

US Indices	Closing	Net Change	% Change	YTD
DJIA	17,425.03	-177.58	-1.01%	0.00%
S&P 500	2,043.94	-20.35	-0.99%	0.00%
NASDAQ Composite	5,007.41	-38.52	-0.76%	0.00%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,242.32	+159.22	2.62%	0.00%
Eurozone - STOXX 50	3,100.26	-8.97	-0.29%	0.00%
France - CAC 40	4,637.06	-37.47	-0.80%	0.00%
Germany - DAX	10,743.01	+245.24	2.34%	0.00%
Netherlands - AEX	441.82	-1.90	-0.43%	0.00%
Switzerland - SMI	8,818.09	+273.74	3.20%	0.00%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	43,349.96	+150.01	0.35%	0.00%
Russia - MICEX	1,761.36	+13.51	0.77%	0.00%
India - SENSEX	26,160.90	+322.19	1.25%	0.17%
China - Shanghai	3,539.18	-73.30	-2.03%	0.00%
South Africa - JSE Africa	50,693.76	-630.25	-1.23%	0.00%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	19,033.71	+147.01	0.78%	0.00%
Hong Kong - Hang Seng	21,914.40	-126.19	-0.57%	0.00%
South Korea - KOSPI	1,961.31	-31.25	-1.57%	0.00%
Australia - ASX 200	5,295.90	+179.21	3.50%	0.00%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,061.10	-15.00	-1.39%	0.00%
Silver Spot	13.82	-0.56	-3.89%	-0.24%
Platinum Spot	891.10	9.00	1.02%	-0.05%
Palladium Spot	562.35	3.50	0.63%	-0.11%
Crude Oil (WTI)	37.04	-1.06	-2.78%	0.00%
Crude Oil (Brent)	37.28	-.61	-1.61%	0.00%
Baltic Dry Ind	478.00	+7.00	1.49%	0.00%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.613	0.010	0.330	0.357
12M Libor	1.178	0.031	0.407	0.549
3M Euribor	(0.131)	-	(0.117)	(0.209)
12M Euribor	0.060	-	(0.104)	(0.265)
10Y US	2.269	0.028	(0.153)	-
10Y UK	1.960	0.040	(0.145)	-
10Y Germany	0.629	-	(0.135)	0.088
10Y Japan	0.265	(0.014)	(0.218)	-
10Y India	7.730	(0.017)	(0.090)	(0.031)

Currencies	Closing	EUR/USD	Closing
GBP/USD	1.475	EUR/USD	1.086
USD/JPY	120.550	AUD/USD	0.730
USD/CHF	1.001	EUR/AED	3.989
USD/INR	66.140	EUR/INR	71.882
USD/CNY	6.494	EUR/CHF	1.087
USD/RUB	72.521	AED/INR	18.035

Source: Bloomberg

International Market News Update

All major stock market indices in the US fell last week and are currently down by around 5% from their 2015 highs. The Dow Jones Industrial Average ended 2015 over 2% in the negative. The S&P 500 ended the year less than 1% in the negative. This was the S&P 500's 1st annual decline after 3 years. The NASDAQ Composite rose nearly 6% in 2015. The 1st shale gas export terminal in the US started production last week. The 1st shipment of crude oil from the US was exported last week after a 40-year old ban on crude oil exports was lifted in December 2015 by the country's government.

The DAX rose last week and ended 2015 nearly 10% in the positive. Low oil prices and a weak euro are expected to help companies, particularly those that are dependent on exports, in Germany and contribute to the DAX rising higher also in 2016. The CAC had a flat week last week and ended 2015 nearly 9% in the positive. The FTSE 100 rose sharply last week but ended 2015 by nearly 5% in the negative. Russia's economy fell by 0.3% in November 2015, which is the 1st fall in 5 months. This fall in GDP is due to poor consumption and industrial output that has been caused due to falling crude oil prices. On an annualised basis, the country's GDP fell by 4% in November 2015.

The yield on India's 10-year government bond had its 1st quarterly rise since 2013 during the October-December 2015 quarter. This was after concerns grew during the quarter that the country will need to increase borrowings to meet its budget deficit targets and struggle in its fiscal consolidation program. The yield on the 10-year government bond rose from 7.512% in the 1st week of October 2015 to touch 7.8% in December 2015. The Indian rupee ended 2015 more than 4% weaker against the USD. This is the 5th straight annual decline for the Indian rupee and it is expected to weaken further in 2016. Japan's industrial output fell by 1% in November 2015, which is the 1st fall in 3 months. This was due to falling exports and low household spending. On an annualized basis, industrial output was up by 1.6%.

Money Market in Focus

The 3-month London Interbank Offered Rate (LIBOR) rose last week to touch 0.6127%, which is its highest level since 16th June 2009. The 12-month LIBOR rose last week to touch 1.178%, which is its highest level since 26th June 2010. LIBOR is expected to continue to rise in 2016 as the US Federal Reserve embarks on increasing benchmark interest rates during the year.

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Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,130.90	-30.02	-0.95%	-0.64%
Abu Dhabi - ADX	4,270.35	+23.83	0.56%	-0.86%
Saudi Arabia - TASI	6,937.83	-8.17	-0.12%	0.38%
Qatar - QE	10,339.69	+36.89	0.36%	-0.86%
Bahrain - BHSE	1,215.89	+16.64	1.39%	0.00%
Oman - MSM 30	5,412.88	-23.08	-0.42%	0.12%
Kuwait	5,615.12	-4.86	-0.09%	0.00%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

All stock markets in the GCC ended 2015 in the negative. UAE's Securities and Commodities Authority currently allows listing and trading of share(s) of private joint stock companies. The details of these companies will be stored in the Clearance Department, which would facilitate the easy transfer of records whenever a company wants to convert to a public joint stock firm. The mechanism is available for companies in the GCC region and all Arab countries. The company will require to apply for listing with a regulated securities and commodities market in the UAE (eg. DFM or ADX).

En Bref..... Biggest Market News

Dubai and Saudi Arabia announce their 2016 budgets. How much has changed in 1 year?

Saudi Arabia announced its budget for 2016 last week, which reflects falling government revenues this year due to expected low crude oil prices. Revenue from crude oil exports in 2015 was 73% of the total revenue. The budget includes a sharp cut in government expenditure when compared to 2015's budget. The budget deficit is expected to fall in 2016 to SAR 326.2 billion (USD 86.9 billion) from SAR 367 billion (USD 97.8 billion) in 2015.

Dubai's budget for 2016 grew by 12% when compared to 2015 and shows an operating surplus of AED 3.4 billion (USD 930 million). Government expenditure is expected to grow as the city remains focussed on its plans for Expo 2020. Only 6% of government revenues is expected to come from the energy sector during 2015. Over 74% of government revenue is expected to come from fees and fines.

Events in the week ahead

January 06 – Minutes of US Federal Reserve December meeting is released.

January 09 – China inflation data is released.

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