

US Indices	Closing	Net Change	% Change	YTD
DJIA	16,346.45	-1,078.58	-6.19%	-6.19%
S&P 500	1,922.03	-121.91	-5.96%	-5.96%
NASDAQ Composite	4,643.63	-363.78	-7.26%	-7.26%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	5,912.44	-329.88	-5.28%	-5.28%
Eurozone - STOXX 50	2,887.84	-212.42	-6.85%	-6.85%
France - CAC 40	4,333.76	-303.30	-6.54%	-6.54%
Germany - DAX	9,849.34	-893.67	-8.32%	-8.32%
Netherlands - AEX	410.82	-31.00	-7.02%	-7.02%
Switzerland - SMI	8,257.28	-560.81	-6.36%	-6.36%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	40,612.21	-2,737.75	-6.32%	-6.32%
Russia - MICEX	1,748.57	+17.37	1.00%	-0.73%
India - SENSEX	24,934.33	-1,226.57	-4.69%	-4.53%
China - Shanghai	3,186.41	-352.77	-9.97%	-9.97%
South Africa - JSE Africa	48,104.68	-2,589.08	-5.11%	-5.11%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	17,697.96	-1,335.75	-7.02%	-7.02%
Hong Kong - Hang Seng	20,453.71	-1,460.69	-6.67%	-6.67%
South Korea - KOSPI	1,917.62	-43.69	-2.23%	-2.23%
Australia - ASX 200	4,990.84	-305.06	-5.76%	-5.76%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,104.15	+43.05	4.06%	4.06%
Silver Spot	13.94	0.12	0.89%	0.64%
Platinum Spot	879.05	-12.05	-1.35%	-1.40%
Palladium Spot	494.88	-67.47	-12.00%	-12.10%
Crude Oil (WTI)	33.16	-3.88	-10.48%	-10.48%
Crude Oil (Brent)	33.55	-3.73	-10.01%	-10.01%
Baltic Dry Ind	429.00	-49.00	-10.25%	-10.25%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.621	0.008	0.338	0.008
12M Libor	1.155	(0.023)	0.405	(0.023)
3M Euribor	(0.143)	(0.012)	(0.125)	(0.012)
12M Euribor	0.051	(0.009)	(0.113)	(0.009)
10Y US	2.116	(0.154)	(0.077)	(0.154)
10Y UK	1.770	(0.190)	(0.122)	(0.190)
10Y Germany	0.514	(0.115)	(0.157)	(0.115)
10Y Japan	0.229	(0.036)	(0.190)	(0.036)
10Y India	7.744	0.014	(0.038)	(0.017)

Currencies	Closing	Closing
GBP/USD	1.452	EUR/USD 1.092
USD/JPY	117.260	AUD/USD 0.695
USD/CHF	0.995	EUR/AED 4.013
USD/INR	66.635	EUR/INR 72.492
USD/CNY	6.595	EUR/CHF 1.087
USD/RUB	74.748	AED/INR 18.204

Source: Bloomberg

## International Market News Update

The S&P 500 last week had its worst 1<sup>st</sup> week of the year since 2001. The Dow Jones Industrial Average last week had its worst 1<sup>st</sup> week of the year since 2008. This was mainly caused by the wide-spread effects of the fall in the Chinese stock markets last week. The minutes of the US Federal Reserve December 2015 meeting were released last week. The minutes indicated that a lot of careful consideration had been done by the policymakers before the decision to hike benchmark interest rates in December 2015. The jobs report released last week showed that the country's labour market continued to remain strong and the unemployment rate remained at 5%. This report caused yields of US Treasuries to rise last week.

Italy's unemployment rate fell to 11.3% in November 2015, which is its lowest level in 3 years. Italy's Prime Minister Matteo Renzi had revamped the country's labour code and introduced tax breaks during 2015 to support the creation of more jobs. Germany's unemployment rate remained at 6.3% in December 2015, which is the lowest level since 1989. Consumer price inflation in Germany rose by 0.2% on an annualized basis in December 2015. Consumer price inflation in the 19-member Eurozone also remained low in December 2015 and rose by 0.2% on an annualised basis. There will remain pressure on the European Central Bank to introduce further quantitative easing measures in 2016 and continue its asset-purchase program beyond March 2017. The British pound fell to 1.4507 against the USD last week, which is its lowest level since 12<sup>th</sup> June 2010.

China's Securities Regulatory Commission decided last week to suspend the circuit breakers that caused the stock markets in the country to halt trading for the day automatically twice last week. The Shanghai Composite had opened on its 1<sup>st</sup> trading day of 2016 at 3538.539. By the end of last week, it had touched 3057.22 which is a fall of more than 13.60%. The country's CSI 300 stock market index had opened on its 1<sup>st</sup> trading day of 2016 at 3726.08. By the end of last week, it had touched 3238.37 which is a fall of around 13.09%.

