

HAPPY NEW YEAR!

International Market News Update

U.S. stocks completed the fourth annual gain since 2011 on the longest losing streak since the election. The S&P 500 Index cut its advance this year to 9.3 percent as a three-day slide left it at the lowest level since Dec. 6. The Dow Jones Industrial Average finished the year more than 250 points below 20,000 after climbing within 30 of the mark this week. Trading volume was at least 29 percent below the 30-day average. Treasuries retreated, with the 10-year yield adding 17 basis points in 2016. A measure of the dollar fell a second day, trimming its annual gain to below 3 percent. Canada's S&P/TSX Composite Index has rallied 19 percent in the year for the best performance among 24 developed-nation stock gauges tracked by Bloomberg. Materials and energy producers that make up one-third of the measure have jumped at least 32 percent.

European shares posted a small loss for 2016, though strong gains among mining stocks and the oil & gas sector as well as a turnaround in banks in the latter part of the year lent support, while Britain's FTSE 100 index climbed to a record high. The pan-European STOXX 600 index ended the session up 0.3 percent with almost all major regional indexes higher. Reversing steep losses from early in the year, mining stocks helped Europe's basic resources index to a 61.9-percent gain this year, bouncing back from a 35-percent slump in 2015. The bounce in miners also helped Britain's FTSE 100 to gain 14.4 percent in 2016, making it the best performer among major European stock indexes despite the shock of June's Brexit vote.

Japan's Nikkei share average dropped to a three-week low in choppy trade on Friday as investors took profits from the recent gains on the last trading day of 2016, but the market managed to eke out marginal gains for the year. The Nikkei ended 0.2 percent lower at 19,114.37, the lowest closing level since Dec. 9. After trading in negative territory, the benchmark index turned positive in afternoon trade, with traders citing speculation that the Bank of Japan was buying exchange-traded funds to support the market. The benchmark index added 0.4 percent for the year, posting a fifth straight year of gains, the longest annual winning streak since the late 1980s. The broader Topix was flat at 1,518.61 and the JPX-Nikkei Index 400 fell 0.1 percent to 13,614.80.

Commodity in Focus

Brent crude futures made the biggest annual gain since 2009 as OPEC and other producing nations plan to start supply cuts next month to reduce swelling global inventories. Futures rose 52 percent in London to settle at \$56.82 a barrel

West Texas Intermediate futures slipped Friday to end the year at \$53.72, good for a 45 percent rally in the year.

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	19,762.60	-156.28	-0.78%	0.00%
S&P 500	2,238.83	-22.13	-0.98%	0.00%
NASDAQ Composite	5,383.12	-64.31	-1.18%	0.00%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	7,142.83	+101.41	1.44%	0.00%
Eurozone - STOXX 50	3,010.55	+9.68	0.32%	0.00%
France - CAC 40	4,862.31	+27.68	0.57%	0.00%
Germany - DAX	11,481.06	+24.96	0.22%	0.00%
Netherlands - AEX	483.17	+70	0.15%	0.00%
Switzerland - SMI	8,219.87	-18.11	-0.22%	0.00%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	60,227.29	+2,972.07	5.19%	0.00%
Russia - MICEX	2,232.72	+59.54	2.74%	0.00%
India - SENSEX	26,487.70	+680.60	2.64%	-0.52%
China - Shanghai	3,103.64	-6.52	-0.21%	0.00%
South Africa - JSE Africa	50,653.54	+489.62	0.98%	0.00%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	19,114.37	-313.30	-1.61%	0.00%
Hong Kong - Hang Sen	22,000.56	+190.76	0.87%	0.00%
South Korea - KOSPI	2,026.16	-9.74	-0.48%	-0.01%
Australia - ASX 200	5,665.80	+52.33	0.93%	0.00%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,147.50	+14.20	1.25%	0.00%
Silver Spot	15.93	0.17	1.11%	0.00%
Platinum Spot	903.10	11.36	1.27%	0.00%
Palladium Spot	680.96	21.55	3.27%	0.00%
Crude Oil (WTI)	53.72	+77	1.45%	45.03%
Crude Oil (Brent)	56.82	+1.77	3.22%	52.41%
Baltic Dry Ind	961.00	+15.00	1.59%	0.00%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.998	0.001	0.344	0.385
12M Libor	1.686	(0.004)	0.455	0.508
3M Euribor	(0.319)	(0.002)	(0.033)	(0.188)
12M Euribor	(0.082)	-	(0.031)	(0.142)
10Y US	2.444	(0.093)	1.000	-
10Y UK	1.239	(0.106)	0.372	(0.721)
10Y Germany	0.208	(0.013)	0.338	(0.421)
10Y Japan	0.046	(0.010)	0.263	(0.219)
10Y India	6.458	(0.127)	(0.961)	(0.057)

