

US Indices

	Closing	Net Change	% Change	YTD
DJIA	16,491.31	-92.03	-0.55%	-0.51%
S&P 500	1,877.86	-.62	-0.03%	1.60%
NASDAQ	4,090.59	+18.72	0.46%	-2.06%

Europe Indices

	Closing	Net Change	% Change	YTD
DJ STOXX 50	3,028.99	+39.39	1.32%	3.75%
FTSE 100	6,855.81	+41.24	0.61%	1.58%
CAC 40	4,456.28	-21.00	-0.47%	3.73%
DAX	9,629.10	+47.65	0.50%	0.81%

BRICS Indices

	Closing	Net Change	% Change	YTD
Bovespa	53,975.76	+875.42	1.65%	4.79%
Russia TS	1,262.01	+29.23	2.37%	-12.53%
Sensex	24,121.74	+1,127.51	4.90%	13.94%
Shanghai	2,026.50	+15.37	0.76%	-4.23%
JSE Africa	49,159.77	+307.32	0.63%	6.28%

Asia & Japan Indices

	Closing	Net Change	% Change	YTD
TOPIX	1,159.07	-6.44	-0.55%	-11.00%
NIKKEI 225	14,096.59	-103.00	-0.73%	-13.47%
Hang Seng	22,712.91	+849.92	3.89%	-2.55%
HSCEI	9,955.35	+270.77	2.80%	-7.96%
KOSPI	2,013.44	+56.89	2.91%	0.10%

Commodities / Money Market / Currencies

Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	1,027.00	30.00	3.01%	-54.90%
Gold Spot	1,293.52	4.61	0.36%	7.65%
Silver Spot	19.37	0.20	1.05%	-0.51%
WTI Oil	102.02	2.03	2.03%	3.66%
Money Market	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.23	0.00	-0.01	-0.02
12M Libor	0.53	-0.01	-0.05	-0.05
3M Euribor	0.32	-0.02	0.10	0.03
12M Euribor	0.59	-0.02	0.09	0.03
10Y Bund	1.33	1.15	-0.38	-0.60
10Y US	2.52	0.88	-0.18	-0.51
10Y JPY	0.57	0.22	-0.05	-0.16
Currencies	Closing	Currencies	Closing	
USD/JPY	101.5000	CNY/USD	6.2334	
EUR/USD	1.3694	EUR/AED	5.0297	
EUR/CHF	1.2224	INR/USD	58.7825	
GBP/USD	1.6811	AUD/USD	1.0677	

* Source: Bloomberg

International Market Update

US Stocks closed mixed for the week. The Dow Jones and S&P Stocks Index reached new highs at the start of the week but gave up their gains on Wednesday and Thursday. The technology heavy Nasdaq, which has often lagged in recent weeks, held up better and managed a modest gain. Investors were discouraged by a report on Wednesday showing a dip in homebuilder confidence to its lowest level in a year. Friday brought news that builders had ramped up home construction faster than anticipated in April. A small decline in consumer sentiment was also somewhat disappointing, as was a larger-than expected decline in industrial production in April. But, not all of the week's economic news was disappointing. Weekly jobless claims declined sharply and reached their lowest level since May 2007, several months before the last recession took hold.

European stocks were little changed this week, following four weeks of gains, as euro- area economic growth missed estimates, and investors weighed equity valuations amid mixed earnings reports. The Eurozone economy grew 0.2% in the first quarter from the previous three months, missing the economists' estimate of 0.4%. The Netherlands' GDP posted the biggest contraction in the currency bloc, falling 1.4%, as Italy and Portugal's economies unexpectedly shrank 0.1% and 0.7% respectively, while French growth also missed estimates. National benchmark indexes fell in 12 of the 18 western European markets during the week.

Asian stocks gained this week, with the regional benchmark posting its biggest advance in six weeks, driven by optimism that China will add to stimulus measures as investors weighed earnings. China's central bank told lenders to accelerate the granting of mortgages, spurring optimism that policymakers will do more to counter a slowdown in Asia's No. 1 economy.