## Money Market in Focus

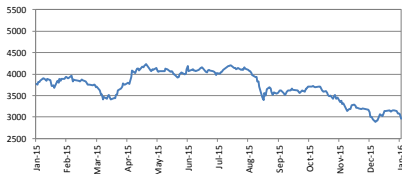
WTI crude oil fell last week to USD 32.10, which is its lowest level since 29<sup>th</sup> December 2003. Brent crude oil fell last week to USD 32.16, which is its lowest level since 7<sup>th</sup> April 2004. Concerns grew last week that China, which is the world's largest commodity consumer, will have poor economic growth in 2016. Crude stockpiles continued to rise in the US last week.

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Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	2,965.94	-169.04	-5.39%	-5.87%
Abu Dhabi - ADX	4,154.46	-117.11	-2.74%	-3.55%
Saudi Arabia - TASI	6,224.86	-727.36	-10.46%	-9.94%
Qatar - QE	9,617.04	-696.70	-6.76%	-7.79%
Bahrain - BHSE	1,192.73	-23.16	-1.90%	-1.90%
Oman - MSM 30	5,365.16	-47.72	-0.88%	-0.76%
Kuwait	5,406.93	-208.19	-3.71%	-3.71%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

## Middle East Market News Update

Stock markets in the GCC region fell sharply last week in reaction to falling oil prices as well as rising geo-political tensions between Saudi Arabia and Iran last week. The biggest fall was in Saudi Arabia's benchmark stock market index which fell by 11.25% during last week. Dubai's benchmark stock market index fell by 6.01% during last week. The UAE is Iran's fourth largest trading partner and the lifting of economic sanctions on Iran in 2016 is likely to add to the country's economic growth through trade and real-estate investments from Iran.

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

**China's central bank sets the lowest Chinese yuan level since 2011. What has been the effect?**

The People's Bank of China last week set the Chinese yuan's daily reference rate against the USD to its lowest level since March 2011. The Chinese yuan touched a low of 6.5962 against the USD last week, which is its lowest level since 15<sup>th</sup> February 2011. On the off-shore currency market in Hong Kong the yuan touched 6.7618 against the USD, which is its lowest level since 11<sup>th</sup> September 2010. The spread between the onshore and offshore currency levels of the yuan touched an all-time high last week.

China's central bank is clearly showing that it is now more tolerant of lower levels for the local currency as its costs to keep the currency higher grow. Since the last devaluation in August 2015, the central bank has been defending the currency's fall. The devaluation in the currency this week led to the 1<sup>st</sup> ever annual fall in the country's foreign-exchange reserves.

## Events in the week ahead

January 13 – Eurozone industrial production data is released.

January 14 – Minutes of European Central Bank December 2015 meeting is released.

January 15 – US industrial production data is released.

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YIELD ENHANCEMENT | JANUARY 2016

## 6 MONTHS LEVERAGE 3 AUTOCALL ON TWITTER, LINKEDIN, FACEBOOK AND APPLE

**12.00% P.A. GUARANTEED COUPON – 70% BARRIER WITH OBSERVATION AT MATURITY ONLY**



### HIGHLIGHTS

- Guaranteed Coupon of 12.00% p.a.
- Autocall Trigger Level: 100% of initial fixing
- European Barrier Level at 70% of the initial fixing
- Maturity of 6 months maximum

The financial instruments mentioned in this document are derivative instruments. They do not qualify as units of a collective investment scheme pursuant to art. 7 et seqq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and are therefore neither registered nor supervised by the Swiss Financial Market Supervisory Authority FINMA. Investors do not benefit from the specific investor protection provided under the CISA.

### PRODUCT DESCRIPTION AND OPPORTUNITIES

The 6 months Leverage 3 Autocall is a product that offers 12.00% p.a. guaranteed coupon paid monthly while requiring only 33.33% of the Denomination to be invested.

#### Coupon Mechanism

- The Guaranteed Coupon of 12.00% p.a. is paid independently of the performance of the worst performing underlying.

#### Redemption Mechanism

- On any observation date (monthly), if the worst performing underlying is above the respective Autocall Trigger Level of 100% of initial fixing, the Product will be early redeemed and the investor will receive 33.33% of the Denomination plus any payable coupon.

At maturity (if the product has not been early redeemed)

- If the worst performing underlying is not at or below the barrier, the investor will receive 33.33% of the denomination.
- Otherwise, if the worst performing underlying is at or below the barrier level at maturity, the investor will receive 33.33% of the denomination reduced by 1% for each 1% negative performance of the worst performing underlying, floored at 0%.

### FACTS & FIGURES

Issuer	Leonteq Securities AG, Guernsey Branch
Maturity	6 Months
Currency	USD
Issue price	33.33%
Underlying	Twitter Inc LinkedIn Corp Facebook Inc Apple Inc
Autocall Observations	Monthly
Coupon Type	Guaranteed
Coupon	12.00% p.a.
Autocall Trigger Level	100% of initial fixing
Strike Level	100% of initial fixing
Barrier Level	70% of initial fixing
Barrier Type	EUROPEAN (observed at maturity)