NOUVELLES

OUR WEEKLY CAPITAL MARKETS UPDATE

July 13, 2015

US Indices	Closing	Net Change	% Change	YTD
DJIA	17,760.41	+30.30	0.17%	-0.35%
S&P 500	2,076.62	-.16	-0.01%	0.86%
NASDAQ Composite	4,997.70	-11.52	-0.23%	5.52%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,673.38	+87.60	1.33%	1.63%
Eurozone - STOXX 50	3,365.39	+55.31	1.67%	12.03%
France - CAC 40	4,903.07	+94.85	1.97%	14.75%
Germany - DAX	11,315.63	+257.24	2.33%	15.40%
Netherlands - AEX	481.39	+7.25	1.53%	13.41%
Switzerland - SMI	9,134.18	+221.34	2.48%	1.68%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	52,590.72	-515.47	-0.97%	5.17%
Russia - MICEX	1,623.99	-7.66	-0.47%	16.28%
India - SENSEX	27,661.40	-431.39	-1.54%	0.59%
China - Shanghai	3,877.80	+190.89	5.18%	19.88%
South Africa - JSE Africa	51,800.70	-166.38	-0.32%	4.08%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	19,779.83	-759.96	-3.70%	13.35%
Hong Kong - Hang Seng	24,901.28	-1,162.83	-4.46%	5.49%
South Korea - KOSPI	2,031.17	-73.24	-3.48%	6.03%
Australia - ASX 200	5,492.04	-46.25	-0.84%	1.50%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,163.74	-4.96	-0.42%	-1.74%
Silver Spot	15.58	-0.12	-0.76%	-0.85%
Platinum Spot	1,031.88	-51.32	-4.74%	-14.58%
Palladium Spot	652.15	-33.40	-4.87%	-18.24%
Crude Oil (WTI)	52.74	-4.19	-7.36%	-0.99%
Crude Oil (Brent)	58.73	-1.59	-2.64%	2.44%
Baltic Dry Ind	874.00	+69.00	8.57%	11.76%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.286	0.002	0.032	0.030
12M Libor	0.763	(0.009)	0.136	0.134
3M Euribor	(0.018)	(0.003)	(0.088)	(0.096)
12M Euribor	0.164	0.001	(0.154)	(0.161)
10Y US	2.397	0.015	0.452	0.226
10Y UK	2.080	0.083	0.480	0.324
10Y Germany	0.898	0.107	0.406	0.357
10Y Japan	0.447	(0.041)	0.168	0.118
10Y India	7.806	0.002	(0.040)	(0.051)

Currencies	Closing		Closing
GBP/USD	1.552	EUR/USD	1.116
USD/JPY	122.780	AUD/USD	0.745
USD/CHF	0.939	EUR/AED	4.101
USD/INR	63.400	EUR/INR	70.923
USD/CNY	6.209	EUR/CHF	1.047
USD/RUB	56.419	AED/INR	17.249

Source: Bloomberg

International Market News Update

As per data released last week, job openings in the US were at 5.36 million in May 2015. This is the highest level since December 2000. During May 2015, the trade deficit for the country widened to USD 41.9 billion. This was after exports fell 0.8% during the month to 188.6 billion due to the strong US dollar. Imports fell 0.1% to USD 230.5 billion. The country's imported fuel bill dropped to the lowest level since February 2002, mainly due to falling oil prices. During April 2015, the trade deficit had been USD 40.7 billion. The events in Greece continued to have a negative effect on the US stock markets, causing them to fall last week.

All major stock markets in Europe bounced up sharply last week as Greek Prime Minister Alexis Tsipras made major concessions to Greece's creditors during the week in order to enable the country to reach a deal by 12th July 2015 and protect Greece from a bigger financial collapse. Banks in Greece remained closed during last week. The proposal offered by the Greek Prime Minister includes pension savings, spending cuts and tax increases. The proposal, which got the backing of the Greek parliament last week, is intended to win Greece a 3rd bailout of at least 75 billion Euros. Germany last week led a group of Eurozone countries that have indicated their unwillingness to provide the bailout to Greece.

The Shanghai Composite crashed last week to 3374.144, a fall of over 34.83% within 4 weeks since the 7-year high it had made on 12th June 2015. This is the index's worst monthly fall since 1992. China's central bank pledged liquidity measures last week to state-owned firms to help fund margin trading accounts. This led to some recovery on Friday in the Chinese stock markets. China's cabinet ordered the China Securities Regulatory Commission to suspend initial public offerings. This is intended to stop the diversion of funds away from current stock holdings. Consumer price inflation rose 1.4% in June 2014 in China.