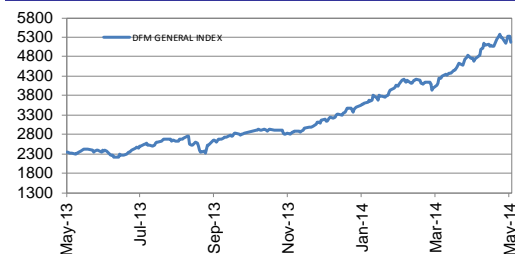
In India, the Sensex soared 4.9% last week to a record as Modi's BJP swept to power with the biggest Indian election win in 30 years as voters tired of sluggish economic growth and corruption handed a historic defeat to the Gandhi dynasty that has dominated politics since the country's founding. The value of Indian equities has climbed by more than US\$330 billion since the BJP named Modi as its candidate on Sept. last year. The win raises the hopes by big margin that now BJP would take strong actions as stated in their manifesto to revive the sentiments and growth in the country. Infrastructure, Capital Goods, Banks, etc. are some of the sectors that are expected to do well on the expectations of measures that are to be taken. The positive sentiments also led to appreciation in Indian Rupee and fall in 10 year bond yields. It is expected that the growth numbers would not turn up immediately, but if the actions are initiated then there is a strong possibility of stock markets, giving a salute to the future growth that is likely to come.

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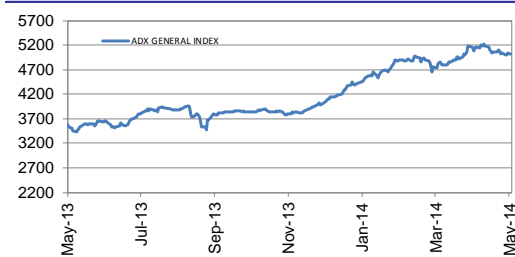
Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	5,181.14	-120.95	-2.28%	53.75%
Abu Dhabi - ADX	5,021.47	-23.54	-0.47%	17.04%
Saudi - Tadawul	9,807.37	+20.34	0.21%	14.90%
Kuwait	7,403.74	-2.66	-0.04%	-1.93%
Bahrain - BHSE	1,463.72	-7.35	-0.50%	17.20%
Qatar - DSM QE	13,104.75	+143.35	1.11%	26.25%
Oman - MSM 30	6,734.85	-90.42	-1.32%	-1.46%
Turkey - ISEN 100	75,009.31	-553.64	-0.73%	10.63%

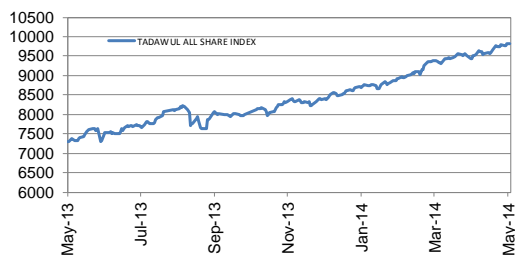
Dubai - DFM Index 52-Week Performance



Abu Dhabi - ADX Index 52-Week Performance



Saudi - Tadawul Index 52-Week Performance



* Source: Bloomberg

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Middle East

GCC Financial markets traded mostly negative with Dubai Financial Markets being the top loser; down 2.28% while Abu Dhabi declining 0.5%. Saudi Tadawul and Qatar stocks exchange were the top gainers, up 1.1% respectively.

Dubai's benchmark index dropped last week in the longest losing streak in more than three months, amid bets the rally before the UAE' upgrade to emerging market status is overdone. The DFM General Index declined 2.28% in Dubai. The index has gained more 53.75% this year. **We were expecting a correction after the MSCI upgrade but it started a bit early.**

Dubai's housing market is slowing after the world's biggest price increases in 2013 prompted the UAE's Central Bank to restrict mortgage lending and the government doubled transaction fees. This is good news for Dubai financial authorities who have been trying to tame a market that has lurched between boom and bust since it was opened to foreign buyers in 2002. Home values will rise by 12% in 2014 after surging by about 51% last year, according to Cluttons. When an improving economy sparked a rally beginning in 2012, the central bank and the government started looking at ways to limit the easy money and speculation that caused the previous bubble. Developers including Emaar also imposed rules to prevent the so-called flipping of properties before they are built. The restrictions have triggered a sharp decline in single- family-home transactions, which dropped 46% in the first quarter.. Residential prices rose 3% in the first quarter, compared with around 6% in the last quarter of 2013. Prices are still 19% below their peak in 2008.

En Bref *Biggest market news*

Global stocks posted some gains on account of earnings surprises in the results declared and also on account of positive economic data i.e. Retail sales out of U.S.

Euro Area major economy Germany saw a decline in investor confidence for the fifth consecutive month leading to speculation for some action by the European Central Bank (ECB) in the ensuing monetary policy meeting to be held in June. Last week the ECB president also hinted about some action in June policy meeting, citing concerns for deflation in the Euro Area.

The Chinese central bank advised lenders to accelerate approval, especially for families buying first home indicating soft stance towards the real estate market. As a matter of fact Chinese economy is struggling with correction in property market together with surprising deceleration in investment and industrial production.

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