

US Indices				
	Closing	Net Change	% Change	YTD
DIA	17,749.31	-107.47	-0.60%	-0.41%
S&P 500	2,053.40	-17.86	-0.86%	-0.27%
NASDAQ	4,871.76	-55.61	-1.13%	2.87%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,740.58	-171.22	-2.48%	2.66%
Eurozone - STOXX 50	3,411.50	+3.34	0.10%	13.57%
France - CAC 40	5,010.46	+46.11	0.93%	17.27%
Germany - DAX	11,901.61	+350.64	3.04%	21.38%
Netherlands - AEX	492.48	+2.64	0.54%	16.02%
Switzerland - SMI	9,156.02	+75.99	0.84%	1.92%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	48,595.81	-1,385.38	-2.77%	-2.82%
Russia - MICEX	1,627.88	-132.67	-7.54%	16.56%
India - SENSEX	28,503.30	-945.65	-3.21%	3.65%
China - Shanghai	3,372.91	+131.72	4.06%	4.27%
South Africa - JSE Africa	51,798.74	-1,548.25	-2.90%	4.07%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	19,254.25	+283.25	1.49%	10.33%
Hong Kong - Hang Seng	23,823.21	-340.79	-1.41%	0.92%
South Korea - KOSPI	1,985.79	-27.15	-1.35%	3.66%
Australia - ASX 200	5,814.54	-6.81	-0.12%	7.46%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,158.48	-8.81	-0.75%	-2.19%
Silver Spot	15.66	-0.25	-1.55%	-0.35%
Crude Oil (WTI)	44.84	-4.77	-9.61%	-15.83%
Crude Oil (Brent)	54.67	-5.06	-8.47%	-4.64%
Baltic Dry Ind	562.00	-3.00	-0.53%	-28.13%

Money Market				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.271	0.006	0.036	0.015
12M Libor	0.713	0.025	0.127	0.085
3M Euribor	0.025	-0.011	-0.057	-0.053
12M Euribor	0.214	-0.011	-0.135	-0.111
10Y US	2.114	-0.127	-0.497	-0.057
10Y UK	1.709	-0.239	-0.820	-0.047
10Y Germany	0.257	-0.136	-0.825	-0.284
10Y Japan	0.410	0.014	-0.168	0.081
10Y India	7.798	0.091	-0.705	-0.059

Currencies			
	Closing		Closing
GBP/USD	1.474	EUR/USD	1.050
USD/JPY	121.400	AUD/USD	0.764
USD/CHF	1.006	EUR/AED	3.855
USD/INR	62.966	EUR/INR	66.687
USD/CNY	6.259	EUR/CHF	1.055
USD/RUB	62.235	AED/INR	17.174

Source: Bloomberg

### For more information:

Mail: [info@sidracapital.com](mailto:info@sidracapital.com)

Tel: +971 4 4328369

Fax: +971 4 4343806

## International Market News Update

Stock markets in the US fell further last week as the US dollar continued to strengthen against all major currencies. The stronger US dollar will impact future corporate earnings as US goods and services become more expensive and foreign currency earnings of US companies get reduced when repatriated back to the US. The year-to-date performance of both the S&P 500 and the Dow Jones Industrial Average is now negative. Investors also remained cautious amidst growing expectations of an interest rate hike by the Federal Reserve during its June 2015 meeting. The current bull market entered its 6<sup>th</sup> year, having started this upward trend on 9<sup>th</sup> March 2009.

The European Central Bank started its bond-buying program on 9<sup>th</sup> March. This caused the euro to further fall against the US dollar last week. The euro touched 1.0463, its lowest level since January 2003. Industrial production in the Eurozone fell 0.1% in January 2015 and the weakening euro is expected to help the countries within the region to strengthen by banking on an export-driven recovery due to the cheaper cost of goods and services.

The Nikkei 225 last week broke past 19,000 for the 1<sup>st</sup> time in nearly 15 years. It touched 19335.80, which is its highest level since May 2000. Japan's 4<sup>th</sup> quarter GDP growth was announced last week at 1.5%. Last week, SENSEX had its worst week of 2015 as investors booked some profits after India's inflation for February 2015 was announced at 5.37%. Inflation has been steadily rising in India since the all-time low level of 4.38% recorded in November 2014. China announced a larger-than-expected trade surplus of USD 60.6 billion for February 2015 last week due to a 48% rise in exports during the month.

## Commodities in Focus

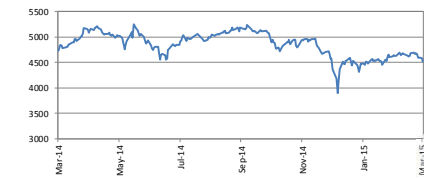
Gold and silver prices fell to their lowest levels since 1<sup>st</sup> December 2014 as investors look forward to the meeting of the US' Federal Reserve scheduled for this week. Also, the US dollar hit a new 12-year high against the euro which is reducing the appeal of these two metals as an alternative asset. Gold touched USD 1147.72 an ounce and silver touched USD 15.2977 an ounce last week. Platinum fell to its lowest level since July 2009 after it touched USD 1113.75 an ounce last week.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,707.77	-39.77	-1.06%	-1.75%
Abu Dhabi - ADX	4,483.54	-103.64	-2.26%	-1.00%
Saudi Arabia - TASI	9,691.00	+174.02	1.83%	16.29%
Qatar - QE	12,080.66	-58.76	-0.48%	-1.67%
Bahrain - BHSE	1,482.88	+15.87	1.08%	3.95%
Oman - MSM 30	6,399.76	-126.69	-1.94%	0.89%
Kuwait	6,514.34	-24.95	-0.38%	-0.33%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

## Middle East Market News Update

The Saudi Arabian stock market continued its weekly rise as investors prepare for the opening up of the stock exchange to direct foreign investors in 2015. Most other stock markets in the GCC region continued to fall last week as crude oil prices fell by over 9% for the week. Negotiations are expected to continue with Iran this week on reaching a nuclear deal which would end sanctions on the country and allow it to export more crude oil. This is expected to push oil prices further down as the oil supply from Iran enters the market.

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

**The ECB starts its bond purchase program... How are European bonds being affected?**

Prices of government bonds of the Eurozone rose sharply last week after the start of the European Central Bank's (ECB) quantitative-easing program. Various central banks along with the ECB intend to buy 60 billion euros of private and public debt every month through September 2016. The debt purchases will be roughly proportioned in line with the amount of funds each national central bank has contributed to ECB's own capital.

Yields of most major government bonds fell to all-time lows last week. Last week, the yield on Germany's 10-year bond fell to an all-time low of 0.186%. The ECB has indicated that bonds whose yield fall below -0.2%, which is the ECB's benchmark deposit rate, will not be eligible to be purchased as part of the bond-purchase program. This has already caused German bonds with a maturity below 3 years to become ineligible. Increasing demand and falling yields should make more bonds to be no longer eligible, in the coming months.

Demand has therefore boosted for longer maturity bonds and this is causing their yields to move down towards the yields of shorter maturity bonds. This will effectively flatten the yield curve of government bonds. The yield on Germany's 30-year bond fell to an all-time low of 0.606% last week, which now has a historically small spread with the 10-year bond.

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