

**Ramadan Kareem!**

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,807.06	-21.23	-0.12%	2.19%
S&P 500	2,099.13	+9.03	0.43%	2.70%
NASDAQ Composite	4,942.52	+40.75	0.83%	-1.30%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,209.63	-56.02	-0.89%	-0.52%
Eurozone - STOXX 50	2,850.77	-82.28	-2.81%	-8.05%
France - CAC 40	4,421.78	-92.96	-2.06%	-4.64%
Germany - DAX	10,103.26	-183.05	-1.78%	-5.96%
Netherlands - AEX	445.31	-5.63	-1.25%	0.79%
Switzerland - SMI	8,148.40	-144.05	-1.74%	-7.59%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	50,619.50	+1,568.01	3.20%	16.77%
Russia - MICEX	1,886.84	-48.70	-2.52%	7.12%
India - SENSEX	26,826.95	+101.35	0.38%	2.72%
China - Shanghai	2,930.07	+107.62	3.81%	-17.21%
South Africa - JSE Africa	54,259.36	+153.99	0.28%	7.03%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	16,580.03	-487.99	-2.86%	-12.89%
Hong Kong - Hang Sen	20,962.05	+332.66	1.61%	-4.35%
South Korea - KOSPI	1,985.84	+16.67	0.85%	1.25%
Australia - ASX 200	5,360.40	-47.62	-0.88%	1.22%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,241.47	+36.52	3.03%	17.00%
Silver Spot	16.39	0.40	2.48%	18.35%
Platinum Spot	983.79	14.52	1.50%	10.35%
Palladium Spot	554.55	12.47	2.30%	-1.50%
Crude Oil (WTI)	49.01	-.32	-0.65%	32.32%
Crude Oil (Brent)	49.98	+.22	0.44%	34.07%
Baltic Dry Ind	610.00	+9.00	1.50%	27.62%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.682	0.009	0.230	0.069
12M Libor	1.331	0.015	0.320	0.153
3M Euribor	(0.261)	(0.001)	(0.137)	(0.130)
12M Euribor	(0.016)	(0.001)	(0.055)	(0.076)
10Y US	1.706	(0.145)	(0.564)	(0.564)
10Y UK	1.276	(0.160)	(0.607)	(0.684)
10Y Germany	0.071	(0.096)	(0.607)	(0.558)
10Y Japan	(0.116)	(0.003)	(0.457)	(0.381)
10Y India	7.475	(0.013)	(0.282)	(0.286)

Currencies		
	Closing	Closing
GBP/USD	1.437	EUR/USD 1.134
USD/JPY	106.960	AUD/USD 0.733
USD/CHF	0.977	EUR/AED 4.165
USD/INR	66.964	EUR/INR 75.951
USD/CNY	6.565	EUR/CHF 1.108
USD/RUB	65.628	AED/INR 18.242

Source: Bloomberg

**International Market News Update**

Investors will be looking for signals from Federal Reserve chair Janet Yellen this week about the U.S. central bank's next rate move after shockingly weak payroll data all but killed off chances for a hike this month. But the focus will also not stray far from developments in Britain as voters there prepare to vote in a referendum on June 23 on whether to stay in the European Union. Expectations for the next Fed rate hike were knocked back to at least July or later after U.S. non-farm payroll data on Friday showed U.S. employers added only 38,000 jobs in May, far below expectations of 164,000. Employers hired 59,000 fewer workers in March and April than previously reported. While the unemployment rate fell three-tenths of a percentage point to 4.7 percent in May, the lowest level since November 2007, 458,000 Americans gave up the search for work during the above period.

European shares fell last week after much weaker U.S. jobs data than expected, while Accor soared on reported plans by a Chinese rival to raise its stake in the hotel group. The U.S. economy created the fewest number of jobs in more than five years in May, suggesting weakness in the labour market and dashing expectations of an interest rate hike this month. The FTSEurofirst 300 fell 0.9 percent to its lowest point in one week and a half. The index fell 2.4 percent for the week after gaining for the previous three weeks running. Europe's auto sector index fell 2.3 percent, making it the worst-performing sector, as reduced expectations of an imminent US rate hike weakened the dollar and sent the euro rallying to a four-week high. A stronger euro is a disadvantage for the export-oriented sector. Banks followed with a 2.2 percent drop.

