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OUR WEEKLY CAPITAL MARKETS UPDATE

International Market News Update

The Dow Jones Industrial Average barely reached a seventh straight record high on Friday and the S&P 500 and Nasdaq also closed at a record as gains in Kraft Heinz helped offset selling in energy stocks. After suffering losses for most of the session, the Dow and S&P 500 turned positive in the final minutes of a week fueled by the "Trump Rally" that has seen stocks surge since the November presidential election. Kraft Heinz (KHC.O) jumped 10.74 percent after it said it would continue to pursue a \$143 billion bid for Unilever (ULVR.L), despite being rebuffed. Unilever's U.S.-listed shares (UL.N) surged 14.00 percent. Eight of the 11 major S&P sectors rose, with consumer staples .SPLRCS adding 0.66 percent, helped by a 4.32-percent increase in Colgate-Palmolive (CL.N) and a 4.19-percent rise in Kimberly-Clark (KMB.N). The S&P energy sector .SPNY fell 0.53 percent as oil prices slipped. Signs of a strengthening economy as well as anticipated tax cuts were behind the most recent optimism. With a strong fourth-quarter earnings season mostly complete, many investors say they need concrete signs of progress from Trump on his policy plans.

European equities fell on Thursday after seven straight sessions of gains, with weaker metal prices weighing on miners and a poor update battering shares in engineering group Cobham. Companies like NN Group and Drax also dragged the market lower after their disappointing updates. The pan-European STOXX 600 fell 0.4 percent after recent gains to a two-month high on Wednesday. Cobham led the STOXX 600 lower after slumping 15.3 to its lowest level since August 2005. However, broader market losses were partly offset by stronger airlines. Air France-KLM jumped 12.6 percent after reporting better-than-expected operating profit for 2016 and said it had made a "resilient" start to 2017. Shares in International Consolidates Airlines Group and Lufthansa rose 0.6 percent and 2.2 percent respectively.

Japan's Nikkei share average fell on Friday with the market wary of a stronger yen and financials weakened as U.S. bond yields fell after comments by a senior U.S. Federal Reserve official were viewed as relatively dovish. The Nikkei ended down 0.6 percent at 19,234.62 points. For the week, the benchmark index fell 0.7 percent. Toshiba Corp sank 9.2 percent, after rating agency S&P Global said it could slash the conglomerate's rating if financial support from lenders includes any form of debt restructuring. The broader Topix dropped 0.4 percent to 1,544.54.

Commodity in Focus

U.S. oil prices edged higher Thursday as growing U.S. inventories were offset by reports that the Organization of the Petroleum Exporting Countries was prepared to consider extending supply cuts.

Light, sweet crude for March delivery settled up 25 cents, or 0.5%, at \$53.50 a barrel on the New York Mercantile Exchange. Brent, the global benchmark, gained 20 cents or 0.10% to \$55.81.

US Indices	Net			
	Closing	Change	% Change	YTD
DJIA	20,624.05	+354.68	1.75%	4.36%
S&P 500	2,351.16	+35.06	1.51%	5.02%
NASDAQ Composite	5,838.58	+104.45	1.82%	8.46%

Europe Indices	Net			
	Closing	Change	% Change	YTD
UK - FTSE 100	7,299.96	+41.21	0.57%	2.20%
Eurozone - STOXX 50	3,073.17	+34.03	1.12%	2.08%
France - CAC 40	4,867.58	+39.26	0.81%	0.11%
Germany - DAX	11,757.02	+90.05	0.77%	2.40%
Netherlands - AEX	499.08	+9.52	1.94%	3.29%
Switzerland - SMI	8,506.49	+50.27	0.59%	3.49%

BRICS Indices	Net			
	Closing	Change	% Change	YTD
Brazil - Ibovespa	67,748.42	+1,623.90	2.46%	12.49%
Russia - MICEX	2,128.21	-33.98	-1.57%	-4.68%
India - SENSEX	28,468.75	+134.50	0.47%	6.92%
China - Shanghai	3,202.08	+5.38	0.17%	3.17%
South Africa - JSE Africa	52,223.54	-463.75	-0.88%	3.10%

Asia-Pacific Indices	Net			
	Closing	Change	% Change	YTD
Japan - Nikkei 225	19,234.62	-144.31	-0.74%	0.63%
Hong Kong - Hang Sen	24,033.74	+458.76	1.95%	9.24%
South Korea - KOSPI	2,080.58	+5.50	0.27%	2.67%
Australia - ASX 200	5,805.82	+85.21	1.49%	2.47%