Currencies			
	Closing		Closing
GBP/USD	1.235	EUR/USD	1.052
USD/JPY	116.920	AUD/USD	0.721
USD/CHF	1.019	EUR/AED	3.865
USD/INR	68.033	EUR/INR	71.548
USD/CNY	6.945	EUR/CHF	1.073
USD/RUB	61.267	AED/INR	18.523

Source: Bloomberg

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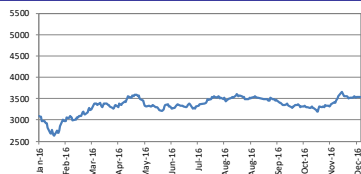
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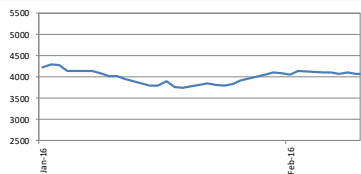
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,537.05	+11.70	0.33%	0.17%
Abu Dhabi - ADX	4,506.55	+67.38	1.52%	-0.88%
Saudi Arabia - TASI	7,237.95	+71.59	1.00%	0.38%
Qatar - QE	10,417.18	+22.44	0.22%	-0.19%
Bahrain - BHSE	1,220.63	+9.55	0.79%	0.01%
Oman - MSM 30	5,709.96	-16.92	-0.30%	-1.26%
Kuwait	5,753.90	+53.74	0.94%	0.10%

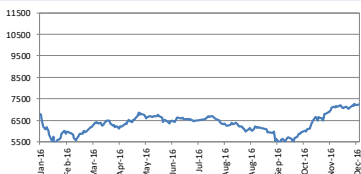
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Most Middle Eastern stock markets closed higher on Thursday after a tumultuous year in which many bourses were hit hard by low oil prices, then recovered in the final few months as the economic outlook improved. Dubai's market was the best-performing in the Gulf this year because the emirate's diverse economy relies relatively little on oil. The index rose 12 percent during the year, and edged up 0.3 percent on Thursday. Abu Dhabi gained 6 percent during 2016 and climbed 1.7 percent on Thursday because of a 2.5 percent jump in telecommunications firm Etisalat, which saw its highest trading volume since June. Qatar's index added 1.0 percent on Thursday in a broad-based rally, with all 10 of the most heavily traded stocks rising. It closed flat for the year. Saudi Arabia's index rose 4 percent during the year, although it was down 23 percent at one stage. It fell 0.4 percent on Thursday as petrochemical stocks pulled back, with Saudi Basic Industries dropping 1.1 percent. Egypt's index rose 0.7 percent on Thursday, bringing its gain for the year to a spectacular 76 percent. The market took off after the central bank floated the Egyptian pound on Nov. 3, making stocks much cheaper for foreign investors and drawing capital inflows that could eventually end the country's endemic hard currency shortage.

En Bref..... Biggest Market News

A looming multi-billion dollar writedown has wiped more than \$6bn (£4.9bn) off Toshiba's market value in just three days in one of the worst-ever share declines for a major Japanese company. Toshiba shares plunged by 17 per cent on Thursday, clocking a third day of heavy losses since the company announced that it was facing a one-time loss of several billion dollars over its US nuclear business. The company stocks had already lost 20 per cent on Wednesday and 12 per cent on Tuesday. That means the company has now had more than 40 per cent of its value wiped since 26 December, or about 800 billion yen (\$6.5bn; £5.3bn).

Events in the week ahead

- 4 January – Euro-Zone Consumer Price Index.
- 6 January – USD Unemployment Rate.

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