

US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,832.99	-197.22	-1.09%	0.06%
S&P 500	2,058.20	-23.68	-1.14%	-0.03%
NASDAQ	4,726.81	-46.66	-0.98%	-0.20%

Europe Indices

	Closing	Net Change	% Change	YTD
STOXX 50	2,991.86	-27.30	-0.90%	-0.40%
FTSE 100	6,547.80	-50.38	-0.76%	-0.28%
CAC 40	4,252.29	-62.68	-1.45%	-0.48%
DAX	9,764.73	-22.23	-0.23%	-0.42%

BRICS Indices

	Closing	Net Change	% Change	YTD
Ibovespa	48,512.22	-1,608.64	-3.21%	-2.99%
MICEX	1,396.61	-1.59	-0.11%	0.00%
SENSEX	27,887.90	+646.12	2.37%	1.41%
Shanghai Composite	3,234.68	+262.15	8.82%	0.00%
JSE Africa	49,518.48	-49.52	-0.10%	-0.51%

Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Nikkei 225	17,450.77	-184.37	-1.05%	0.00%
Hang Seng	23,857.82	+524.13	2.25%	1.07%
KOSPI	1,926.44	-12.58	-0.65%	0.57%
ASX 200	5,435.93	+41.43	0.77%	0.46%

Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,188.39	-7.61	-0.64%	0.34%
Silver Spot	15.75	-0.32	-2.01%	0.22%
Crude Oil (WTI)	52.69	-3.15	-5.64%	-1.09%
Crude Oil (Brent)	56.42	-3.82	-6.34%	-1.59%
Baltic Dry Ind	771.00	-43.00	-5.28%	-1.41%

Money Market

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.256	-0.001	0.021	0.000
12M Libor	0.633	0.004	0.086	0.004
3M Euribor	0.076	-0.004	-0.129	-0.002
12M Euribor	0.323	-0.005	-0.164	-0.002
10Y US	2.111	-0.139	-0.516	-0.061
10Y UK	1.718	-0.163	-1.033	-0.038
10Y Germany	0.498	-0.091	-0.789	-0.043
10Y Japan	0.329	-0.001	-0.232	0.000
10Y India	7.876	-0.105	-0.784	0.019

Currencies

	Closing	Closing
GBP/USD	1.533	EUR/USD 1.200
USD/JPY	120.500	AUD/USD 0.809
AED/INR	17.211	EUR/AED 4.409
USD/INR	63.295	EUR/INR 76.296
USD/CNY	6.208	EUR/CHF 1.202

Source: Bloomberg

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International Market News Update

The Dow Jones Industrial Average fell last week after reaching its all-time high on December 26th 2014. This fall led it to its first December decline since 2007. The S&P 500 made its all-time high last week before ending the week lower than at the start of the week. The all-time high level it made last week was its 53rd all-time high of 2014. According to data released last week construction spending fell in November 2014, which is the first decline since June 2014. After 4 straight weeks of declines, unemployment claims rose last week. The unemployment claims though remain at the lowest level in over 14 years.

The yield on Germany's 5-year bond fell below zero for the 1st time ever, touching -0.008% last week. This means that investors are willing to receive less from the securities than what they paid to purchase them. The yields on Germany's 10-year bond and Spain's 10-year bond both fell to all-time lows last week. The rate on the 10-year German bond touched 0.492% and on the 10-year Spanish bond touched 1.492% last week. The Russian economy contracted in November 2014, for the first time since October 2009. Falling oil prices and sanctions imposed by the US and large parts of Western Europe on Russia have resulted in a weaker Russian ruble and for the GDP to fall by 0.5% in November.

Chinese stocks traded in Hong Kong touched their highest levels since 2011 amid continued expectations that China will continue with its monetary easing policies to push up growth. The Shanghai Composite reached its highest level since January 2010. The Chinese government's Purchasing Managers' Index, which tracks manufacturing data, fell to its lowest level in 18 months. Japan is expected to lower corporate tax by around 2.5% in 2015 and this reduction is expected to result in a rise in employee wages and pushing up growth. India's manufacturing activity in December grew at its fastest pace in over 2 years as factories kept price increases to the minimum and manufacturing orders grew.

Commodity in Focus

Oil prices fell to their lowest levels since April 2009. Brent crude oil fell to USD55.48 last week while West Texas Intermediate crude oil fell to USD52.03, as global supply continues to exceed current demand. Data released by Russia and Iraq last week showed that both the countries have raised their oil production output to the highest levels in over 20 years.

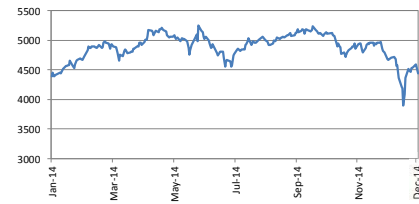
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,762.28	-163.10	-3.21%	-0.31%
Abu Dhabi - ADX	4,501.25	-55.99	-0.78%	-0.61%
Saudi - TASI	8,409.54	-339.80	-3.88%	0.91%
Qatar - QE	12,296.25	-233.38	-1.23%	0.09%
Bahrain - BHSE	1,426.57	+12.66	0.90%	0.00%
Oman - MSM 30	6,353.50	-80.32	-1.25%	0.16%
Kuwait	6,538.72	-25.87	-0.59%	0.05%

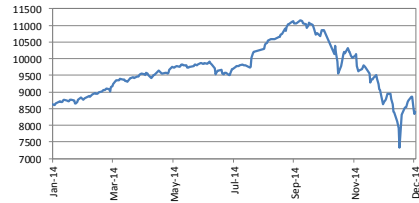
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

UAE's capital markets regulator suspended 4 prominent traders last week from investing in the stock market over allegations of indulging in unfair practices. The Dubai Financial Market index had fallen sharply last week, leading falls in all major stock exchanges in the GCC on news of lower oil prices. Dubai is less dependent on oil revenues as compared to other places in the region but its stock market has the highest liquidity and exposure to foreign investors along-with relatively high leveraged positions. Oman's budget for 2015 showed that the country is expected to have a big budget deficit due to a drop in revenues caused by falling oil prices. Government expenditure is expected to go up by around 4.5% causing the budget deficit in 2015 to be around 8% of the country's GDP.

En Bref..... Biggest Market News

The US Dollar. Why it is continuing to strengthen...

There are growing expectations that the Federal Reserve will raise interest rates in 2015 while the central banks of other countries start lowering interest rates in 2015 due to falling inflation and lower growth, particularly in India, China and Europe. Additionally, the improving US economy helped the USD gained against each of its 31 major counterparts in 2014, for the first time ever. The President of the European Central Bank Mario Draghi indicated last week that the Euro-zone region could be heading for deflation and the need for large-scale government-bond purchases.

The Euro last week fell to 1.2001 against the USD, which is its lowest level since June 2010. The Swiss franc went below parity against the USD last week, for the first time in 4 years. The franc touched a low of USD 0.9984 last week. The British pound weakened to its lowest level in more than a year against the USD last week, touching 1.5327. This was after data released showed that manufacturing had slowed in December. The Russian ruble has fallen by nearly 9% against the USD on falling economic data and lower oil prices.

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