

US Indices

	Closing	Net Change	% Change	YTD
DJIA	16,437.05	-32.94	-0.20%	-0.84%
S&P 500	1,842.37	+11.00	0.60%	-0.32%
NASDAQ	4,174.67	+42.76	1.03%	-0.05%

Europe Indices

	Closing	Net Change	% Change	YTD
DJ STOXX 50	2,922.74	+14.75	0.51%	0.11%
FTSE 100	6,739.94	+9.27	-0.14%	-0.14%
CAC 40	4,250.60	+2.95	0.07%	-1.06%
DAX	9,473.24	+38.09	0.40%	-0.83%

BRICS Indices

	Closing	Net Change	% Change	YTD
Bovespa	49,696.45	-1,284.64	-2.52%	-3.52%
Russia TS	1,396.36	-46.37	-3.21%	-3.21%
Sensex	21,014.72	+217.06	1.04%	-0.79%
Shanghai	2,012.33	-33.63	-1.64%	-4.91%
JSE Africa	45,548.15	-657.94	-1.42%	-1.53%

Asia & Japan Indices

	Closing	Net Change	% Change	YTD
TOPIX	1,298.48	-3.81	-0.29%	-0.29%
NIKKEI 225	15,912.06	-379.25	-2.33%	-2.33%
Hang Seng	22,805.47	+126.79	0.56%	-2.13%
HSCEI	10,155.65	-129.41	-1.26%	-6.06%
KOSPI	1,951.46	-1.89	-0.10%	-2.98%

Commodities / Money Market / Currencies

Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	1,512.00	-524.00	-25.74%	-33.60%
Gold Spot	1,251.77	13.71	1.11%	4.17%
Silver Spot	20.23	0.05	0.23%	3.90%
WTI Oil	92.72	-1.24	-1.32%	-5.79%
Money Market	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.24	0.00	-0.03	0.00
12M Libor	0.58	0.00	-0.11	0.00
3M Euribor	0.28	0.00	0.07	-0.01
12M Euribor	0.56	0.01	0.05	0.00
10Y Bund	1.84	0.87	0.19	-0.09
10Y US	2.86	0.85	0.23	-0.17
10Y JPY	0.69	0.36	-0.16	-0.04
Currencies	Closing	Currencies	Closing	
USD/JPY	103.4200	-	CNY/USD	6.0455
EUR/USD	1.3680	-	EUR/AED	5.0246
EUR/CHF	1.2326	-	INR/USD	61.5550
GBP/USD	1.6501	-	AUD/USD	1.1072

* Source: Bloomberg

International Market Update

This week the broader **US stocks** indexes rose in the first full trading week of 2014, while the Dow Jones recorded a modest loss. For most of the week, investors appeared to remain focused instead on economic data, which had proved generally favorable over the past month and seemed to be a major factor in the market's strong year-end performance. This week brought somewhat mixed news, particularly on the labor front. On Wednesday, a strong report on private payroll growth in December raised hopes for the official jobs report on Friday. However, the official data showed that employers added only 74,000 non-farm jobs in the month, well below most estimates and the worst showing since January 2011.

European stocks posted a gain in the first full week of 2014, as data showed US and German unemployment fell and that Ireland returned to the bond market after exiting its bailout program. A gauge of lenders posted its biggest weekly advance in more than eight months as Ireland's bond sale sent European borrowing costs lower, with Bank of Ireland soaring 19% in Dublin. National benchmark indexes rose in all of the 18 western-European markets except Iceland this week. Euro zone gained the most since November 2008 and confidence increased more than expected in the month of December. Recently, ECB chief indicated that he would keep the interest rate low as the region is still not out of risk.

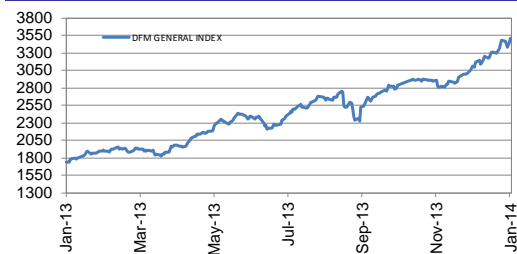
Asian stocks fell last week, with the regional benchmark MSCI Asia Pacific gauge sliding the most in four weeks, as data from China added to concern about a slowdown in the world's second-largest economy. Investors got nervous about the Chinese economic growth as data pointed out that the producer price index declined for the 22nd consecutive month and exports rose at a pace of 4.3% on year on year basis as against the expectations of 5% growth. However, imports increased at a pace of 8.3% thereby narrowing trade surplus of \$25.64 billion.