Hong Kong shares rose to one-month highs on Friday to cap a third straight week of gains, but trading remained thin, reflecting investor caution of a possible U.S. rate hike later this month. Worries about the health of the Chinese economy and Britain's referendum on June 23 on whether it should remain in the European Union are also tempering risk appetite. The Hang Seng index rose 0.4 percent, to 20,947.24, while the China Enterprises Index gained 0.6 percent, to 8,809.81 points. For the week, Hang Seng was up 1.8 percent. Most shares rose on Friday, with the utility sector leading the gains.

China has promised to implement measures to improve laws and government services for businesses in response to slowing private investment growth, state media reported late on Saturday. China is counting on the private sector to invest more in the economy as the government tries to shift away from state-run heavy industry to a more entrepreneurial and services-led growth. The measures come after a month-long survey of hundreds of private companies, the official Xinhua news agency reported, without detailing the measures.

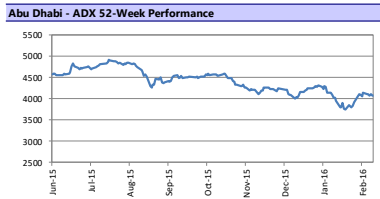
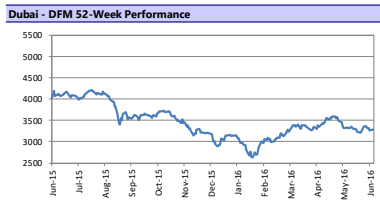
**Commodity in Focus**

Gold prices jumped 2.0% against the US Dollar inside 20 minutes Friday as new data shocked analysts, economists and traders by showing the weakest monthly US jobs growth since 2010 and putting a June rate-hike from the Federal Reserve further in doubt. Betting on interest-rate futures slashed the odds that the Fed will hike on 15 June to 0.75% from the current 0.50% level – reached after 7 years at zero in December – from above 1-in-5 to below 1-in-25. Touching \$1240 per ounce, gold outpaced base metals – up 2.0% following the Non-Farm Payrolls data from the Bureau of Labor Statistics.

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Key Indices	Net			
	Closing	Change	% Change	YTD
Dubai - DFM	3,273.71	-32.73	-0.99%	3.89%
Abu Dhabi - ADX	4,284.27	+24.73	0.58%	-0.53%
Saudi Arabia - TASI	6,413.02	-15.37	-0.24%	-7.22%
Qatar - QE	9,570.72	+18.68	0.20%	-8.23%
Bahrain - BHSE	1,115.04	+20.63	1.89%	-8.29%
Oman - MSM 30	5,818.46	-20.10	-0.34%	7.63%
Kuwait	5,370.90	-7.98	-0.15%	-4.35%



Source: Bloomberg

### Middle East Market News Update

Al Habtoor Group, one of Dubai's largest family conglomerates, is moving closer to an initial public offering (IPO), its chief executive has said. The group, which has interests in property, hotels, construction and car dealerships, has been considering going public since 2000. Mohammed Al Habtoor also said that the group is considering further acquisitions in European cities, as well as developing property in Eastern Europe. In February, Al Habtoor Group paid \$79 million to acquire the Hotel Imperial in Vienna, bringing the firm's portfolio of hotels to 14. Souq.com, the largest online retailer in the Middle East, is also considering an initial public offering (IPO) in the next 18 months to two years, its CEO has said.

The UAE's non-oil private sector seems to have regained some momentum during the second quarter, with activity hitting the fastest pace in eight months during May. But, worryingly, employment gains are still bound within a narrow range. The gains were "helped by a pick-up in new business growth", according to the findings from a survey sponsored by Emirates NBD and produced by Markit. However, the data pointed to areas of underlying fragility, as both employment and input buying rose only slightly. The expansion of the latter was the least marked since September 2011. Cost pressures intensified but remained historically subdued, while output prices fell for the seventh month running.

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

Lurking in the bond market is a \$1 trillion reason for the Federal Reserve to go slow on interest-rate increases. That's how much bondholders stand to lose if Treasury yields rise unexpectedly by 1 percentage point, according to a Goldman Sachs Group Inc. estimate. A hit of that magnitude would exceed the realized losses since the financial crisis on mortgage bonds without government backing. Investors have been buying longer-term bonds while the market has grown and interest payments have fallen. That means potential losses from rising rates are higher, and the income investors receive from bonds will do less to insulate them from the pain of having principal tied up at lower rates, Goldman Sachs warns.

### Events in the week ahead

- 6 June – US Fed Chair Speech in Philadelphia.
- 7 June – Reserve Bank of Australia Rate Decision.
- 10 June – Canadian Unemployment Rate Announcement.

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