

US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,828.24	+109.24	0.62%	7.55%
S&P 500	2,067.56	+14.81	0.72%	11.86%
NASDAQ	4,791.63	+89.76	1.91%	14.73%

Europe Indices

	Closing	Net Change	% Change	YTD
STOXX 50	3,075.50	+6.28	0.20%	5.35%
FTSE 100	6,722.62	-28.14	-0.42%	-0.39%
CAC 40	4,390.18	+42.95	0.99%	2.19%
DAX	9,980.85	+248.30	2.55%	4.49%

BRICS Indices

	Closing	Net Change	% Change	YTD
Ibovespa	54,664.36	-1,419.68	-2.53%	6.13%
MICEX	1,533.68	-5.25	-0.34%	1.97%
SENSEX	28,693.99	+359.36	1.27%	35.54%
Shanghai Composite	2,682.84	+196.04	7.88%	26.79%
JSE Africa	49,911.37	-943.72	-1.86%	7.90%

Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Nikkei 225	17,459.85	+158.99	0.92%	7.17%
Hang Seng	23,987.45	+550.33	2.35%	2.92%
KOSPI	1,980.78	+15.94	0.81%	-1.52%
ASX 200	5,313.00	+8.69	0.16%	-0.73%

Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,167.38	-34.17	-2.84%	-2.85%
Silver Spot	15.45	-0.99	-6.01%	-20.65%
Crude Oil (WTI)	66.15	-9.43	-12.48%	-32.79%
Crude Oil (Brent)	70.15	-10.21	-12.71%	-36.69%
Baltic Dry Ind	1,153.00	-171.00	-12.92%	-49.36%

Money Market

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.234	0.001	0.006	-0.013
12M Libor	0.565	0.000	0.029	-0.019
3M Euribor	0.082	0.001	-0.232	-0.205
12M Euribor	0.331	-0.003	-0.243	-0.225
10Y US	2.164	-0.146	-0.279	-0.864
10Y UK	1.926	-0.122	-0.622	-1.096
10Y Germany	0.700	-0.070	-0.638	-1.229
10Y Japan	0.421	-0.041	-0.163	-0.320
10Y India	8.087	-0.083	-0.618	-0.738

Currencies

	Closing		Closing
GBP/USD	1.565	EUR/USD	1.245
USD/JPY	118.630	AUD/USD	0.851
AED/INR	16.951	EUR/AED	4.563
USD/INR	62.033	EUR/INR	77.245
USD/CNY	6.145	EUR/CHF	1.202

Source: Bloomberg

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International Market News Update

US stock markets are on track for their 2nd straight monthly increase as the S&P 500 and Dow Jones Industrial Average continued to make all-time highs last week. The Nasdaq is currently at a 14-year high and is about 5% away from the all-time high it reached in 2000. Final 3rd quarter GDP growth for the US came out last week at 3.9%. Combined with the 2nd quarter's GDP growth of 4.6%, this is the best 6 months of economic growth since 2003.

Inflation in the Eurozone went down to 0.3% on an annualized basis in November, which is a 5-year low. Inflation has stayed below 1% for more than a year now. Stock markets in Europe are headed for their best monthly increase since February 2014. The unemployment rate for the region was 11.5% for October. The DAX in Germany had its 12th straight gain and is now on its longest upwards streak since May 2013. Investors are betting on an expansion of the European Central Bank's stimulus program in December.

China became the second-largest stock market in the world last week as investors grew confident that the policy makers in China will continue to introduce monetary stimulus packages. China's stock markets rose for a 7th straight day and the Shanghai stock market index is currently at a 3-year high. In November, stock markets in Japan had their biggest monthly gain since September 2013. The Indian benchmark stock market indices made all-time highs last week. Investors expect that this week, the Indian central bank will cut interest rates for the first time in over a year.

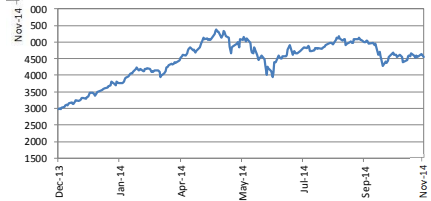
Money Market in Focus

German government bonds reached all-time highs on growing expectations of quantitative easing in the struggling Eurozone. The yield on Germany's 10-year bond fell to an all-time low of 0.7%. The German 10-year bond, the Bund, is the Eurozone's key benchmark bond because Germany benefits from the most confidence among investors. Yields in France, Spain and Italy also touched all-time lows on the announcement by the European Central Bank President Mario Draghi that he intends to do whatever possible to ensure that inflation increases for the region in 2015. German bonds nevertheless will have the most of buying in the coming months as they are perceived to be "higher quality assets" and therefore most favoured by the European Central Bank as it embarks on its bond-buying program.

Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	4,281.43	-348.70	-7.53%	27.05%
Abu Dhabi - ADX	4,675.00	-288.93	-5.82%	8.97%
Saudi - TASI	8,624.89	-890.74	-10.33%	-0.03%
Qatar - QE	12,760.46	-994.43	-7.23%	22.94%
Bahrain - BHSE	1,428.67	-19.91	-1.37%	14.40%
Oman - MSM 30	6,505.99	-540.05	-7.66%	-4.81%
Kuwait	6,752.86	-242.30	-3.46%	-10.55%

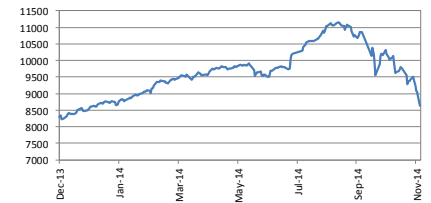
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Last week, the MSCI increased the weightages for some of the UAE and Qatar stocks in the index causing these stocks to rally upwards – including Emaar Properties, Dubai Islamic Bank, Qatar National Bank and Industries Qatar. The UAE started trading in secondary markets last week which would allow private companies access to capital and help them create an IPO in the primary markets. The huge fall in oil prices will strongly impact the GCC stock markets in the negative direction this week.

En Bref..... Biggest Market News

OPEC refuses to cut oil production – will the US shale gas producers blink first?

The Organization of Petroleum Exporting Countries (OPEC) met last week in Vienna and decided not to cut crude oil production despite falling fuel prices. OPEC provides about 40% of the world's oil supply. This caused the West Texas Intermediate crude oil to fall in a single day by around 10% to USD 65.69, which is a 5-year low. OPEC's production ceiling is currently 30 million barrels a day. Oil prices are now down over 30% since July 2014.

It is expected that many countries within the OPEC such as Iran, Iraq, Nigeria and Venezuela, as well as non-OPEC countries such as Russia and Norway, will probably have to cut oil production in 2015 and beyond. The Norwegian krone last week fell to 7.0431 against the USD, which is a 5-year low. Norway is the biggest oil producer in Western Europe. The Russian ruble fell to an all-time low against the USD last week, touching USD 50. Russia receives more than half of its budget revenue from the oil and gas sector.

But, in the market-share war in the crude oil market, the worst hit by the falling oil prices will be the smaller US shale producers that rely heavily on debt and are focused on areas that have a high cost of production. US oil output, which is expected to be around 2 million barrels a day, is currently at its highest level in over 3 decades,

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