

US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,511.57	-225.80	-1.27%	-1.75%
S&P 500	2,019.42	-25.39	-1.24%	-1.92%
NASDAQ	4,634.38	-69.68	-1.48%	-2.15%

Europe Indices

	Closing	Net Change	% Change	YTD
STOXX 50	3,100.42	+145.91	4.94%	3.21%
FTSE 100	6,550.27	+49.13	0.76%	-0.24%
CAC 40	4,379.62	+200.55	4.80%	2.50%
DAX	10,167.77	+519.27	5.38%	3.69%
SMI	7,899.59	-1,206.11	-13.25%	-12.06%

BRICS Indices

	Closing	Net Change	% Change	YTD
Ibovespa	49,016.52	+176.27	0.36%	-1.98%
MICEX	1,591.43	+76.06	5.02%	13.95%
SENSEX	28,121.89	+663.51	2.42%	2.26%
Shanghai Composite	3,376.50	+91.08	2.77%	4.38%
JSE Africa	48,458.25	-492.25	-1.01%	-2.64%

Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Nikkei 225	16,864.16	-302.94	-1.76%	-3.36%
Hang Seng	24,103.52	+183.57	0.77%	2.11%
KOSPI	1,888.13	-36.57	-1.90%	-1.43%
ASX 200	5,299.24	-166.33	-3.04%	-2.07%

Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,280.45	+57.20	4.68%	8.11%
Silver Spot	17.79	1.28	7.77%	13.22%
Crude Oil (WTI)	48.69	+ .33	0.68%	-8.60%
Crude Oil (Brent)	50.17	+ .06	0.12%	-12.49%
Baltic Dry Ind	741.00	+32.00	4.51%	-5.24%

Money Market

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.257	0.003	0.023	0.001
12M Libor	0.610	-0.017	0.055	-0.019
3M Euribor	0.060	-0.010	-0.141	-0.018
12M Euribor	0.299	-0.019	-0.187	-0.026
10Y US	1.837	-0.108	-0.689	-0.334
10Y UK	1.534	-0.066	-1.117	-0.222
10Y Germany	0.454	-0.038	-0.737	-0.087
10Y Japan	0.243	-0.036	-0.304	-0.086
10Y India	7.707	-0.139	-1.016	-0.150

Currencies

	Closing		Closing
GBP/USD	1.515	EUR/USD	1.157
USD/JPY	117.510	AUD/USD	0.822
USD/CHF	0.859	EUR/AED	4.248
USD/INR	61.871	EUR/INR	71.668
USD/CNY	6.208	EUR/CHF	0.994
USD/RUB	65.306	AED/INR	16.780

Source: Bloomberg

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International Market News Update

Data released last week showed that the US had a budget deficit of USD 488 billion in 2014. This was the smallest budget deficit in 7 years and was USD 72 billion lower than the amount in 2013. Government revenue went above USD 3 trillion for the 1st time ever as higher income tax was received due to the huge jump in jobs added last year. Job openings in November 2014 reached their highest level since January 2001. Currently at 4.97 million, job openings are 27% up from 2013. Consumer sentiment in the US is currently at an 11-year high due to stronger job market and lower energy costs.

The Stoxx Europe 600, which covers approximately the entire free-float market capitalization of the European stock market, had its biggest weekly gain since December 2011 after the Swiss franc rose against the euro last week. This appreciation in the Swiss franc caused the Swiss Market Index to fall by over 13% last week and the index had its worst week since 2008. The biggest 1-day fall since 1989 also took place in the index last week. Germany's GDP grew by around 0.25% in the 4th quarter of 2014. This has led to an annual growth of 1.5% in the German economy in 2014, which is its strongest growth rate since 2011. Russia's credit rating was cut to Baa3 by Moody's, which is the lowest investment grade, due to falling oil prices and a sharply depreciated currency.

The Shanghai Composite Index last week had its 10th continuous weekly gain. There are expectations that data released this week will show that the Chinese economy grew at its slowest pace since 2009, in the 4th quarter of 2014, which might cause the government to cut reserve-requirement ratios. The Indian central bank cut borrowing costs last week for the 1st time since 2012 in an unscheduled move. The benchmark interest rate was reduced to 7.75% due to sharp monthly falls in inflation and the poor growth rate of the economy.

Commodity in Focus

Last week, Brent crude oil touched a low of USD 45.19 and WTI crude oil touched a low of USD 44.20. These are their lowest levels in nearly 6 years. But, crude oil prices bounced up sharply on Friday resulting in Brent and WTI to have their 1st weekly gains since November 2014 on news that drilling activity by US oil rigs were at their lowest level since October 2013 and lowering of the International Energy Agency's 2015 non-OPEC output estimate.

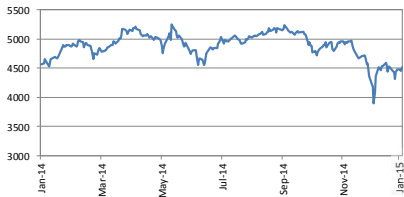
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,896.99	+124.67	3.24%	3.26%
Abu Dhabi - ADX	4,556.40	+75.21	1.70%	0.61%
Saudi - TASI	8,505.72	+90.65	0.72%	2.07%
Qatar - QE	11,918.05	-97.93	-0.80%	-2.99%
Bahrain - BHSE	1,433.40	+7.75	0.54%	0.48%
Oman - MSM 30	6,591.13	+187.97	2.94%	3.91%
Kuwait	6,651.44	+88.46	1.35%	1.77%

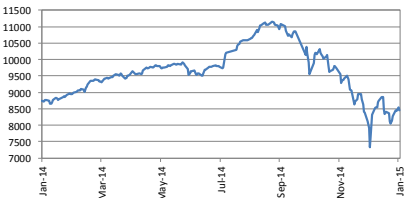
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

All stock markets in the GCC had a weekly gain except for a small fall in the Qatar bourse, on news of good 4th quarter corporate results and dividend announcements last week. The Saudi Arabian banks showed strong profit growth for the 4th quarter of 2014. DAMAC Properties got listed on the Dubai stock exchange last week and has fallen by over 4% for the week. Oil prices rose sharply last week and expectations of the continuation of this trend should provide a positive direction to the GCC stock markets this week.

En Bref..... Biggest Market News

Shock removal of franc cap by the Swiss National Bank ... How it left global markets reeling.

The Swiss National Bank shocked markets across the world last week after it removed the cap of the Swiss franc against the euro. This news immediately caused the franc to jump over 41% against the euro to 0.85172, its strongest level since 1999. The Swiss central bank had intervened, since September 2011, to sell francs whenever it crossed beyond 1.20 per euro. This cap had been imposed due to large inflows from euro assets during the Eurozone's debt crisis which had caused the franc to strengthen significantly. The removal of this cap also caused the franc to appreciate over 38% per USD to 0.7406, its strongest level since August 2011. Emerging market currencies too fell sharply against the franc due to concerns on the repayment of loans denominated in francs.

In addition to removing the cap, the central bank also reduced the interest rate on sight deposits to -0.75%. The yield on 2-year German bonds fell to an all-time low of -0.168% after this news. The European Central Bank is expected to announce extensive quantitative easing programs, including a bond-buying program, this month that could cause the euro to devalue further. The strong franc would result in a big blow to Swiss exports and tourism industry. It is also expected to negatively impact the growth of the Swiss economy in 2015.

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