

US Indices	Closing	Net Change	% Change	YTD
DJIA	17,373.38	-316.48	-1.79%	-2.52%
S&P 500	2,077.57	-26.27	-1.25%	0.91%
NASDAQ Composite	5,043.54	-84.74	-1.65%	6.49%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,718.49	+22.21	0.33%	2.32%
Eurozone - STOXX 50	3,441.25	+8.81	0.26%	14.56%
France - CAC 40	5,154.75	+72.14	1.42%	20.64%
Germany - DAX	11,490.83	+181.84	1.61%	17.19%
Netherlands - AEX	496.61	+1.38	0.28%	17.00%
Switzerland - SMI	9,408.27	-19.90	-0.21%	4.73%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	48,577.32	-2,287.45	-4.50%	-2.86%
Russia - MICEX	1,690.44	+21.44	1.28%	21.04%
India - SENSEX	28,236.39	+121.83	0.43%	2.68%
China - Shanghai	3,744.21	+80.48	2.20%	15.75%
South Africa - JSE Africa	52,014.96	-38.31	-0.07%	4.51%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	20,724.56	+139.32	0.68%	18.76%
Hong Kong - Hang Seng	24,552.47	-83.81	-0.34%	4.01%
South Korea - KOSPI	2,010.23	-19.93	-0.98%	4.94%
Australia - ASX 200	5,474.78	-224.39	-3.94%	1.18%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,094.15	-1.65	-0.15%	-7.62%
Silver Spot	14.82	0.04	0.28%	-5.66%
Platinum Spot	963.25	-20.13	-2.05%	-20.26%
Palladium Spot	601.18	-10.82	-1.77%	-24.63%
Crude Oil (WTI)	43.87	-3.25	-6.90%	-17.65%
Crude Oil (Brent)	48.61	-3.60	-6.90%	-15.23%
Baltic Dry Ind	1,200.00	+69.00	6.10%	53.45%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.312	0.003	0.056	0.056
12M Libor	0.836	0.008	0.204	0.207
3M Euribor	(0.024)	(0.001)	(0.077)	(0.102)
12M Euribor	0.163	(0.004)	(0.098)	(0.162)
10Y US	2.162	(0.018)	0.206	(0.009)
10Y UK	1.848	(0.034)	0.202	0.092
10Y Germany	0.661	0.017	0.286	0.120
10Y Japan	0.420	0.005	0.081	0.091
10Y India	7.810	0.003	0.106	(0.047)

Currencies	Closing	Closing
GBP/USD	1.549	EUR/USD 1.097
USD/JPY	124.240	AUD/USD 0.742
USD/CHF	0.984	EUR/AED 4.008
USD/INR	63.815	EUR/INR 69.760
USD/CNY	6.210	EUR/CHF 1.077
USD/RUB	64.020	AED/INR 17.357

Source: Bloomberg

## International Market News Update

The trade deficit in the US rose in June 2015 due to the stronger US dollar causing higher import figures as well as poor export data. Imports had risen by 1.2% during the month, to USD 232.4 billion. The trade gap rose by 7.1% to USD 43.8 billion, which is the largest in 3 months. This trade gap will have a strong negative effect on the GDP growth of the US this year. This news caused the stock markets in the US to fall sharply last week. Also, pushing the markets down were the rise in prices of longer maturity government bonds. The yield on these bonds fell last week as the strong jobs data release during the week raised expectations that the Federal Reserve would raise interest rates in September 2015.

The stock market in Greece opened for the 1<sup>st</sup> time since 26<sup>th</sup> June 2015. On opening, the bench-mark Athens Stock Exchange fell to 615.08, from its close of 797.52 on 26<sup>th</sup> June 2015. This fall of nearly 23% was in reaction by investors to capital controls imposed on banks in the country. Also, Greece's manufacturing industry as well new factory orders fell at a record pace during June 2015, due to these capital controls. Most major stock markets in other parts of Europe continued to rise last week due to strong earnings data and rise in factory orders in Germany in June 2015. UK industrial production fell by 0.4% in June 2015. This was driven by a 5.8% drop in oil and gas production in the country.

