sidra capital

NOUVELLES

OUR WEEKLY CAPITAL MARKETS UPDATE

May 15, 2016

US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,535.32	-205.31	-1.16%	0.63%
S&P 500	2,046.61	-10.53	-0.51%	0.13%
NASDAQ Composite	4,717.68	-18.48	-0.39%	-5.79%

Europe Indices

	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,138.50	+12.80	0.21%	-1.66%
Eurozone - STOXX 50	2,805.56	+40.13	1.45%	-9.51%
France - CAC 40	4,319.99	+18.75	0.44%	-6.84%
Germany - DAX	9,952.90	+82.95	0.84%	-7.35%
Netherlands - AEX	433.52	+2.20	0.51%	-1.88%
Switzerland - SMI	7,925.76	+190.16	2.46%	-10.12%

BRICS Indices

	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	51,804.31	+86.49	0.17%	19.50%
Russia - MICEX	1,907.19	+.71	0.04%	8.28%
India - SENSEX	25,489.57	+261.07	1.03%	-2.40%
China - Shanghai	2,827.11	-86.14	-2.96%	-20.12%
South Africa - JSE Africa	51,602.55	+185.17	0.36%	1.79%

Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	16,412.21	+305.49	1.90%	-13.77%
Hong Kong - Hang Seng	19,719.29	-390.58	-1.94%	-10.02%
South Korea - KOSPI	1,966.99	-9.72	-0.49%	0.29%
Australia - ASX 200	5,328.99	+36.94	0.70%	0.62%

Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,273.45	-15.54	-1.21%	20.01%
Silver Spot	17.11	-0.36	-2.07%	23.56%
Platinum Spot	1,051.65	-28.25	-2.62%	17.96%
Palladium Spot	593.03	-15.12	-2.49%	5.34%
Crude Oil (WTI)	46.21	+1.55	3.47%	24.76%
Crude Oil (Brent)	47.83	+2.46	5.42%	28.30%
Baltic Dry Ind	600.00	-31.00	-4.91%	25.52%

Money Markets

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.628	(0.002)	0.264	0.015
12M Libor	1.229	0.005	0.293	0.051
3M Euribor	(0.257)	(0.001)	(0.174)	(0.126)
12M Euribor	(0.012)	0.001	(0.094)	(0.072)
10Y US	1.700	(0.079)	(0.566)	(0.569)
10Y UK	1.376	(0.042)	(0.604)	(0.584)
10Y Germany	0.124	(0.020)	(0.434)	(0.505)
10Y Japan	(0.109)	0.005	(0.414)	(0.374)
10Y India	7.449	0.016	(0.200)	(0.312)

Currencies

	Closing		Closing
GBP/USD	1.437	EUR/USD	1.131
USD/JPY	108.630	AUD/USD	0.727
USD/CHF	0.976	EUR/AED	4.155
USD/INR	66.775	EUR/INR	75.820
USD/CNY	6.532	EUR/CHF	1.103
USD/RUB	65.459	AED/INR	18.244

Source: Bloomberg

International Market News Update

With the U.S. economic outlook "definitely looking good," the U.S. central bank is on the cusp of deciding whether to raise rates at any of its next few meetings, San Francisco Federal Reserve Bank President John Williams said on Friday. The Fed raised rates in December for the first time in nearly a decade, but has kept them on hold since then largely because of worries over a slowdown in China and Europe.

European markets have sagged in recent weeks, with some investors blaming strength in the euro, uncertainty before Britain's vote on June 23 on European Union membership, and a political stalemate in Spain. The FTSEurofirst remains down by around 10 percent so far in 2016, and the International Monetary Fund (IMF) said on Friday that a vote by Britain to leave the EU next month could hit the global economy and world stock markets. The euro dipped against the dollar as the U.S. currency rose on the retail sales data, but some fund managers remained wary of European equities.

China's investment, factory output and retail sales all grew more slowly than expected in April, adding to doubts about whether the world's second-largest economy is stabilizing. Growth in factory output cooled to 6 percent in April, the National Bureau of Statistics (NBS) said on Saturday, disappointing analysts who expected it to rise 6.5 percent on an annual basis after an increase of 6.8 percent the prior month. China's fixed-asset investment growth eased to 10.5 percent year-on-year in the January-April period, missing market expectations of 10.9 percent, and down from the first quarter's 10.7 percent. Fixed investment by private firms continued to slow, indicating private businesses remain skeptical of economic prospects. Investment by private firms rose 5.2 percent year-on-year in January-April, down from 5.7 percent growth in the first quarter.

Commodity in Focus

Gold edged higher on Friday after losing more than 1 per cent in the prior session, but was on track for its biggest weekly decline since March as a firmer US dollar cut the metal's appeal.

Spot gold was up 0.3 per cent at $1,266.46 an ounce, after dropping 1.1 per cent on Thursday. It lost 1.7 per cent last week, the most since the week ended March 25.

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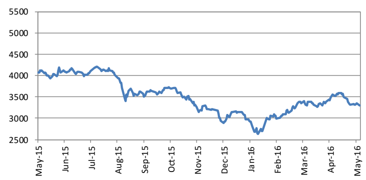
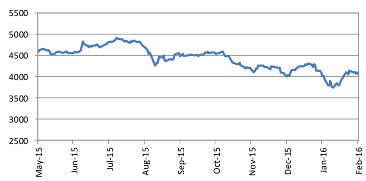
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,304.63	-21.17	-0.64%	4.88%
Abu Dhabi - ADX	4,374.19	-75.13	-1.69%	1.55%
Saudi Arabia - TASI	6,692.60	+20.12	0.30%	-3.17%
Qatar - QE	9,950.37	+220.27	2.26%	-4.59%
Bahrain - BHSE	1,109.78	-1.89	-0.17%	-8.73%
Oman - MSM 30	5,971.25	-24.36	-0.41%	10.45%
Kuwait	5,375.70	+5.02	0.09%	-4.26%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance

Source: Bloomberg

Middle East Market News Update

Moody's Investors Service cut its debt ratings for Saudi Arabia, Oman and Bahrain on Saturday while assigning negative outlooks to three neighbouring states, as low oil prices continue to undermine government finances in the region. The rating agency downgraded Saudi Arabia's long-term issuer rating by one notch to A1 but gave the kingdom a stable outlook, saying sweeping economic reforms announced by the government last month might stabilize the state budget. On the same day, Moody re-affirmed Abu Dhabi's credit rating as Aa2.

Saudi Arabia is raising production and pressing ahead with a global expansion plan for its state oil company ahead of what could be the world's largest ever stock market listing. In some of the first comments since a government reshuffle at the weekend, Saudi Aramco chief executive Amin Nasser emphasised the company's willingness to compete with rivals, putting on notice oil producers from regional adversary Iran to US shale producers.

En Bref….. Biggest Market News

Goldman Sachs and Morgan Stanley joined an ever-growing group of analysts who withdrew their call for the euro reaching parity with the dollar. The firm had expected the EUR/USD to drop to 0.95 in 2017, but changed their estimate to 1.05. The move followed a similar call by Deutsche Bank when they raised their end of year estimate to 1.05, compared to the prior 1.00. It started with Bank of America Merrill Lynch who called off their projection for parity at year end and raised the forecast to 1.08.

Events in the week ahead

17 May – UK Consumer Price Index (Annual) meeting.

18 May – Japan GDP (Annual) meeting.

12 May – Australian Unemployment Rate Announcement.