

Global Markets Update

U.S. stocks slipped Friday after a slightly weaker-than-expected jobs report. The Dow Jones Industrial Average declined 28.01 points, or 0.2%, to 18240.49, and the Nasdaq Composite shed 14.45 points, or 0.3%, to 5292.40. The S&P 500 fell 7.03 points, or 0.3%, to 2153.74 Friday, leaving it down 0.7% for the week and snapping a three-week winning streak. Steady dividend-paying stocks led the weekly declines, as more investors warmed to the idea that higher interest rates are likely before the end of the year. For the week, the S&P 500 utilities sector dropped 3.8%, and the real-estate sector, made up mostly of real-estate investment trusts that pay steady distributions to investors, tumbled 5.3%.

US Indices				
	Closing	Net Change	% Change	YTD
DJA	18,240.49	-67.66	-0.37%	4.68%
S&P 500	2,153.74	-14.53	-0.67%	5.37%
NASDAQ Composite	5,292.41	-19.60	-0.37%	5.69%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	7,044.39	+145.06	2.10%	12.85%
Eurozone - STOXX 50	2,832.77	-10.40	-0.37%	-8.63%
France - CAC 40	4,449.91	+1.65	0.04%	-4.04%
Germany - DAX	10,490.86	+85.32	0.82%	-2.35%
Netherlands - AEX	450.06	-2.27	-0.50%	1.87%
Switzerland - SMI	8,124.59	-14.42	-0.18%	-7.86%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	61,108.98	+2,741.93	4.70%	40.97%
Russia - MICEX	1,980.02	+2.02	0.10%	12.41%
India - SENSEX	28,061.14	+195.18	0.70%	7.44%
China - Shanghai	3,004.70	-29.19	-0.96%	-15.10%
South Africa - JSE Africa	51,662.07	-287.76	-0.55%	1.91%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	16,860.09	+410.25	2.49%	-11.42%
Hong Kong - Hang Seng	23,851.82	+554.67	2.38%	8.84%
South Korea - KOSPI	2,053.80	-14.92	-0.72%	4.72%
Australia - ASX 200	5,467.39	+31.47	0.58%	3.24%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,257.08	-58.79	-4.47%	18.47%
Silver Spot	17.55	-1.63	-8.49%	26.70%
Platinum Spot	967.99	-59.36	-5.78%	8.57%
Palladium Spot	669.40	-51.25	-7.11%	18.90%
Crude Oil (WTI)	49.81	+1.57	3.25%	34.48%
Crude Oil (Brent)	51.93	+2.87	5.85%	39.30%
Baltic Dry Ind	921.00	+46.00	5.26%	92.68%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.876	0.022	0.247	0.263
12M Libor	1.587	0.035	0.382	0.409
3M Euribor	(0.304)	(0.003)	(0.057)	(0.173)
12M Euribor	(0.063)	0.001	(0.056)	(0.123)
10Y US	1.718	0.124	0.029	(0.551)
10Y UK	0.969	0.223	(0.359)	(0.991)
10Y Germany	0.020	0.139	(0.069)	(0.609)
10Y Japan	(0.059)	0.030	(0.007)	(0.324)
10Y India	6.735	(0.082)	(0.711)	(1.026)

Currencies			
	Closing	Closing	
GBP/USD	1.243	EUR/USD	1.120
USD/JPY	102.980	AUD/USD	0.758
USD/CHF	0.978	EUR/AED	4.114
USD/INR	66.685	EUR/INR	74.299
USD/CNY	6.672	EUR/CHF	1.094
USD/RUB	62.269	AED/INR	18.133

Source: Bloomberg

Sterling lost as much as 10 percent of its value in just a few minutes of trading early on Friday, a "flash crash" that fueled concerns about the vulnerability of the currency and other British assets to investor worries about Brexit. The pound recovered from the initial plunge, which took it as low as \$1.1491 in Asian hours and was driven, dealers said, by the automated algorithmic computer trades that now dominate the global foreign exchange market. But selling by European and U.S. investors quashed any bounce as first London then New York came on line, driving a 2 percent loss on the day and putting sterling on course for its biggest weekly fall since 2009. The fall in sterling sounded like good news to investors in internationally focused UK firms, which gain on overseas revenues and competitiveness when the currency falls. The FTSE 100 index was up 0.6 percent at its close, led by mining companies and Asia-exposed banks Standard Chartered and HSBC while other European stock markets fell sharply. Before Friday's events, forecasts for the bottom of the pound's fall had generally been around \$1.20-1.25, with the caveat that there is no technical support between there and all-time lows just above parity with the dollar.

