

| US Indices | | | | |
|------------------|-----------|------------|----------|--------|
| | Closing | Net Change | % Change | YTD |
| DJIA | 17,265.21 | -582.42 | -3.26% | -31.3% |
| S&P 500 | 2,012.37 | -79.32 | -3.79% | -2.26% |
| NASDAQ Composite | 4,933.47 | -208.81 | -4.06% | -4.17% |

| Europe Indices | | | | |
|---------------------|-----------|------------|----------|--------|
| | Closing | Net Change | % Change | YTD |
| UK - FTSE 100 | 5,952.78 | -285.51 | -4.58% | -9.34% |
| Eurozone - STOXX 50 | 3,018.92 | -124.53 | -3.96% | 0.50% |
| France - CAC 40 | 4,549.56 | -165.23 | -3.50% | 6.48% |
| Germany - DAX | 10,340.06 | -412.04 | -3.83% | 5.45% |
| Netherlands - AEX | 429.10 | -17.83 | -3.99% | 1.09% |
| Switzerland - SMI | 8,502.06 | -300.83 | -3.42% | -5.36% |

| BRICS Indices | | | | |
|---------------------------|-----------|------------|----------|--------|
| | Closing | Net Change | % Change | YTD |
| Brazil - Ibovespa | 45,262.72 | -98.04 | -0.22% | -9.49% |
| Russia - MICEX | 1,720.31 | -34.91 | -1.99% | 23.18% |
| India - SENSEX | 25,044.43 | -593.68 | -2.32% | -8.93% |
| China - Shanghai | 3,434.58 | -90.41 | -2.56% | 6.18% |
| South Africa - JSE Africa | 48,067.53 | -1,216.96 | -2.47% | -3.42% |

| Asia-Pacific Indices | | | | |
|-----------------------|-----------|------------|----------|--------|
| | Closing | Net Change | % Change | YTD |
| Japan - Nikkei 225 | 19,230.48 | -274.00 | -1.40% | 10.20% |
| Hong Kong - Hang Seng | 21,464.05 | -771.84 | -3.47% | -9.07% |
| South Korea - KOSPI | 1,948.62 | -25.78 | -1.31% | 1.72% |
| Australia - ASX 200 | 5,029.45 | -122.16 | -2.37% | -7.05% |

| Commodities | | | | |
|-------------------|----------|------------|----------|---------|
| | Closing | Net Change | % Change | YTD |
| Gold Spot | 1,074.77 | -11.67 | -1.07% | -9.25% |
| Silver Spot | 13.92 | -0.63 | -4.33% | -11.40% |
| Platinum Spot | 840.30 | -39.15 | -4.45% | -30.44% |
| Palladium Spot | 542.73 | -24.52 | -4.32% | -31.95% |
| Crude Oil (WTI) | 35.62 | -4.35 | -10.88% | -33.13% |
| Crude Oil (Brent) | 37.93 | -5.07 | -11.79% | -33.84% |
| Baltic Dry Ind | 522.00 | -41.00 | -7.28% | -33.25% |

| Money Markets | | | | |
|---------------|---------|------------------|------------------|------------------|
| | Closing | Net Change (5-D) | Net Change (6-M) | Net Change (YTD) |
| 3M Libor | 0.512 | 0.050 | 0.226 | 0.256 |
| 12M Libor | 1.067 | 0.049 | 0.279 | 0.438 |
| 3M Euribor | (0.128) | (0.015) | (0.114) | (0.206) |
| 12M Euribor | 0.063 | (0.005) | (0.098) | (0.262) |
| 10Y US | 2.127 | (0.142) | (0.250) | (0.044) |
| 10Y UK | 1.813 | (0.108) | (0.234) | 0.057 |
| 10Y Germany | 0.540 | (0.138) | (0.344) | (0.001) |
| 10Y Japan | 0.322 | (0.019) | (0.214) | (0.007) |
| 10Y India | 7.779 | 0.022 | (0.099) | (0.078) |

| Currencies | | |
|------------|---------|----------------|
| | Closing | Closing |
| GBP/USD | 1.521 | EUR/USD 1.099 |
| USD/JPY | 121.010 | AUD/USD 0.719 |
| USD/CHF | 0.983 | EUR/AED 4.037 |
| USD/INR | 66.895 | EUR/INR 73.361 |
| USD/CNY | 6.455 | EUR/CHF 1.081 |
| USD/RUB | 70.380 | AED/INR 18.284 |

Source: Bloomberg

International Market News Update

Stock markets in the US last week had their worst week since 1st September 2015. The S&P 500 fell to its lowest level since 16th October 2015. The biggest fall was in financial stocks as they were impacted by the sharp selloff in high-yield debt last week. The US Federal Reserve will be meeting this week to announce its policy decision on interest rates and there is a consensus amongst investors that the US Federal Reserve will be raising benchmark interest rates for the 1st time since June 2006 during this meeting. But, prices for imported goods in the US continued to fall in November 2015 for the 5th straight month due to the strong US dollar and falling oil prices. On an annualised basis, import prices are down by 9.4%.

