sidra capital

Monday 10th of March 2014

NOUVELLES

….. *Weekly market news for you*

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	16,452.72	+131.01	0.80%	-0.75%
S&P 500	1,878.04	+18.59	1.00%	1.61%
NASDAQ	4,336.22	+28.10	0.65%	3.82%

Europe Indices				
	Closing	Net Change	% Change	YTD
DJ STOXX 50	2,901.32	-66.23	-2.23%	-0.62%
FTSE 100	6,712.67	-97.03	-1.42%	-0.54%
CAC 40	4,366.42	-41.66	-0.95%	1.64%
DAX	9,350.75	-341.33	-3.52%	-2.11%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Bovespa	46,244.07	-355.14	-0.76%	-10.22%
Russia TS	1,158.87	-108.40	-8.55%	-19.68%
Sensex	21,919.79	+799.67	3.79%	3.54%
Shanghai	2,057.91	+1.61	0.08%	-2.74%
JSE Africa	47,786.77	+457.85	0.97%	3.31%

Asia & Japan Indices				
	Closing	Net Change	% Change	YTD
TOPIX	1,236.97	+25.31	2.09%	-5.02%
NIKKEI 225	15,274.07	+433.00	2.92%	-6.24%
Hang Seng	22,660.49	-176.47	-0.77%	-2.77%
HSCEI	9,709.49	-181.93	-1.84%	-10.23%
KOSPI	1,974.68	-5.31	-0.27%	-1.82%

Commodities / Money Market / Currencies				
Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	1,543.00	285.00	22.66%	-32.24%
Gold Spot	1,339.98	13.59	1.02%	11.51%
Silver Spot	20.94	-0.28	-1.33%	7.56%
WTI Oil	102.58	-0.01	-0.01%	4.23%
Money Market	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.24	0.00	-0.02	-0.01
12M Libor	0.55	0.00	-0.12	-0.03
3M Euribor	0.30	0.01	0.07	0.01
12M Euribor	0.57	0.02	0.02	0.01
10Y Bund	1.65	-0.27	-0.30	-0.28
10Y US	2.79	-1.21	-0.15	-0.24
10Y JPY	0.62	-0.23	-0.16	-0.11

Currencies	Closing		**Currencies**	Closing
USD/JPY	103.2800	-	CNY/USD	6.1274
EUR/USD	1.3875	-	EUR/AED	5.0971
EUR/CHF	1.2182	-	INR/USD	61.0875
GBP/USD	1.6713	-	AUD/USD	1.1028

***Source: Bloomberg**

International Market Update

US stocks overcame a sharp pullback in response to a growing crisis in Ukraine and ended the week higher. Investors fled stocks and other risky assets, although a rise in oil prices initially lifted the energy sector. Stock prices rallied on Tuesday, however, as Russian President Vladimir Putin seemed to indicate that Russia did not intend to annex Crimea and had no immediate plans for military action. The calming remarks from the Russian leader which may have been intended in part to stem a dramatic selloff in the ruble and Russian stocks allowed investors to refocus on the U.S. economy. In the U.S., a Labor Department report showed employers added 175,000 jobs in February, exceeding economists' estimates for the first time this year. Separate figures showed jobless claims fell to a three-month low last week.

European stocks European stocks posted their first weekly drop since January amid disappointing corporate earnings and as Russia and the U.S. faced off against each other over the crisis in Ukraine. National benchmark indexes dropped in 13 of the 18 markets in western Europe. Germany's DAX lost 3.5, posting the biggest weekly drop since January.

Asian stocks rose this week as U.S. data signaled resilience in the world's biggest economy and concern about the Ukraine crisis eased. Japan's Topix index climbed 2.1% this week as the yen weakened and an advisory committee said the Government Pension Investment Fund, the world's largest, doesn't need a domestic-bond focus. The Japanese currency slid 1.4% against the dollar this week, the biggest drop since July.

In India, benchmark stock index rose to a record, completing its best week in almost a year, amid speculation the opposition Bharatiya Janata Party is gaining support before general elections that start next month. Meanwhile, the country's manufacturing sector expanded in February at the strongest pace in 12 months, driven largely by growth in new business orders and an improved macroeconomic situation.

Gold rallied 11% in 2014, so far on the back of concerns such as expectation of fragile U.S. recovery and unrest in emerging markets including Ukraine boosted demand for a haven. Commodities are already on a roller coaster ride on Ukraine issue. Hence traders should also keep a vigil on some important data and events such as GDP of Japan, New Yuan Loans, Reserve Bank of New Zealand Rate Decision, Unemployment Rate of Australia, Advance Retail Sales of US, University of Michigan Confidence, to trade safely in commodities.