In India, it is expected that consumer price inflation will cool off as the price of vegetables and fruits have come off sharply in the last few weeks. As regards to economic growth, Indian service sector contracted for the sixth consecutive month in December to 46. It looks that in the third Quarter Review of Monetary Policy 2013-14 on 28th January, RBI governor would not like to hike the interest rates in the wake of sagging growth and cooling consumer inflation as he believes that the previous two hikes would take months to get absorbed in the economy.

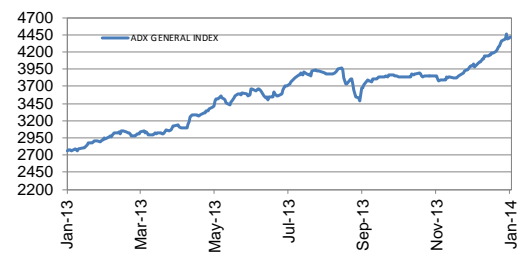
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,504.50	+32.37	0.93%	4.00%
Abu Dhabi - ADX	4,394.57	+35.37	0.81%	2.97%
Saudi - Tadawul	8,677.87	+59.75	0.69%	2.10%
Kuwait	7,658.94	+109.42	1.45%	1.22%
Bahrain - BHSE	1,262.64	+14.29	1.24%	1.10%
Qatar - DSM QE	10,873.08	+327.81	3.11%	5.23%
Oman - MSM 30	7,128.41	+266.79	3.87%	4.77%
Turkey - ISEN 100	68,307.25	+1,944.97	2.95%	0.16%

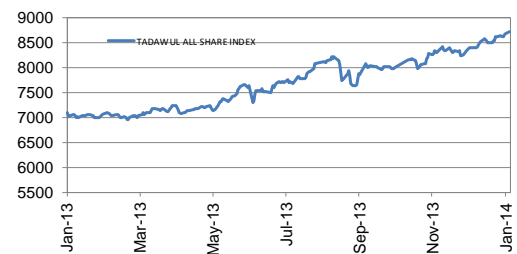
Dubai - DFM Index 52-Week Performance



Abu Dhabi - ADX Index 52-Week Performance



Saudi - Tadawul Index 52-Week Performance



* Source: Bloomberg

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Middle East

GCC Regional markets traded on a positive note last week.

Gulf stock markets are expected to be steady next week following an early-year surge as investors wait for fourth-quarter earnings to determine whether recent gains are justified.

The Dubai, Abu Dhabi, Qatar, Oman and Saudi Arabia benchmarks have all hit five-year highs in January. Oman rose 3.9% last week while Qatar is the top regional performer in 2014, rising 5.24%.

Oman gives one of the highest dividend yields and valuations are pretty reasonable, while local institutions have pumped in liquidity since beginning of 2014, which is helping support market upside, investors will wait on quarterly earnings to "show if fundamentals support the rally or not". **After the UAE led gains last year, we could see Oman, Qatar and Saudi be the frontrunners in 2014.**

En Bref *Biggest market news*

After the S&P 500's impressive 30% return in 2013, Wall Street will get a better picture of reality this week as the pace picks up for companies reporting earnings. A number of big banks are due to report quarterly and full-year results next week, including JPMorgan Chase & Co and Wells Fargo & Co on Tuesday, Bank of America Corp on Wednesday, Goldman Sachs Group and Citigroup on Thursday, and Morgan Stanley on Friday. Their results will help determine whether earnings forecasts for 2014 need to come down and whether stock values have become overblown.

Investors may get a better sense of how quickly the central bank will reduce its market-friendly bond purchases from a number of Federal Reserve officials due to speak this week. A much weaker-than-expected December payrolls report on Friday raised new questions about both the strength of the economy and the aggressiveness of Fed stimulus. Federal Reserve Bank of Atlanta President Dennis Lockhart is scheduled to speak at events on Monday and Wednesday, while Fed Chairman Ben Bernanke is set to speak on Thursday.

Gold and silver prices have made a sharp recovery in the short term, rebounding from their three-and-a-half-year lows. Both metals are up over 5% in just 3 weeks. However analysts are cautious at this level though there is a view that prices seems to have seen a bottom for the time being. **In the near term, prices may see some improvement but may not hold there.**