

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,009.69	-103.46	-0.60%	2.61%
S&P 500	1,967.90	-14.95	-0.75%	6.47%
NASDAQ	4,475.62	-36.57	-0.81%	7.16%

Europe Indices				
	Closing	Net Change	% Change	YTD
STOXX 50	2,996.17	-67.54	-2.20%	2.63%
FTSE 100	6,527.91	-121.48	-1.83%	-3.28%
CAC 40	4,281.74	-113.01	-2.57%	-0.33%
DAX	9,195.68	-314.33	-3.31%	-3.73%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Ibovespa	54,539.55	-2,672.83	-4.67%	5.89%
MICEX	1,384.66	-23.62	-1.68%	-7.94%
SENSEX	26,567.99	-176.70	-0.66%	25.49%
Shanghai	2,363.87	+54.15	2.34%	11.72%
JSE Africa	48,613.19	-1,050.45	-2.12%	5.10%

Asia Indices				
	Closing	Net Change	% Change	YTD
Nikkei 225	15,928.54	-378.97	-2.35%	-2.23%
Hang Seng	23,184.24	-583.89	-2.46%	-0.52%
KOSPI	1,972.81	-59.10	-2.89%	-1.91%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,189.00	-26.98	-2.21%	-1.05%
Silver Spot	16.80	-.71	-3.98%	-13.72%
Crude Oil (WTI)	89.66	-4.91	-5.19%	-8.90%
Crude Oil (Brent)	91.92	-5.28	-5.43%	-17.04%
Baltic Dry Ind	1,037.00	-12.00	-1.14%	-54.46%

Money Market				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.232	-0.002	0.001	-0.015
12M Libor	0.569	-0.009	0.014	-0.014
3M Euribor	0.081	-0.001	-0.238	-0.206
12M Euribor	0.335	-0.006	-0.265	-0.221
10Y US	2.443	-0.034	-0.278	-0.585
10Y UK	2.389	-0.079	-0.365	-0.633
10Y Germany	0.925	-0.047	-0.678	-1.004
10Y Japan	0.527	0.002	-0.122	-0.215
10Y India	8.486	0.043	-0.519	-0.339

Currencies			
	Closing		Closing
EUR/USD	1.252	GBP/USD	1.598
USD/JPY	109.620	AUD/USD	0.869
EUR/AED	4.598	USD/INR	61.610
EUR/CHF	1.211	USD/CNY	6.137

\* Source: Bloomberg

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## International Market News Update

In the US, the stock markets made a second straight weekly loss that was pared slightly towards the end of the week on news that US employers had added 248,000 jobs in September, driving unemployment down to the lowest levels since July 2008. The S&P 500 is currently down a little over 2% from its all-time high reached on September 18.

In Europe, the European Central Bank kept interest rates unchanged at record lows and announced plans for purchasing asset-backed securities and covered bonds for the next 2 years. The growth in the Eurozone's economy is expected to remain stagnated in this final quarter of the year with some countries in the region staring at recession and deflation. The manufacturing and services activity index fell to 52, its lowest level this year. European stock indexes saw their biggest sell-off in 15 months last week. Geo-political concerns and sanctions on Russia will add to the uncertain economic outlook in the 18-member European Union. In Russia, inflation rose to the fastest pace in 3 years which should put pressure on Russia's central bank to raise interest rates in spite of poor economic growth.

Asian stock markets fell last week reacting to protests taking place in Hong Kong. The Japanese yen fell to its lowest level in 6-years, breaching 110 against the USD, raising worries that the increase in prices of imported goods would affect consumer spending and supermarket sales, already badly affected by the recently introduced sales tax in April.

## Country in Focus

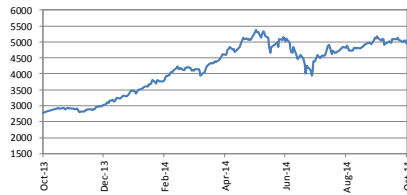
Hong Kong saw increased pro-democracy protests last week and investors braced themselves for further worsening relations between the country and mainland China. Blockades have come up in front of major government buildings in Hong Kong that have prevented civil servants from going to work at their offices. Protestors are reacting to China's decision to vet the candidates for the 2017 leadership election in Hong Kong causing the Hang Seng, Hong Kong's main stock index, to have its biggest weekly fall since March 2014. Chinese companies, listed on the Hang Seng that have almost no business exposure in Hong Kong and yet have been caught up in this sell-off, provide great buying opportunities for investors wanting to buy into mainland China's growth story.