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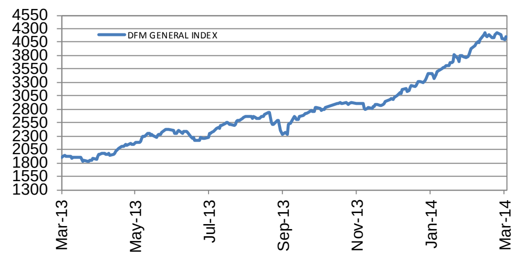
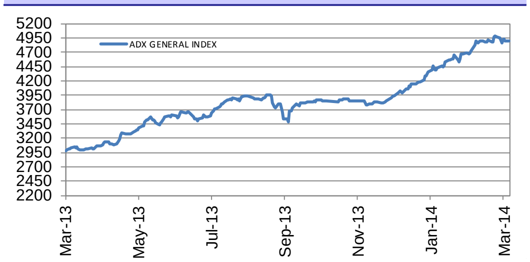
Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,153.64	-66.81	-1.58%	23.26%
Abu Dhabi - ADX	4,896.87	-47.29	-0.96%	14.14%
Saudi - Tadawul	9,248.82	+142.27	1.56%	8.36%
Kuwait	7,507.43	-185.32	-2.41%	-0.56%
Bahrain - BHSE	1,373.27	+.60	0.04%	9.96%
Qatar - DSM QE	11,607.03	-232.43	-1.96%	11.83%
Oman - MSM 30	7,118.12	+4.25	0.06%	4.15%
Turkey - ISEN 100	63,095.99	+542.67	0.87%	-6.94%

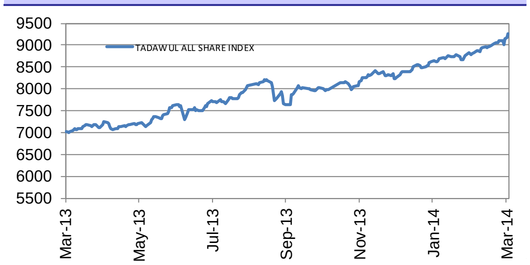
Dubai - DFM Index 52-Week Performance



Abu Dhabi - ADX Index 52-Week Performance



Saudi - Tadawul Index 52-Week Performance



Source: Bloomberg

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Middle East

Most of GCC markets traded mostly in the red except for Tadawul and Oman. Kuwait was the top decliner falling 2.4% followed by Dubai which decreased by 1.6%. Tadawul was the top gainer, increasing 1.6%. Last week Saudi Arabia, UAE and Bahrain withdrew their ambassadors from Qatar in an unprecedented move citing Doha not implementing an agreement among Gulf Arab countries to not to interfere in each other's' internal affairs.

After a stellar start to the year, with both January and February showing strong gains across the regional markets (DFMGI has advanced 23.26%, which follows a 107.69% increase for 2013). Last week's selloff, especially in the UAE, can be mainly attributed to profit taking. The surprising action of last week was Saudi actually gaining while the rest of the markets declined. It's too early to tell if this is an actual trend but the uncorrelation to regional trends may simply be a symptom of Saudi playing catch-up to the regional rally while the others take a rest. **The coming week will be observed in the context of profit taking; will it gather steam or will buyers again not risk any deviation from the upward momentum?**

En Bref ….. *Biggest market news*

Stock markets across the globe gained on the optimism that Russia would not invade Ukraine and optimistic commentary from ECB president Mario Draghi. Russia's troop buildup in Crimea sent sell off in its currency and stock markets and led to interest rate hike by the Russian central bank to protect the Russian currency Ruble.

The U.S. government is expecting growth in year 2014 would be the fastest at a pace of 3.1% since 2005 and higher than 1.9% recorded in 2013. Both U.S. government and the U.S. Federal Reserve seem to be of the opinion that the U.S recovery is on course and it can withstand the reduction in stimulus. It now looks almost certain that we are heading for another round of cut in monthly bond purchases by U.S. Federal Reserve.

The ramifications may be visible on the emerging markets that are facing issues on trade and fiscal side. May be India would stand stronger this time and it appears so because India has done a lot to correct deficit on the fiscal and trade side since last year. European Central Bank, as expected, kept rates unchanged in the monetary policy review meeting. As per Mario Draghi, inflation would reach the bank's target by 2016 and deflation risks in the region are easing. A section of investors is worried about deflation in Euro region as was seen in Japan and are of the opinion that at this point of time, may be ECB chief is downplaying the deflation concerns.