

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	16,380.41	-163.69	-0.99%	-1.18%
S&P 500	1,886.76	-19.37	-1.02%	2.08%
NASDAQ	4,258.44	-17.80	-0.42%	1.96%

Europe Indices				
	Closing	Net Change	% Change	YTD
STOXX 50	2,856.04	-28.38	-0.98%	-2.17%
FTSE 100	6,310.29	-29.68	-0.47%	-6.50%
CAC 40	4,033.18	-40.53	-0.99%	-6.12%
DAX	8,850.27	+61.46	0.70%	-7.35%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Ibovespa	55,723.79	+412.20	0.75%	8.19%
MICEX	1,384.72	+20.48	1.50%	-7.94%
SENSEX	26,108.53	-528.75	-1.98%	23.32%
Shanghai	2,341.18	-33.36	-1.40%	10.64%
JSE Africa	47,836.69	+744.45	1.58%	3.42%

Asia Indices				
	Closing	Net Change	% Change	YTD
Nikkei 225	14,532.51	-946.42	-6.11%	-10.80%
Hang Seng	23,023.21	-65.33	-0.28%	-1.22%
KOSPI	1,900.66	-40.26	-2.07%	-5.50%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,238.32	+15.16	1.24%	3.05%
Silver Spot	17.27	-0.13	-0.73%	-11.32%
Crude Oil (WTI)	82.75	-3.07	-3.58%	-15.92%
Crude Oil (Brent)	86.16	-4.05	-4.49%	-22.24%
Baltic Dry Ind	944.00	-19.00	-1.97%	-58.54%

Money Market				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.231	0.001	0.006	-0.015
12M Libor	0.547	-0.006	0.000	-0.036
3M Euribor	0.081	0.002	-0.247	-0.206
12M Euribor	0.340	0.007	-0.259	-0.216
10Y US	2.194	-0.087	-0.528	-0.835
10Y UK	2.189	-0.028	-0.479	-0.833
10Y Germany	0.859	-0.028	-0.656	-1.070
10Y Japan	0.476	-0.029	-0.129	-0.265
10Y India	8.390	-0.066	-0.464	-0.435

Currencies			
	Closing		Closing
GBP/USD	1.609	EUR/USD	1.276
USD/JPY	106.880	AUD/USD	0.874
AED/INR	16.688	EUR/AED	4.687
USD/INR	61.443	EUR/INR	78.776
USD/CNY	6.125	EUR/CHF	1.208

Source: Bloomberg

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## International Market News Update

In the US, the S&P 500 had its fourth consecutive weekly fall, the longest slump since 2011. Industrial production data released last week showed that output had rebounded strongly in September and grown by 1%, the biggest monthly gain in over three years. Jobless claims have fallen to 264,000, which is a 14-year low. The 3<sup>rd</sup> quarter earnings of most companies continued to beat estimates during last week. Thus, the strong economic data coming out of the US as well as the sharp fall in the major benchmarks this month has made the US stock markets a strong investment opportunity to look at currently.

In Europe, the 18-member Eurozone seems heading for deflation as the inflation rate for the region fell to 0.4% in September, the lowest level in 5 years. In UK, the inflation rate fell to 1.2% in September, which is also 5-year low. Factory activity dropped to 1.8% for the month of September which has prompted the European Central Bank to confirm that it would be starting to buy assets, within a few days, to stimulate growth in the region.

In Asia, inflation in China is at 1.6% for September, which is the lowest since January 2010. The central bank in South Korea cut its key interest rate to 2%, last seen in mid-2010. The Nikkei 225 had a massive weekly fall and is currently over 10% lower year-to-date at a level last seen in May. Japan continues to rely heavily on its exports and the Japanese stock markets are expected to remain under continued pressure if the Japanese yen strengthens.