Commodity in Focus

Crude oil last week had its worst weekly loss since March 2015, as the International Energy Agency (IEA) said that prices have to fall further so that crude oil supplies get curbed. According to the IEA, there is currently massive oversupply in the crude oil markets. WTI crude oil prices fell to USD 50.58 last week, the lowest level since 11th April 2015. Brent crude oil prices fell last week to USD 55.10, the lowest level since 7th April 2015.

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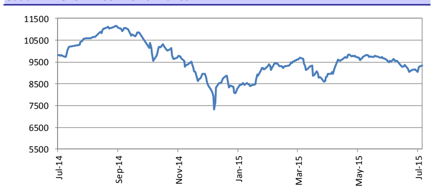
Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,024.52	-44.40	-1.09%	6.64%
Abu Dhabi - ADX	4,743.30	+5.72	0.12%	4.73%
Saudi Arabia - TASI	9,330.49	+169.79	1.85%	11.97%
Qatar - QE	11,905.36	-102.65	-0.85%	-3.10%
Bahrain - BHSE	1,331.41	-17.58	-1.30%	-6.67%
Oman - MSM 30	6,458.36	+23.94	0.37%	1.82%
Kuwait	6,151.98	-38.41	-0.62%	-5.87%

Dubai - DFM 52-Week Performance

Abu Dhabi - ADX 52-Week Performance

Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Falling crude oil prices led to most major stock markets in the GCC to fall slightly last week. The events surrounding the debt crisis in Greece as well as the sharp fall in the Chinese stock markets contributed to the negative trends in the GCC stock markets. Banks in the region reported strong positive 2nd quarter earnings and are expected to continue this strength.

En Bref….. Biggest Market News

European Central Bank saves the Euro. How President Draghi is doing 'whatever it takes'…

The Euro had its best quarter during April-June 2015 against the USD, since March 2011. The currency was up by over 4% against the USD at the end of the quarter. This is in spite of deep concerns over the state of the Eurozone, brought out primarily due to the financial crisis currently taking place in Greece. The crisis is threatening the exit of Greece out of the Eurozone and could potentially put to doubt the entire integrity of the Euro currency union.

Yet, investors clearly seem to have put a lot of faith on the European Central Bank (ECB) and its President Mario Draghi. The ECB is already buying 60 billion euros each month as part of its asset purchase program. Investors are convinced that in case Greece is forced out of the Eurozone, the ECB would increase its monthly asset purchases and take whatever steps needed to ensure that there is no contagion effect, particularly onto the government bonds issued by Spain, Italy and Portugal. The ECB also currently provides emergency facilities to banks in the Eurozone region – which has so far helped the banks in Greece stay alive.

What has also helped the Euro in the previous quarter are the rising yields of government bonds issued by Germany. The yield on the 10-year German government bond had fallen to an all-time low of 0.049% in mid-April 2015. Last week, the yield had touched 0.607%. In contrast, the yield on the 10-year US government bond issued touched 2.1744% last week.

Update to Special News Nouvelles (July 6, 2015) on the Greece Referendum

A week after the referendum in Greece, yields of government bonds issued by Greece, Italy, Spain and Portugal fell as creditors and finance ministers of the Eurozone examined the proposals made by the Greek Prime Minister last week.

Europe Bond Yields

	2 Year			10 Year		
	Before Referendum	July 10	Net Change	Before Referendum	July 10	Net Change
Greece	N/A	N/A	N/A	14.631	13.581	(1.050)
Italy	0.366	0.229	(0.137)	2.237	2.009	(0.228)
Spain	0.382	0.265	(0.117)	2.203	2.011	(0.192)
Portugal	0.617	0.588	(0.029)	2.928	2.681	(0.247)

Further demands were made, over the week-end, by the Eurozone to Greece. The Greek Prime Minister has till the middle of this week to respond to those demands, in order for his proposals and request for a 3rd bailout package to be examined again. These demands include allowing representatives of the creditors to be based in Athens and veto power by the Eurozone over legislation made by the Greek Parliament. Also, included is a requirement to transfer around 50 billion euros of Greek assets to a Luxembourg-based company for sale.

Therefore, yields on these government bonds will remain under pressure as investors gauge the sentiments of the Greek parliamentarians to these demands and the ability of the Greek Prime Minister to pass legislations to satisfy the Eurozone. Greece has an upcoming payment of 3.5 billion euros to the European Central Bank on 20th July 2015.