## Commodity in Focus

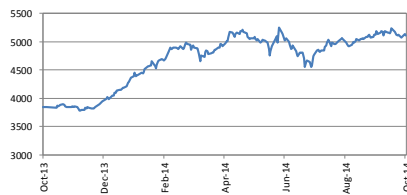
West Texas Intermediate crude oil fell below USD 90 for the first time since late April 2013. Brent crude oil is also at the lowest level since April 2013 at below USD 92 and has moved closer to a bear market, currently down nearly 20% from this year's high of USD 115.06 on June 19. Global oil production in September rose to the highest level in over a year and oil production by the US is the highest since 1986. The investment appeal of oil has also reduced due to the strengthening USD against major currencies.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,958.18	-96.07	-1.90%	47.14%
Abu Dhabi - ADX	5,111.25	-16.35	-0.32%	19.14%
Saudi - TASI	10,851.48	+86.46	0.80%	27.13%
Qatar - QE	13,830.90	-44.07	-0.32%	33.25%
Bahrain - BHSE	1,472.39	+3.38	0.23%	17.90%
Oman - MSM 30	7,479.57	+20.67	0.28%	9.44%
Kuwait	7,647.98	-7.59	-0.10%	1.30%

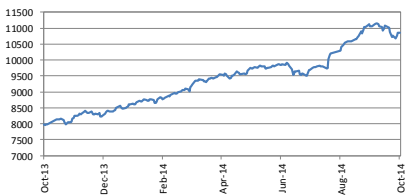
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



\* Source: Bloomberg

## Middle East Market News Update

Emaar Malls Group listed on the Dubai Financial Market on October 2nd, touching 3.50 dirhams within 5 minutes of it being listed, which is nearly 21% above its IPO price of 2.90 dirhams. Inflow of capital is expected to continue into the stock market this week also due to refunds by Emaar Malls Group from the surplus cash raised during the IPO. The Dubai Financial Market is expected to be closed on Monday as well. Saudi Arabia's stock market, Tadawul, is expected to remain closed for the whole of this week. National Commercial Bank, Saudi Arabia's biggest lender by assets, last week announced plans to raise 22.5 billion Saudi riyals (around 6 billion USD) in what will be the biggest ever share sale in the Middle East. 300 million shares will be offered to investors in Saudi Arabia and 200 million shares will be offered to the country's Public Pension Agency at 45 Saudi riyals per share. Foreign investors will be able to buy the shares once the stock is listed on Tadawul.

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

### US economic story goes on... Is it other world economies that are making US look good?

Unemployment in the US fell to 5.9%, the lowest in over 6-years. The US trade deficit shrank in August to its lowest level in over 7 months. The Federal Reserve is expected to end their bond purchase program this month and raise US interest rates in early 2015. This has caused the USD to appreciate against almost every major currency. 79.4% of US' GDP currently comes from the services industry. Last quarter, the services industry had the strongest growth in over 10 years as per the Institute of Supply Management Index data.

This US economic performance contrasts sharply with that of the Eurozone's economy which stagnated in the 2<sup>nd</sup> quarter and currently suffers from the highest unemployment in its history. The European Central Bank recently reduced its key interest rates to historic lows and last week announced asset purchase programs. Japan's economy fell 7.1% in the second quarter amidst introduction of a new sales tax. China's economy is expected to grow at around 7% this year due to the slowest increase in factory production since 2009.

US along with Germany remain the only two countries in the world's 20 largest economies that have managed a reduction, since 2007, in their total public and private debt as a percentage of their GDP. Companies in the S&P 500 currently have the lowest debt-to-earnings ratio in over 20 years. Reduced debt as well as rising stock and property prices have helped US house-hold net worth touch a record 81.5 trillion USD last quarter.

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