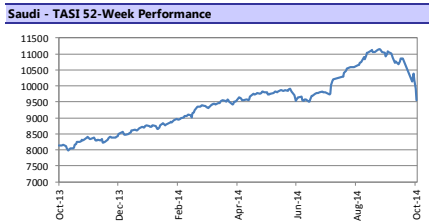
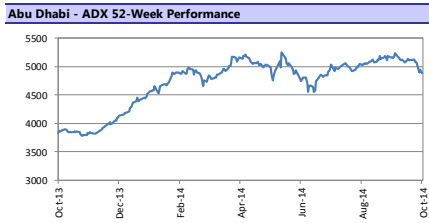
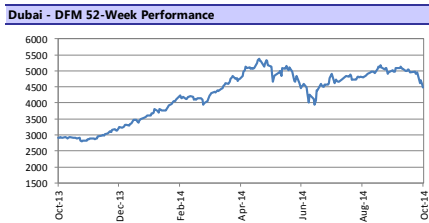
## Country in Focus

Consumer inflation in India fell to a record low in September at 6.46% and wholesale inflation in September fell to 2.38%, which is a fresh 5-year low. The 10-year benchmark government bond yield fell to a 13-month low at 8.36% last week. Falling oil prices will continue to help India keep its trade deficit in check as well keep inflation low since the country imports over 70% of its oil. Fuel inflation in India is currently at a 5-year low helped by the over 20% fall in oil prices since June. Diesel was deregulated over the week-end which should see diesel prices determined by the market now. The Indian government subsidizes a large part of the country's fuel bill and this fall in oil prices will also allow the government to control its budget deficit and focus on spending elsewhere, particularly on infrastructure, as it attempts to curb poor growth in Asia's third-largest economy.

## Money Market in Focus

The yield on the 10-year Treasury touched 1.85% last week which is the lowest level since May 2013. Germany's benchmark 10-year bund touched a historic low last week at 0.719% and the 10-year benchmark government bond in France also fell to a record low of 1.112%. On the other hand, yields of the 10-year government bonds of heavily indebted European nations, such as Greece, Portugal, Ireland and Italy, surged as investors grew concerned over global economic growth, particularly in Europe and China.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,419.36	-200.24	-4.33%	31.15%
Abu Dhabi - ADX	4,793.55	-106.12	-2.17%	11.73%
Saudi - TASI	9,775.32	-370.05	-3.65%	14.52%
Qatar - QE	13,147.79	-268.27	-2.00%	26.67%
Bahrain - BHSE	1,446.86	-19.42	-1.32%	15.85%
Oman - MSM 30	6,946.81	-366.82	-5.02%	1.64%
Kuwait	7,387.85	-182.20	-2.41%	-2.14%



Source: Bloomberg

## Middle East Market News Update

Stock exchanges in the GCC, particularly in Dubai, Saudi Arabia and Oman, nose-dived last week on news of poor global economic growth and falling oil prices as well as the sell-off in global stock markets. The Dubai Financial Market had touched a 3-month low during the week. It is still the 2<sup>nd</sup> best performing stock index in the world for this year, even though it has fallen over 10% this month. National Commercial Bank (NCB), the largest lender in Saudi Arabia, has plans to raise 22.5 billion Saudi riyals (around USD 6 billion) in an IPO between October 19 and November 2, which is expected to be the 2<sup>nd</sup> biggest IPO this year in the world. During the IPO, 500 million shares will be offered at a price of 45 riyals.

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

**Falling oil prices. Is Saudi Arabia still the most influential player in the oil market?**

Saudi Arabia still continues to be the world's largest oil exporter and is trying to protect its market share by offering discounts to clients in Asia and keeping its oil production steady.

Saudi Arabia currently has enough credit to withstand this slump in oil prices and according to the International Monetary Fund, an oil price of USD 83.60 has been accounted to balance the budget. Saudi Arabia had run a budget deficit from the mid-1980s to the late-1990s and will be willing to run a budget deficit again to ensure it continues to have a large share of the oil market. "Saudi Arabia has generated cumulative budget and current account surpluses of \$600 billion and \$1 trillion, allowing it to build up (foreign exchange) reserves equivalent to some 90% of GDP" HSBC Global Research said.

WTI crude fell below USD 80, on Thursday, for the first time since June 2012. Brent crude had fallen below USD 83 for the first time since 2010. Oil is clearly in a bear market currently and falling oil prices would definitely impact the profits made by US shale gas manufacturers because extracting oil from shale costs more than twice as much as it is costs to extract oil from the petroleum reserves available in Saudi Arabia. The plunging prices of oil will prove to be a huge burden on the Russian economy, which is already suffering from US and European sanctions, as over 50% of the revenues generated by Russia come from the oil and gas industry. The US shale gas industry has grown strongly over the last 10-15 years and is expected to be a strong competitor to the major oil-exporting countries in the Middle East and North Africa.

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