

US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,098.45	+97.23	0.57%	3.15%
S&P 500	2,003.37	+14.97	0.75%	8.39%
NASDAQ	4,580.27	+41.72	0.92%	9.67%

Europe Indices

	Closing	Net Change	% Change	YTD
STOXX 50	3,044.49	+55.46	1.86%	4.28%
FTSE 100	6,819.75	+42.09	0.62%	1.05%
CAC 40	4,381.04	+128.24	3.02%	1.98%
DAX	9,470.17	+131.00	1.40%	-0.86%

BRICS Indices

	Closing	Net Change	% Change	YTD
Ibovespa	61,288.15	+2,880.83	4.93%	18.99%
MICEX	1,400.71	-45.89	-3.17%	-6.87%
SENSEX	26,638.11	+218.56	0.83%	25.67%
Shanghai	2,217.20	-23.61	-1.05%	4.78%
JSE Africa	50,959.02	-238.14	-0.47%	10.17%

Asia Indices

	Closing	Net Change	% Change	YTD
Nikkei 225	15,424.59	-114.60	-0.74%	-5.32%
Hang Seng	24,742.06	-370.17	-1.47%	6.16%
KOSPI	2,068.54	+11.84	0.58%	2.84%

Commodities

	Closing	Net Change	% Change	YTD
Baltic Dry Ind	1,147.00	51.00	4.65%	-49.63%
Gold Spot	1,287.32	6.22	0.49%	7.13%
Silver Spot	19.47	0.04	0.19%	-0.03%
WTI Oil	95.96	-0.09	-0.09%	-2.50%

Money Market

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.23	0.00	0.00	-0.01
12M Libor	0.57	0.00	0.01	-0.02
3M Euribor	0.16	-0.02	-0.12	-0.12
12M Euribor	0.43	-0.03	-0.12	-0.12
10Y Bund	0.89	0.86	-0.73	-1.04
10Y US	2.34	0.53	-0.30	-0.69
10Y JPY	0.49	0.13	-0.09	-0.25

Currencies

	Closing		Closing
USD/JPY	104.0900	CNY/USD	6.1436
EUR/USD	1.3132	EUR/AED	4.8233
EUR/CHF	1.2062	INR/USD	60.5150
GBP/USD	1.6598	AUD/USD	1.0707

* Source: Bloomberg

International Markets News Update

In the US, the S&P 500 broke through the 2000 mark and closed above that level for the first time in its history. The GDP in the 2nd quarter rose to 4.2% signaling a renewed strength in the US economy. Also, jobless claims fell by 1,000 to 298,000, continuing the trend of remaining below 300,000 each week. The last time weekly jobless claims were consistently at or below 300,000 was in early 2006. The latest US housing data announced this week indicates a slowdown in price increases and new home sales indicating the lack of any potential US housing bubble.

In the Eurozone, the Economic Sentiment Indicator, which measures business sentiment, fell to 100.6 which is its lowest level this year. Last week, the French Prime Minister replaced three ministers in his cabinet that had publicly opposed his fiscal policy agenda giving a clear signal to the public and to the markets that he wants to push ahead with his economic policy agenda.

Asia continues to be the best performing region in equities, with continuing uptrends in most markets. In India, the benchmark indices kept making new all-time highs during the week. On Friday, India's GDP numbers for the 1st quarter were announced at 5.7%, which was the highest in the past nine quarters, indicating that economic growth has starting rebounding. The Chinese HSBC flash PMI fell to 50.3 for August from 51.7 in July raising concerns over the sustainability of China's recent recovery.

Country in Focus

Russia cancelled its weekly debt sale last week, as it posted a \$19 billion fiscal surplus in the first seven months of 2014, displaying its longest absence from fundraising in 4 years. The ruble's 9.1% decline against the US dollar has helped dampen concerns that it will be unable to manage its borrowing costs given the growing U.S. and European sanctions.

