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OUR WEEKLY CAPITAL MARKETS UPDATE

US Indices	Net			
	Closing	Change	% Change	YTD
DJIA	20,071.46	-22.32	-0.11%	1.56%
S&P 500	2,297.42	+2.73	0.12%	2.62%
NASDAQ Composite	5,666.77	+5.98	0.11%	5.27%

Europe Indices	Net			
	Closing	Change	% Change	YTD
UK - FTSE 100	7,188.30	+3.81	0.05%	0.64%
Eurozone - STOXX 50	3,008.31	-23.43	-0.77%	-0.07%
France - CAC 40	4,825.42	-14.56	-0.30%	-0.76%
Germany - DAX	11,651.49	-162.78	-1.38%	1.48%
Netherlands - AEX	485.92	+0.05	0.01%	0.57%
Switzerland - SMI	8,350.84	-28.73	-0.34%	1.59%

BRICS Indices	Net			
	Closing	Change	% Change	YTD
Brazil - Ibovespa	64,953.93	-1,080.05	-1.64%	7.85%
Russia - MICEX	2,226.61	-39.44	-1.74%	-0.27%
India - SENSEX	28,240.52	+358.06	1.28%	6.06%
China - Shanghai	3,140.17	+17.03	0.55%	1.18%
South Africa - JSE Africa	52,265.16	-708.67	-1.34%	3.18%

Asia-Pacific Indices	Net			
	Closing	Change	% Change	YTD
Japan - Nikkei 225	18,918.20	-549.20	-2.82%	-1.03%
Hong Kong - Hang Sen	23,129.21	+80.09	0.35%	5.13%
South Korea - KOSPI	2,073.16	+6.22	0.30%	2.30%
Australia - ASX 200	5,621.58	-92.41	-1.62%	-0.78%

Commodities	Net			
	Closing	Change	% Change	YTD
Gold Spot	1,220.30	+29.10	2.44%	6.34%
Silver Spot	17.51	0.37	2.17%	9.95%
Platinum Spot	1,004.77	19.17	1.95%	11.26%
Palladium Spot	750.42	9.00	1.21%	10.20%
Crude Oil (WTI)	53.83	+6.66	1.24%	0.20%
Crude Oil (Brent)	56.81	+1.29	2.32%	-0.02%
Baltic Dry Ind	752.00	-75.00	-9.07%	-21.75%

Money Markets	Closing	Net		Net Change (YTD)
		Change (5-D)	Change (6-M)	
3M Libor	1.034	(0.005)	0.256	0.036
12M Libor	1.713	(0.011)	0.259	0.028
3M Euribor	(0.328)	-	(0.029)	(0.009)
12M Euribor	(0.101)	-	(0.054)	(0.019)
10Y US	2.465	(0.020)	0.923	0.021
10Y UK	1.352	(0.119)	0.550	0.113
10Y Germany	0.412	(0.050)	0.450	0.204
10Y Japan	0.100	0.016	0.183	0.054
10Y India	6.409	0.007	(0.786)	(0.106)

Currencies	Closing	
	EUR/USD	AUD/USD
GBP/USD	1.248	1.078
USD/JPY	112.610	0.768
USD/CHF	0.993	3.962
USD/INR	67.319	72.287
USD/CNY	6.867	1.070
USD/RUB	58.962	18.315

Source: Bloomberg

International Market News Update

U.S. stocks climbed on Friday, with the S&P 500 closing just short of a record high, boosted by gains in financial shares as President Donald Trump moved ahead with deregulation action and by a strong payrolls report. The S&P financial sector .SPSY jumped 2 percent to score its best day since mid-November after Trump signed an executive order to scale back regulations in the industry that were implemented in the wake of the financial crisis, including the Dodd-Frank law. JP Morgan Chase shares closed up 3.1 percent at \$87.18 as the biggest boost to the S&P 500 and helped push the S&P bank index up 2.6 percent. The U.S. public and private sectors created 227,000 jobs last month, according to the Labor Department, far more than the 175,000 economists had expected. The unemployment rate ticked up to 4.8 percent while average hourly wages grew only 0.1 percent, which is likely to keep the Federal Reserve on a gradual path to raise U.S. interest rates.

European shares slipped, weighed down by disappointing earning updates from Danish drugmaker Novo Nordisk and German lender Deutsche Bank, although Reckitt Benckiser was boosted by news of talks to buy U.S. rival Johnson Nutrition. The pan-European STOXX 600 index fell 0.3 percent, while Britain's FTSE outperformed with a gain of 0.5 percent after the Bank of England appeared to be in no rush to tighten monetary policy in its latest inflation report. After an 11 week-long rally on hopes of a big stimulus boost under the new U.S. administration, investors have turned more cautious over Donald Trump, expressing concerns over the impact of his controversial protectionist policies. That has caused European shares to come off 13-month highs hit last month, with the STOXX 600 down around 1 percent so far this week, on track for its biggest weekly loss since the U.S. presidential election in early November.

