

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	16,544.10	-465.59	-2.74%	-0.20%
S&P 500	1,906.13	-61.77	-3.14%	3.13%
NASDAQ	4,276.24	-199.39	-4.45%	2.39%

Europe Indices				
	Closing	Net Change	% Change	YTD
STOXX 50	2,884.42	-111.75	-3.73%	-1.20%
FTSE 100	6,339.97	-187.94	-2.88%	-6.06%
CAC 40	4,073.71	-208.03	-4.86%	-5.17%
DAX	8,788.81	-406.87	-4.42%	-7.99%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Ibovespa	55,311.59	+772.04	1.42%	7.39%
MICEX	1,364.24	-20.42	-1.47%	-9.30%
SENSEX	26,297.38	-333.13	-1.25%	24.22%
Shanghai	2,374.54	+26.82	1.14%	12.22%
JSE Africa	47,092.24	-1,520.95	-3.13%	1.81%

Asia Indices				
	Closing	Net Change	% Change	YTD
Nikkei 225	15,300.55	-408.10	-2.60%	-6.08%
Hang Seng	23,088.54	+23.98	0.10%	-0.93%
KOSPI	1,940.92	-50.62	-2.54%	-3.50%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,223.16	+31.74	2.66%	1.79%
Silver Spot	17.39	+0.55	3.27%	-10.67%
Crude Oil (WTI)	85.82	-3.92	-4.37%	-12.80%
Crude Oil (Brent)	90.21	-2.10	-2.27%	-18.58%
Baltic Dry Ind	963.00	-74.00	-7.14%	-57.71%

Money Market				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.230	-0.002	0.003	-0.016
12M Libor	0.553	-0.017	0.004	-0.031
3M Euribor	0.079	-0.002	-0.248	-0.208
12M Euribor	0.333	-0.002	-0.266	-0.223
10Y US	2.280	-0.154	-0.367	-0.748
10Y UK	2.217	-0.172	-0.402	-0.805
10Y Germany	0.887	-0.038	-0.633	-1.042
10Y Japan	0.505	-0.013	-0.104	-0.236
10Y India	8.456	-0.030	-0.545	-0.369

Currencies			
	Closing		Closing
EUR/USD	1.263	GBP/USD	1.608
USD/JPY	107.660	AUD/USD	0.869
EUR/AED	4.639	USD/INR	61.335
EUR/CHF	1.209	USD/CNY	6.131

* Source: Bloomberg

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International Market News Update

In the US, the Dow Jones Industrial Average was very volatile last week with swings of 200 or more points on three consecutive days. The S&P 500 is down over 5% from its all-time high reached on September 18 and is currently at its lowest level since end-May. The S&P 500 and NASDAQ both had their biggest weekly declines since May 2012, and the Dow Jones Industrial Average is currently in negative territory for the year-to-date.

In Europe, UK's FTSE 100 fell to a new 12-month low and both Germany's DAX and France's CAC 40 fell to their lowest levels this year after comments by the European Central Bank's president Mario Draghi that the steam was running out of any possible recovery by Europe. Finland was downgraded by S&P to AA+ leaving Luxembourg and Germany as the only two countries left in the Eurozone with the AAA rating from S&P.

In Asia, India's SENSEX had a third straight weekly loss even as it remained this year's best performing index amongst the world's ten largest stock indices. The fall of oil prices to 4-year lows has helped keep the Indian rupee stable which saw its first weekly gain in over a month. Chinese stocks in the Hang Seng continued to fall last week and the Shanghai stock exchange ended an 8-day upwards rally. The Nikkei saw a second straight weekly loss as Asian stock markets reacted to the falls in stock markets across Europe and the US.

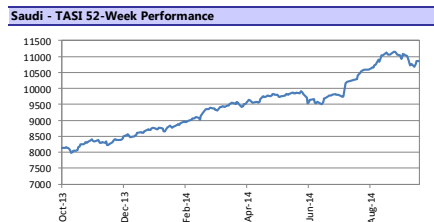
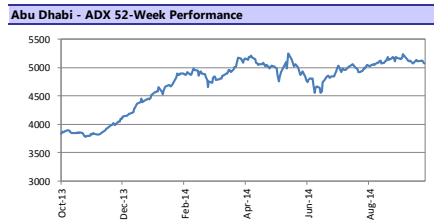
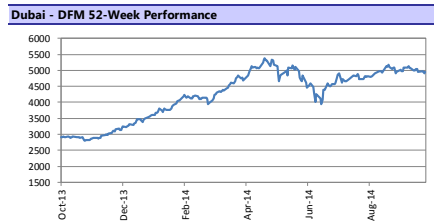
Country in Focus

