

**International Market News Update**

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,949.37	+548.62	3.15%	3.01%
S&P 500	2,102.95	+65.54	3.22%	2.89%
NASDAQ Composite	4,862.57	+154.59	3.28%	-2.89%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,577.83	+439.14	7.15%	5.37%
Eurozone - STOXX 50	2,825.86	+119.11	4.40%	-8.85%
France - CAC 40	4,273.96	+167.23	4.07%	-7.83%
Germany - DAX	9,776.12	+218.96	2.29%	-9.00%
Netherlands - AEX	438.85	+14.65	3.45%	-0.67%
Switzerland - SMI	8,085.21	+338.03	4.36%	-8.31%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	52,233.04	+2,127.78	4.25%	20.49%
Russia - MICEX	1,896.62	+12.21	0.65%	7.68%
India - SENSEX	27,352.10	+949.14	3.59%	4.73%
China - Shanghai	2,989.12	+93.42	3.23%	-15.54%
South Africa - JSE Africa	52,357.50	+677.84	1.31%	3.28%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	15,743.37	+434.16	2.84%	-17.29%
Hong Kong - Hang Sen	21,108.14	+849.01	4.19%	-3.68%
South Korea - KOSPI	1,995.30	+68.45	3.55%	1.73%
Australia - ASX 200	5,281.80	+144.57	2.81%	-0.27%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,352.35	+27.75	2.10%	27.45%
Silver Spot	20.50	2.76	15.56%	48.04%
Platinum Spot	1,065.70	86.21	8.80%	19.53%
Palladium Spot	611.55	55.22	9.39%	8.63%
Crude Oil (WTI)	49.23	+2.90	6.26%	32.91%
Crude Oil (Brent)	50.65	+3.49	7.40%	35.86%
Baltic Dry Ind	677.00	+68.00	11.17%	41.63%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.653	0.030	0.041	0.041
12M Libor	1.225	0.020	0.047	0.047
3M Euribor	(0.290)	(0.009)	(0.159)	(0.159)
12M Euribor	(0.052)	(0.005)	(0.112)	(0.112)
10Y US	1.444	0.006	(0.799)	(0.825)
10Y UK	0.863	(0.223)	(1.097)	(1.097)
10Y Germany	(0.113)	0.003	(0.679)	(0.742)
10Y Japan	(0.245)	(0.055)	(0.507)	(0.510)
10Y India	7.426	(0.018)	(0.298)	(0.335)

Currencies			
	Closing	Closing	
GBP/USD	1.328	EUR/USD	1.113
USD/JPY	102.640	AUD/USD	0.751
USD/CHF	0.974	EUR/AED	4.089
USD/INR	67.174	EUR/INR	74.777
USD/CNY	6.663	EUR/CHF	1.084
USD/RUB	63.809	AED/INR	18.290

Source: Bloomberg

The major U.S. stock indexes rose modestly on Friday, for a fourth straight day of gains, helped by encouraging U.S. manufacturing data. The S&P 500 tallied its best week since November, staging a strong rebound from its worst two-day decline in 10 months sparked by Britain's shock vote last week to leave the European Union. The indexes have erased almost all their losses stemming from the "Brexit" vote. The Dow Jones industrial average .DJI rose 19.38 points, or 0.11 percent, to 17,949.37, the S&P 500 .SPX gained 4.09 points, or 0.19 percent, to 2,102.95 and the Nasdaq Composite .IXIC added 19.90 points, or 0.41 percent, to 4,862.57. Seven of the 10 major S&P sectors ended higher, with the consumer discretionary group's .SPLRC0 0.9-percent rise leading the gainers. Financials .SPSY were the worst performing group, slipping 0.5 percent.

British finance minister George Osborne is planning to cut corporation tax to less than 15 percent in an attempt to offset the shock to investors of the country's decision to leave the European Union, the Financial Times reported on Sunday. Osborne was also quoted saying he would put more effort into Britain's relationship with China and lead another trade visit later this year, after the shock referendum decision. He told the newspaper he wanted to build a "super competitive economy" with low business taxes and a global focus. Osborne did not specify a date for cutting corporation tax to below 15 percent. In his most recent budget statement, announced in March, Osborne announced a cut in the corporation tax to 17 percent by 2020, down from 20 percent now. That compares with an average of about 25 percent among other countries in the Organisation for Economic Co-operation and Development and a further cut may anger some EU countries which have expressed concerns about competitive tax policies.