Hong Kong stocks slipped on Friday, pulled down by consumer and energy shares. The benchmark Hang Seng Index declined 0.4 percent to 23,851.82 points, snapping a four-day streak of advances. The China Enterprises Index dropped 0.2 percent to 9,923.82 points. For the week, Hang Seng Index finished up 2.4 percent and the Chinese companies' index rose 3.6 percent, their biggest weekly gains in four weeks. The Nikkei fell 0.2 percent to 16,860.09, snapping four sessions of gains. The index still rose 2.5 percent on the week, helped by a sharp slide in the yen versus the dollar. The broader Topix fell 0.25 percent to 1,350.61 and the JPX-Nikkei Index 400 dropped 0.23 percent to 12,095.49.

Commodity In Focus

Gold had a terrible week. There's little consensus on where it goes next. Comex gold futures for October delivery sank 4.9% this week, or \$64.40 per ounce, to settle at \$1248.90 an ounce. It was the biggest weekly tumble since September 2013.

Gold's drop, which has continued for eight of the last nine sessions, takes some luster off a sharp rise this year. The metal is now below its 200-day moving average this week for the first time since February, a sign among technical analysts of waning momentum. Still, the metal is up 18% in 2016 even after recent weakness.

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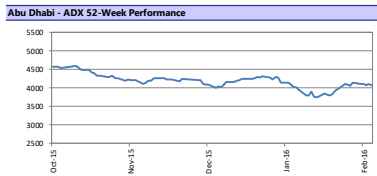
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Regional Markets Update

Most Gulf stocks dropped, tracking a retreat in emerging markets on Friday as U.S. jobs data spurred speculation the Federal Reserve will raise interest rates this year, diminishing the appeal of riskier assets. Saudi Arabia's Tadawul All Share Index, whose 10-day volatility surged to the highest since February, tumbled 2.2 percent at the close in Riyadh, the first decline in four days. Shares in Dubai, Abu Dhabi, Kuwait and Bahrain also slid, dragging the BGCC 200 Index, which comprises the biggest and most liquid stocks in the six-nation Gulf Cooperation Council, down 1.2 percent.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,348.14	-126.24	-3.63%	6.26%
Abu Dhabi - ADX	4,362.17	-114.15	-2.55%	1.27%
Saudi Arabia - TASI	5,506.78	+58.58	1.08%	-20.33%
Qatar - QE	10,355.53	-47.85	-0.46%	-0.71%
Bahrain - BHSE	1,121.38	-18.62	-1.62%	-6.95%
Oman - MSM 30	5,692.36	-33.84	-0.59%	5.29%
Kuwait	5,311.43	-86.96	-1.61%	-5.41%



Source: Bloomberg

Saudi Aramco plans to sell shares in its entire business, not just its refining and distribution arms, it has been reported. The Saudi Arabian government hopes to raise about \$100 billion from an initial public offering (IPO) of the world's biggest oil company. Saudi Aramco plans to list shares on Saudi stock exchange the Tadawul and is also considering listing in New York, London and Hong Kong. The planned 5 percent stake sale could value the company at trillions of dollars. In an interview with Bloomberg, CEO Amin Nasser was quoted as saying Saudi Aramco will announce a list of investment banks and consultants advising on the IPO "very soon" – though he did not specify a date.

En Bref – The Biggest Market News

Snap Inc. is working on an initial public offering that could value the fast-growing virtual-messaging company at \$25 billion or more, making it one of the highest-profile share debuts in years and possibly signaling a turnaround in the new-issue market. The company, formerly known as Snapchat, is preparing the paperwork for an IPO with a view toward selling the shares as early as late March, according to several people familiar with the matter. There is no guarantee the four-year-old Venice, Calif., company will proceed with a share sale in that time frame, and there is no guarantee it will achieve a valuation of \$25 billion or more. If Snap, best known for allowing users to send disappearing messages from their smartphones, moves forward as planned, it would be the biggest company to go public on a U.S. exchange since 2014.

The Week Ahead

- 11 Oct – Euro Zone ZEW Survey – Economic Sentiment
- 14 Oct – Chinese CPI (Year on Year)
- 14 Oct – Fed Chair Yellen Speaks At The Boston Conference.

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