Nikkei ended the week on a flat note as investors awaited the release of the U.S. monthly jobs report, which will set the tone for the Federal Reserve's policy outlook, while bank stocks outperformed on higher yields. The Nikkei was flat at 18,918.20 points after traversing positive and negative territory. The benchmark index fell 2.8 percent this week. The broader Topix gained 0.3 percent at 1,514.99 and the JPX-Nikkei Index 400 rose 0.2 percent to 13,576.07.

Commodity in Focus

Gold prices reversed last week, as data from the U.S. employment report convinced some investors the Federal Reserve was less likely to lift rates next month. Gold is highly sensitive to rising U.S. rates, which increase the opportunity cost of holding non-yielding bullion while boosting the dollar, in which it is priced.

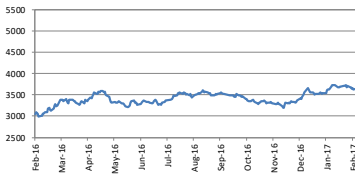
Gold for April delivery closed up 0.1% at \$1,220.80 a troy ounce on the Comex division of the New York Mercantile Exchange.

- NOUVELLES -

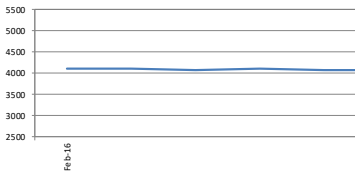
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Key Indices	Net			
	Closing	Change	% Change	YTD
Dubai - DFM	3,647.91	-18.25	-0.50%	3.31%
Abu Dhabi - ADX	4,490.01	-96.54	-2.10%	-1.24%
Saudi Arabia - TASI	7,052.96	-130.29	-1.81%	-2.18%
Qatar - QE	10,596.39	-288.31	-2.65%	1.53%
Bahrain - BHSE	1,302.25	-13	-0.01%	6.70%
Oman - MSM 30	5,808.43	+45.05	0.78%	0.44%
Kuwait	6,686.92	-256.32	-3.69%	16.33%

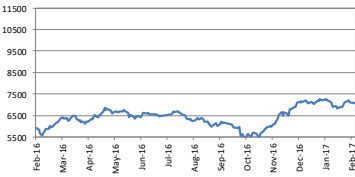
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Nasdaq Dubai, the region’s international stock exchange, announced the listing of a \$1 billion US dollar sukuk by the Investment Corporation of Dubai (ICD), the Dubai government’s main investment arm. NASDAQ said in a statement that the listing reinforces Dubai’s position as the world’s largest venue for sukuk listings by value, raising the total listed in the emirate to \$47.21 billion.

Kuwait plans to conduct its first initial public offer of shares in an independent power project by this end of this year, selling a 50 percent stake. The government had previously said it planned to sell shares in the Az-Zour North Independent Water & Power Project to the public in mid-2017. The Az-Zour North One plant has a capacity of at least 1,500 megawatts and is structured as a public-private partnership.

Middle East fund managers are strongly positive toward fixed income in the region because of expanding international bond issuance and they also plan to increase their equity holdings. With stock markets also in favour as a rise in oil prices prompts governments to slow the introduction of new austerity measures, 62 percent of fund managers anticipate an increase in regional equity allocations and none a decrease.

En Bref..... Biggest Market News

The Federal Reserve on Friday unveiled more severe hypothetical stress tests for U.S. banks, presenting banks with scenarios that presume a peak of at least 10% in unemployment, a sharp decline in housing prices, and a severe recession in the euro area. The speculative scenarios are the basis for the Fed's annual tests, which U.S. banks, including Bank of America Corp., J.P. Morgan Chase & Co., and Citigroup Inc., must pass to boost dividends or buybacks to shareholders. CIT Group Inc. will be the latest newcomer to the exercise this year. The Fed released the scenarios it will use to simulate whether 34 banks could survive a severe recession while continuing to lend. Banks must submit their own predictions to the Fed about how they would perform by April 5. The central bank will make public its verdict on those submissions by June 30. This year's "severely adverse" scenario imagines a "slightly more severe downturn" in the U.S. economy than last year's.

Events in the week ahead

6 February – Euro-Zone Investor Confidence Meeting.

7 February – Royal Bank of Australia Rate Decision.

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