European shares rose on Friday, lifted by expectations that the European Central Bank would take action to support markets in order to ease worries about the fallout from Britain's vote to leave the European Union. The pan-European STOXX 600 index rose 0.7 percent, while the FTSEurofirst 300 index climbed 0.8 percent. The STOXX 600 rose around 3 percent over the week, although it remains 4 percent below its closing level on June 23 - the day before the result came through that Britain had voted to leave the European Union. The STOXX 600 slumped 11 percent in the first two trading sessions following that "Brexit" vote result in the United Kingdom, but has since recovered some ground, helped by signs that the ECB and Bank of England will look to prop up markets. ECB Executive Council member Benoit Coeure told Le Monde newspaper central banks were ready to act if they felt the Brexit vote threatened financial stability.

**Commodity in Focus**

Gold has continued to gain support from Britain's decision to leave the European Union, with the precious metal in Dubai currently trading at nearly 2 per cent higher than a week ago. The majority of Investors and other experts in the market expect the bullion's prices to climb higher this week, as shockwaves from the Brexit vote have yet to settle down completely. Currently, the precious metal is trading at \$1,352.35 an ounce. Analysts are betting on gold to move towards the \$1,400 level.

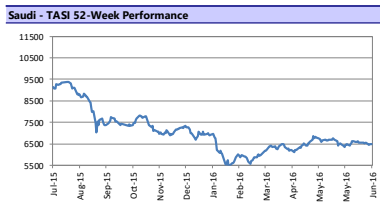
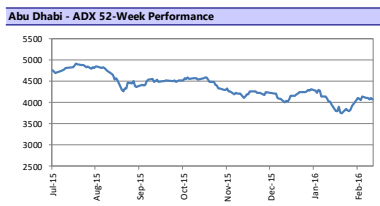
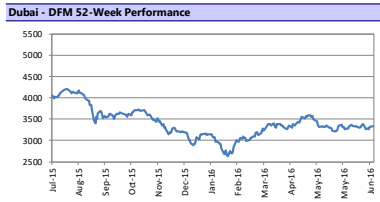
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Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,335.96	+50.22	1.53%	5.87%
Abu Dhabi - ADX	4,561.89	+127.66	2.88%	5.91%
Saudi Arabia - TASI	6,499.88	-51.09	-0.78%	-5.96%
Qatar - QE	9,924.47	+81.62	0.83%	-4.84%
Bahrain - BHSE	1,131.04	+18.35	1.65%	-6.98%
Oman - MSM 30	5,813.23	+49.41	0.86%	7.53%
Kuwait	5,369.03	+2.89	0.05%	-4.38%



Source: Bloomberg

### Middle East Market News Update

Saudi and Japanese officials have held meetings to discuss Japanese investment into the planned initial public offering (IPO) of a small part of Riyadh-controlled Saudi Aramco, said Khalid Al-Falih, the kingdom's energy minister. Saudi's Deputy Crown Prince, Mohammed bin Salman, unveiled ambitious plans earlier this year aimed at ending the country's "addiction" to oil and transforming it into a global investment power. The IPO of less than 5 percent of state-run Aramco is a centrepiece of that effort. So big is Aramco given its rights to the crude reserves of the world's top oil exporter, that selling even 1 percent of it would create the world's biggest IPO, Prince Mohammed has said. He expects the IPO will value Aramco at least \$2 trillion.

Middle East fund managers have become more positive towards fixed income after Britain's vote last week to leave the European Union, while they remain cautious on equities, a monthly Reuters poll showed. The poll of 14 leading fund managers, conducted over the last five days, shows 29 percent expect to increase their allocations to fixed income in the next three months and none to reduce them. Last month, 29 percent anticipated increasing allocations and 14 percent cutting them. Many managers said the Brexit vote had reduced the likelihood of significant US monetary tightening this year.

### En Bref..... Biggest Market News

Abu Dhabi banking shares climbed on Sunday after the boards of directors of First Gulf Bank and National Bank of Abu Dhabi approved a proposed merger of the banks, aiming to complete it in the first quarter of 2017. Shares in NBAD jumped 4 percent to 10.05 dirhams while FGB gained 2 percent to 12.85 dirhams. They were the market's two most heavily traded stocks. The merger would be completed via a share swap which would result in shareholders of FGB receiving 1.254 new NBAD shares for every one FGB share. That ratio appears to favour NBAD holders, but several analysts said investors' general optimism towards the merged entity meant selling of FGB shares might remain minor.

### Events in the week ahead

- 5 July – Reserve Bank of Australia Rate Decision.
- 6 July – USD ISM Non-Manufacturing Composite (June).
- 8 July – US and Canada Unemployment Rate – June Announcement

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