The euro rose to 1.1043 against the USD last week, which is its highest level since 3rd November 2015. On 3rd December 2015, it had touched 1.0524 against the USD and therefore has risen by around 4.9% since then. On 3rd December, the European Central Bank (ECB) had announced that it would be extending its quantitative easing program, of purchasing USD 60 billion euros of debt each month, to at least March 2017 and broadening its asset program to include purchasing local and regional debt as well. The ECB had also reduced its benchmark deposit rate to -0.30% on 3rd December. These measures were seen as inadequate to cause weakening of the euro. The GDP of the 19-member Eurozone was confirmed last week to have grown by 0.3% during the July-September 2015 quarter. This was due to better private consumption and government spending during the quarter.

The Indian rupee appears to be weakening back to USD 67 against the USD this week after it touched USD 66.9225 last week. On 4th December 2015, it had touched USD 67.01, which was then its lowest level since 4th September 2013. Industrial output of India grew at 9.8% during October 2015, which is its highest level since January 2010. Consumer price inflation in China rose 1.5% on an annualized rate in November 2015, mainly due to rising food prices.

Commodity in Focus

WTI crude oil fell last week to USD 35.16, which is its lowest level since 19th February 2009. Brent crude oil fell last week to USD 37.36, which is its lowest level since 27th December 2008. The Organization of the Petroleum Exporting Countries (OPEC) decided during their meeting earlier in the month to not curb production output levels. For the group, production levels had touched a 3-year high during November 2015.

For more information:

Mail: info@sidracapital.com

Tel: +971 4 4328369

Fax: +971 4 4343806

| Key Indices | Closing | Net Change | % Change | YTD |
|---------------------|-----------|------------|----------|---------|
| Dubai - DFM | 2,857.48 | -316.86 | -9.98% | -24.29% |
| Abu Dhabi - ADX | 4,031.82 | -167.05 | -3.98% | -10.98% |
| Saudi Arabia - TASI | 6,949.00 | -319.02 | -4.39% | -16.61% |
| Qatar - QE | 10,014.82 | -464.46 | -4.43% | -18.48% |
| Bahrain - BHSE | 1,213.73 | -13.14 | -1.07% | -14.92% |
| Oman - MSM 30 | 5,446.07 | -95.91 | -1.73% | -14.14% |
| Kuwait | 5,686.15 | -105.74 | -1.83% | -13.00% |

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

All stock markets in the GCC crashed last week as crude oil prices made new 6-year lows last week. The International Energy Agency (IEA) has warned that global oversupply of crude oil is expected to worsen in 2016. Saudi Arabia's stock market index Tadawul touched 6703.09 last week, which is its lowest level since 5th December 2012.

En Bref..... Biggest Market News

Borrowing rates in Saudi Arabia rise sharply. Oil prices continue to cause flight of deposits...

Banks in Saudi Arabia have seen a sharp fall in deposits during the past 2 months as crude oil prices continue to fall. Over 90% of the country's government revenues come from the energy sector. The fall in deposits has caused the 3-month SAIBOR, the rate at which banks in the country lend overnight to each other, to rise to touch 1.22375% in December 2015. This is its highest rate since January 2009 and is the 5th straight monthly increase.

During October 2015, deposits fell in absolute terms at the biggest monthly pace since 2000. Government entities have begun delaying payments to contractors which has mainly caused the decline in private sector deposits. Public sector deposits are falling sharply as the government has begun running a budget deficit. To curb its fiscal deficit, the country's government has borrowed over 60 billion Saudi riyals from local banks and institutions through bond issues. The International Monetary Fund estimates that the fiscal deficit in 2015 will be over 20% of the country's economic output. In 2014, this was just over 2.3%.

Events in the week ahead

December 14 – Eurozone industrial production data is released.

December 16 – US industrial production data and manufacturing data are released.

December 16 – US Federal Reserve policy meeting decision is announced.

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