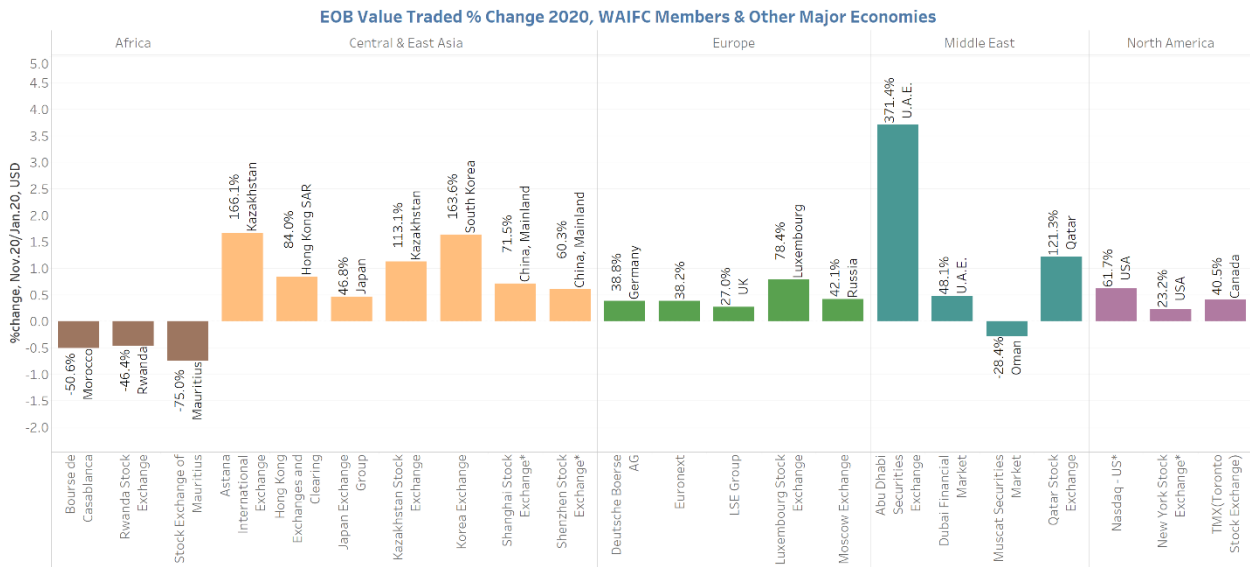


*Major stock exchanges from non WAIFC member economies; Value for Euronext includes ones from WAIFC members, Belgium & France, other European countries; Source: World Federation of Exchanges @WAIFC

From the beginning of last year until November in 2020, Rwanda's local stock market remained stable amid the COVID-19 pandemic. Domestic Market Capitalization increased by 8.3% in November 2020, comparing the value in 2019. The All Share Index (ALSI) rose by 9.2%.

According to World Economic Forum research, some of the world's fastest-growing economies have been brought to a virtual standstill, reeling with the effects of an exogenous shock to demand, a public health emergency, and nascent infrastructure with which to combat the pandemic. Yet, in the wake of downgrades, this juncture of COVID-induced distress might open a propitious opportunity for international investors and companies to invest in infrastructure in EMDEs.

In Asia, well-developed financial center infrastructures are a great strength. According to the International Monetary Fund, foreign investment has been lured into China by a combination of its recovery from the pandemic — which means its economy will have grown about 1.9 percent last year.



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Astana International Financial Centre (AIFC) sets the vision incubating the financial hub of Central Asia. Surprisingly, November of 2020 saw a 166.1% increase in trading volume at Astana International Exchange (AIX), the second-highest among all samples listed. Among several policy pillars AIFC outlined to develop, we believe Nur-Sultan has a promising future to be a market of mid-caps and small businesses, which are the main drivers of economic growth based on research shown.

Equity markets in the U.A.E performed tremendously well from January to November 2020, with a 371.4% increase in trading volume and a 40.2% rise in market cap at Abu Dhabi Securities Exchange (ADX). The outstanding performance may have benefited from establishing the Abu Dhabi Global Market (ADGM) in 2015. Three authorities under ADGM register, regulate, and apply English common law. It also gained global recognition for its progressive and responsive business-friendly ecosystem.

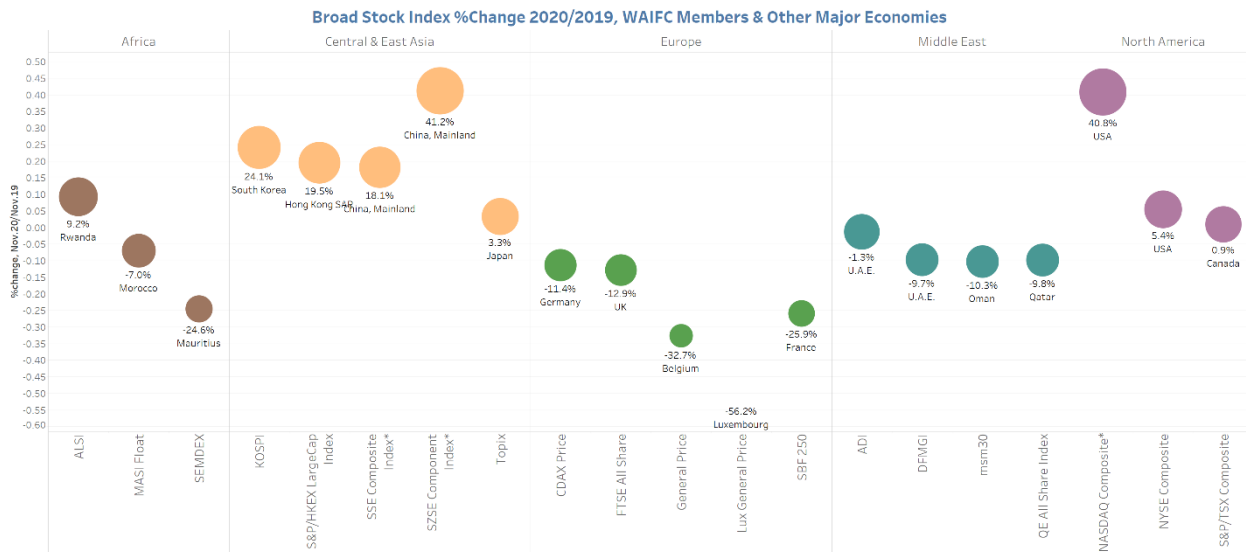
Developed economies in Europe may have suffered the most significant recessions. Still, investors clearly prefer their equity markets in the last turbulent year – trading volume surged for all major European stock exchanges. In Germany and Luxembourg, equity markets saw growth of 5.3% and 3.5% in domestic market capitalization.

World Alliance of International Financial Centers (WAIFC) AISBL

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*Broad Stock Index from non WAIFC member economies; Source: World Federation of Exchanges ©WAIFC

Despite continuing the stock market's continuing strength in the U.S., the current bull market may not last forever, especially if hopes of an economic revival do not materialize as early as expected. All three data categories selected have shown Canada's stock market stayed steady and revealed growth. Financial Centres in North America will continue to remain appealing to global investors for their developed infrastructure and experienced professionals.

About WAIFC:

The World Alliance of International Financial Centers (WAIFC) is a non-profit association registered in Belgium, representing 18 leading international financial centers of four continents. WAIFC members are city governments, associations, and similar institutions developing and promoting their financial centers. WAIFC facilitates cooperation between its members, the exchange of best practices, and communication with the general public.

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