Exports by China fell sharply in July 2015 due to a stronger yuan and weak demand from countries within the European Union. In dollar terms, exports fell by 8.3% on an annual basis. Trade surplus though remains high at USD 43 billion. In its quest to get 'reserve currency' status in international markets for the Chinese yuan, the country's government is not willing to weaken its currency. China's central bank has so far this year ensured that there was little movement of the currency in the onshore market.

## Commodity in Focus

Crude oil continued to fall sharply last week. Brent crude oil fell to USD 48.42, its lowest level since 30<sup>th</sup> January 2015. WTI crude oil fell to USD 43.70, its lowest level since 20<sup>th</sup> March 2015. This is the 6<sup>th</sup> straight weekly decline in crude oil prices. Crude oil inventories in the US remained more than 100 million barrels above the 5-year seasonal average. Crude oil output in the US last week expanded by the most since May 2015.

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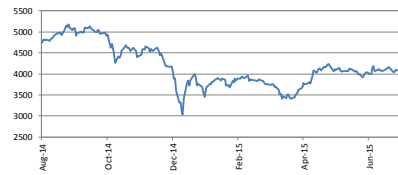
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Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,098.49	-5.60	-0.14%	8.60%
Abu Dhabi - ADX	4,808.95	+18.01	0.38%	6.18%
Saudi Arabia - TASI	8,681.79	-125.45	-1.42%	4.18%
Qatar - QE	11,610.22	-41.04	-0.35%	-5.50%
Bahrain - BHSE	1,333.15	+2.77	0.21%	-6.55%
Oman - MSM 30	6,407.86	-147.46	-2.25%	1.02%
Kuwait	6,271.46	+34.74	0.56%	-4.04%

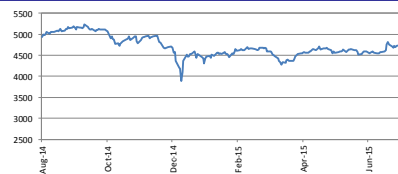
## Middle East Market News Update

Stock markets in the GCC remained negative as investors reacted to the continued fall in crude oil prices. Crude oil prices are expected to remain in a negative trend in the coming weeks as well. Top crude oil producers in the Middle East have indicated that they produced crude oil at record levels in July 2015. China's manufacturing data has been weak in 2015.

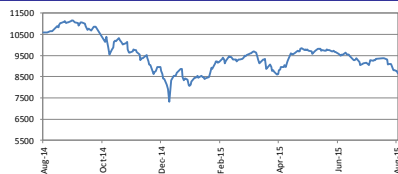
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

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

**Emerging-market currencies fall. What are the reasons that are causing this fall in currencies?**

Sharp falls have been seen in most of the emerging-market currencies in the past two months. The US Federal Reserve has indicated that it will be raising interest rates soon. UK's central bank too has indicated that it would stop all quantitative-easing measures. Currently, central banks of emerging-markets are having to intervene to stem the fall in their currencies so as to not cause inflation or discourage foreign investments. Also, these policy makers are being forced to indicate that they would no longer follow monetary easing mechanisms, especially at a time when some major economies (particularly Japan, China and the European Union) are using quantitative-easing measures to help their economies grow.

The South African rand fell to its lowest level since January 2002. It touched 12.8282 against the USD last week. This is a fall of over 9% from 11.7314, which it had touched on 21<sup>st</sup> May 2015. The Brazilian real has fallen to its lowest level against the USD since April 2003. It had touched 2.9707 on 15<sup>th</sup> May 2015. Since then, it has fallen by over 20% to touch 3.5696 last week. The Russian ruble was at 65.3543 last week against the USD. This is a fall of over 35% in a little over 2 months since it touched 48.1365 on 25<sup>th</sup> May 2015. US dollar purchases are already suspended in Russia. These emerging markets are heavily dependent on commodity exports and therefore, the sharp decline this year in commodity prices is affecting their economies negatively. Rising interest rates in the US and UK would make investments in emerging markets appear less attractive.

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