Currency in Focus

The USD continued to strengthen against the Euro during the week going past 1.32 levels. The low Consumer Price Index numbers together with poor inflation data and high unemployment numbers coming out of the Eurozone have increased the bearish sentiment of the EUR/USD. Companies with a high cost base in Europe and a big share of global sales are expected to benefit the most from a weaker Euro.

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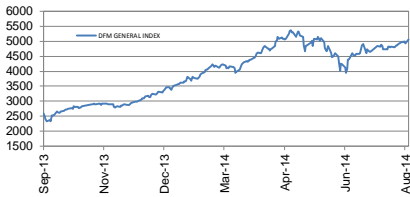
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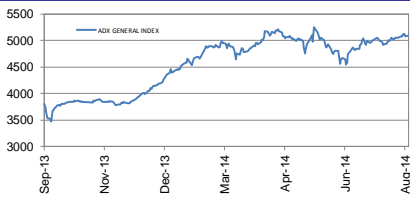
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Key Indices				
	Closing	Net Change	% Change	YTD
Dubai - DFM	5,062.96	+99.86	2.01%	50.24%
Abu Dhabi - ADX	5,082.72	+99	0.02%	18.47%
Saudi - Tadawul	11,112.12	+209.08	1.92%	30.19%
Kuwait	7,430.51	+41.48	0.56%	-1.58%
Bahrain - BHSE	1,472.16	-13.08	-0.88%	17.88%
Qatar - DSM QE	13,596.66	-156.85	-1.14%	30.99%
Oman - MSM 30	7,367.16	+9.52	0.13%	7.79%
Turkey - ISEN 100	80,312.94	+1,383.35	1.75%	18.45%

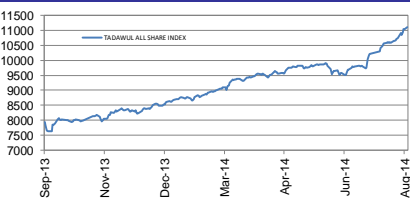
Dubai - DFM Index 52-Week Performance



Abu Dhabi - ADX Index 52-Week Performance



Saudi - Tadawul Index 52-Week Performance



Middle East Markets News Update

Saudi Arabia quickly recovered from a profit-taking bout last week and the Abu Dhabi Securities Exchange hit a nearly three-month high and closed above 5100 points for the first time since early June. The Saudi benchmark closed above 11000 for the first time since January 2008. The GCC markets are expected to continue rising on the back of petrochemical and banking stocks which are still considered undervalued as the region prepares the opening of its bourses to foreign investors and expectations of a strong global demand for petrochemicals amidst stronger economic numbers coming out of Asia and the US.

En Bref..... Biggest Market News

Is Europe going to be another Japan? The summer heat continues on the ECB...

European government bond yields continued to plummet to record lows on expectations that the European Central Bank could start some asset purchase program to counter low growth and slowing inflation. The 10-year German bund yield fell as low as 0.87% during the week while the yields on one-year, two-year and three-year securities fell below zero. The nearly 1.50% gap between US and German 10-year debt yields is the highest since 1999. The Spanish and Italian bond yields fell to all-time lows during the week.

The rising Eurozone economic weakness has made it more likely that the ECB will be prompted to take further stimulus action. The ECB has so far relied on targeted long-term refinancing operations (TLTROs) that have proven attractive for banks because they can easily lock in very low interest rates for a prolonged period of time (until September 2018). The ECB is expected to announce some policy easing mechanisms or give indications to that effect in its monthly policy meeting this week. Any large-scale purchases of government bonds could face resistance from Germany.

There is growing expectation that the ECB will announce purchases of asset-backed securities (ABS) at the November ECB meeting. This is expected to help banks reduce their balance sheets further by selling loans they hold. ECB had just hired asset management firm Blackrock as a consultant to help with the design of a transparent ABS purchase plan.

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