Commodities	Net			
	Closing	Change	% Change	YTD
Gold Spot	1,234.60	+98	0.08%	7.59%
Silver Spot	18.00	0.05	0.27%	12.99%
Platinum Spot	1,003.33	-8.17	-0.81%	11.10%
Palladium Spot	777.59	-6.59	-0.84%	14.19%
Crude Oil (WTI)	53.40	-46	-0.85%	-0.60%
Crude Oil (Brent)	55.81	-89	-1.57%	-1.78%
Baltic Dry Ind	741.00	+39.00	5.56%	-22.89%

Money Markets	Closing	Net		Net Change (YTD)
		Change (5-D)	Change (6-M)	
3M Libor	1.052	0.016	0.241	0.054
12M Libor	1.735	0.033	0.216	0.050
3M Euribor	(0.329)	-	(0.031)	(0.010)
12M Euribor	(0.109)	(0.008)	(0.060)	(0.027)
10Y US	2.415	0.007	0.866	(0.030)
10Y UK	1.211	(0.045)	0.648	(0.028)
10Y Germany	0.302	(0.018)	0.352	0.094
10Y Japan	0.094	0.002	0.164	0.048
10Y India	6.852	0.047	(0.254)	0.337

Currencies	Closing	
	EUR/USD	Closing
GBP/USD	1.241	1.062
USD/JPY	112.840	0.766
USD/CHF	1.003	3.899
USD/INR	67.020	71.377
USD/CNY	6.867	1.064
USD/RUB	58.450	18.263

Source: Bloomberg

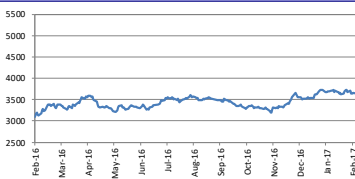
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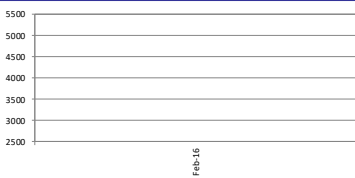
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,645.85	-56.31	-1.52%	3.26%
Abu Dhabi - ADX	4,620.81	+50.34	1.10%	1.64%
Saudi Arabia - TASI	7,142.14	+120.57	1.72%	-0.95%
Qatar - QE	10,916.99	+287.86	2.71%	4.60%
Bahrain - BHSE	1,321.28	+11.96	0.91%	8.26%
Oman - MSM 30	5,858.41	+39.81	0.68%	1.31%
Kuwait	6,790.93	+153.63	2.31%	18.14%

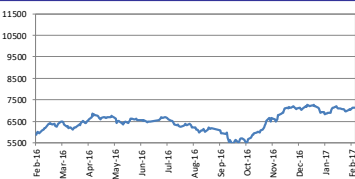
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Nasdaq Dubai welcomed the listing of a \$1 billion sukuk by Dubai Islamic Bank (DIB), the UAE's largest Islamic bank, on the region's international exchange. It brings the total value of DIB's sukuk current listings on Nasdaq Dubai to \$4.25 billion, more than any other UAE issuer, a statement said. DIB's earlier sukuk listings comprise a \$1 billion listing in 2013, two listings in 2015 respectively of \$750 million and \$1 billion, and a listing in 2016 of \$500 million. Nasdaq said the newest DIB listing reinforces Dubai's position as the world's largest venue for sukuk listings by value, raising the total listed in the emirate to \$47.81 billion.

Saudi Arabia is considering two options for the shape of Saudi Aramco when it sells shares in the national oil giant next year: a global industrial conglomerate, and a specialised international oil company, industry and banking sources said. When the plan was publicly released in June last year, it pledged to "transform Aramco from an oil-producing company into a global industrial conglomerate". But now Saudi officials and their advisers are debating whether to make Aramco "a Korean chaebol", as one source said, referring to sprawling South Korean conglomerates, or a specialised company focused purely on oil and gas.

En Bref..... Biggest Market News

Brazilian private-equity firm 3G Capital Partners L.P. and billionaire investor Warren Buffett are creating a global food and consumer-goods empire by following a simple formula: buy a company that is concentrated in one market, combine it with another somewhere else and then spread the products across the world. On Friday they took their biggest swing yet when Kraft Heinz Co., which is partly owned by 3G and Mr. Buffett's Berkshire Hathaway Inc., said it made a \$143 billion approach to take over U.K. consumer products giant Unilever PLC. Kraft Heinz later said Unilever has declined the offer, but that they are working to reach an agreement on the transaction. If the deal happens, it would cement 3G and Mr. Buffett as the largest global players in food and consumer packaged goods by bringing together household brands such as Kraft Heinz's Oscar Mayer hot dogs and Maxwell House coffee and Unilever's Dove soaps and Surf laundry detergent.

Events in the week ahead

22 February – Euro-Zone Consumer Price Index.

22 February – FOMC Meeting.

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