Germany, the largest economy in the Eurozone, released poor economic data last week worrying investors that the Eurozone is falling into recession or long-term growth stagnation. Both German factory orders and industrial output slumped by the most in August, since January 2009. Exporting vehicles and machines have remained at the heart of the German economy. Exports by Germany fell 5.8% in August and this fall would mean that other countries are finding it difficult to buy German goods. Germany's 10-year government bond yield fell to 0.858% last week, which is its lowest level in history, after the International Monetary Fund appeared extremely concerned about the country's economic slowdown. German Finance Minister Wolfgang Schäuble warned the European Central Bank last week against pursuing US-style quantitative easing mechanisms and instead urged to continue with strong budgetary discipline.

Currency in Focus

Russia's central bank on October 8 sold USD 1.5 billion, the most in a single day since March, to intervene in the Russian ruble's fall against the USD. Foreign reserves are currently at a 4-year low of USD 454.7 billion. The ruble fell past 40 against the USD last week. Falling oil prices have put tremendous pressure on Russia's economy that draws more than 50% of its budget revenue from its oil and gas industry. The central bank has so far sold over USD 3 billion this month and is expected to spend more to defend the ruble.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,806.53	-235.05	-4.77%	42.50%
Abu Dhabi - ADX	5,019.59	-111.91	-2.19%	16.96%
Saudi - TASI	10,851.48	+86.46	0.80%	27.13%
Qatar - QE	13,558.61	-271.19	-1.84%	30.84%
Bahrain - BHSE	1,467.25	-8.77	-0.59%	17.49%
Oman - MSM 30	7,461.64	+12.19	0.16%	9.30%
Kuwait	7,601.23	-57.93	-0.70%	0.76%



* Source: Bloomberg

Middle East Market News Update

Emaar Properties announced last week that it intends to publically list both its hotels business and its Egyptian unit, Emaar Misr, around June 2015. The company has decided to use funds raised during its IPO last month to distribute a dividend of 9 billion dirhams to its shareholders. The diversification into financial and real estate companies would help the stock markets in UAE to remain relatively less vulnerable in the region to falling oil prices. Volumes remained low on both the UAE stock exchanges as most retail investors appeared to have taken extended Eid-al-Adha holidays. The stock markets in Saudi Arabia, Qatar, Kuwait and Oman remained close last week.

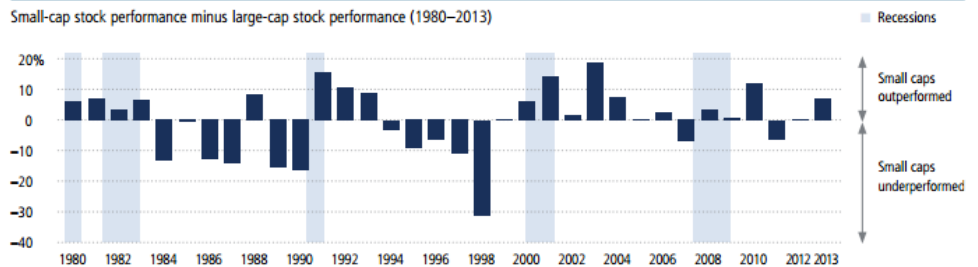
En Bref..... Biggest Market News

The magic of small-cap companies. Historical outperformance continues...

Stocks of US small-cap companies have relatively seen the biggest fall this month and the small-cap Russell 2000 index is down over 8% year-to-date. It is often noticed that investors of small-cap companies rarely stay invested long enough to benefit from the growth performance of these stocks. Small-cap stocks are usually treated with the appeal of a lottery and are often bought into as well as sold out of at the wrong times hurting the potential returns of investors.

Small caps tend to outperform coming out of recessions

Small-cap stock performance minus large-cap stock performance (1980–2013)



Source: John Hancock Investments, National Bureau of Economic Research, 2013. Small-cap performance is represented by the Russell 2000 Index, a measure of performance for the 2,000 smallest companies in the Russell 3000 Index. Large-cap performance is represented by the S&P 500 Index, an unmanaged index of 500 widely traded common stocks. Past performance is no guarantee of future results. It is not possible to invest directly in an index.

But early investors who have managed to stay patient and remain invested in small-cap companies in spite of the higher trading costs and stronger volatility each day on the stock prices, have been rewarded by the stronger outperformance of most small-cap companies.

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