

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	16,717.17	+174.09	1.05%	0.85%
S&P 500	1,923.57	+31.08	1.64%	4.07%
NASDAQ	4,242.62	+88.28	2.12%	1.58%

Europe Indices				
	Closing	Net Change	% Change	YTD
DJ STOXX 50	3,032.84	+6.38	0.21%	3.89%
FTSE 100	6,844.51	+23.95	0.35%	1.41%
CAC 40	4,519.57	+26.42	0.59%	5.21%
DAX	9,943.27	+175.26	1.79%	4.09%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Bovespa	51,239.34	-1,387.07	-2.64%	-0.52%
Russia TS	1,295.75	-30.83	-2.32%	-10.19%
Sensex	24,217.34	-476.01	-1.93%	14.39%
Shanghai	2,039.21	+4.64	0.23%	-3.63%
JSE Africa	49,632.70	-319.99	-0.64%	7.30%

Asia & Japan Indices				
	Closing	Net Change	% Change	YTD
TOPIX	1,201.41	+20.97	1.78%	-7.75%
NIKKEI 225	14,632.38	+170.21	1.18%	-10.18%
Hang Seng	23,081.65	+115.79	0.50%	-0.96%
HSCEI	10,249.69	+128.63	1.27%	-5.24%
KOSPI	1,994.96	-22.21	-1.10%	-0.81%

#### Commodities / Money Market / Currencies

Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	934.00	-32.00	-3.31%	-58.98%
Gold Spot	1,249.68	-42.93	-3.32%	4.00%
Silver Spot	18.82	-0.64	-3.28%	-3.35%
WTI Oil	102.71	-2.24	-2.13%	4.36%

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	0.00	-0.04	-0.05
3M Euribor	0.31	-0.01	0.08	0.02
12M Euribor	0.57	-0.01	0.07	0.02
10Y Bund	1.36	0.52	-0.34	-0.57
10Y US	2.48	0.50	-0.27	-0.55
10Y JPY	0.57	0.13	-0.03	-0.16

Currencies	Closing	Currencies	Closing
USD/JPY	101.7700	CNY/USD	6.2471
EUR/USD	1.3635	EUR/AED	5.0079
EUR/CHF	1.2206	INR/USD	59.1025
GBP/USD	1.6755	AUD/USD	1.0741

\* Source: Bloomberg

## International Market Update

**US Stocks** repeatedly hit record levels this week as investors speculated that economic activity was picking up despite a report showing that the U.S. economy shrank more than expected in this year's first quarter. The Standard & Poor's 500 Index ended Friday at its 14th all-time high so far this year. Trading activity was relatively muted on a holiday-shortened week, after U.S. financial markets were closed Monday for Memorial Day. The Russell 2000 Index of small companies, which has struggled since early March, also advanced and pared its year-to-date loss. The gross domestic product (GDP) report dominated economic news. U.S. GDP contracted at a revised 1% annual rate from January to March this year, versus the 0.1% gain initially estimated, the Commerce Department reported. The revised rate was worse than most forecasts, but analysts attributed the decline to a slower pace of inventory-building that would translate into stronger demand in the second quarter.

**European stocks** were little changed, with the Stoxx Europe 600 Index advancing for a seventh week, as a better-than-expected report on U.S. business activity offset consumer-confidence data that missed forecasts. **Investors have been searching for the next direct catalyst, but in the meantime have been lightened by an improving U.S. economy and, in particular, on hopes that next week will herald some fresh monetary stimulus from the European Central Bank.** Draghi said this month he's "comfortable" to act in June to expand the central bank's easing policy. The bank next announces its monetary policy decision on June 5.

**In Asia,** stocks generally ended in positive territory after reports showed manufacturing in China expanded at the fastest pace in five months and policymakers said they will cut the reserve requirement ratio for some lenders. In Japan, stocks advanced as the Yen fell and data showed capital investment by companies jumped by 7.4% in first quarter this year compared to the same period last year.

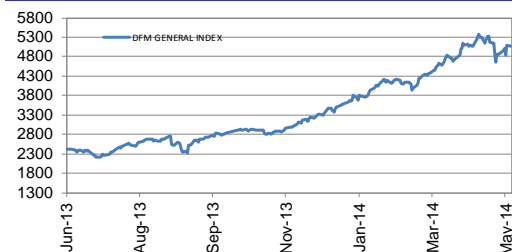
**In India,** stocks saw some correction as investors rushed to book profits after huge gains in the recent past after the formation of new government. Now the immediate priority for the new Government to fix the ailing economy is to empower with more direct involvement in decision-making. However, the biggest challenge before the Modi government is to push economic reforms and reduce uncertainties about taxation and regulatory practices. Arun Jaitley, who is appointed as the finance Minister has said that the budget would be presented in sometime in July and his top priority would be a fiscal correction and economic revival.

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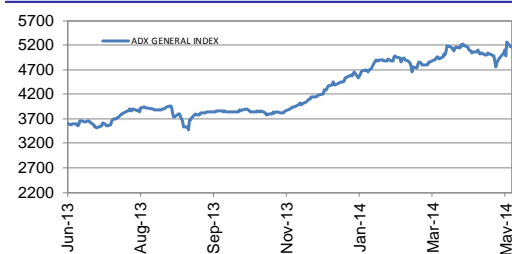
**Key Indices**

	Closing	Net Change	% Change	YTD
Dubai - DFM	5,056.32	+192.29	4.59%	50.05%
Abu Dhabi - ADX	5,157.66	+231.95	6.65%	20.22%
Saudi - Tadawul	9,870.00	+95.93	0.98%	15.61%
Kuwait	7,321.13	-25.70	-0.35%	-3.03%
Bahrain - BHSE	1,460.28	-5.48	-0.37%	16.93%
Qatar - DSM QE	13,696.98	+346.44	2.59%	31.96%
Oman - MSM 30	6,890.75	+146.61	2.17%	0.82%
Turkey - ISEN 100	79,289.80	+1,229.16	1.57%	16.94%

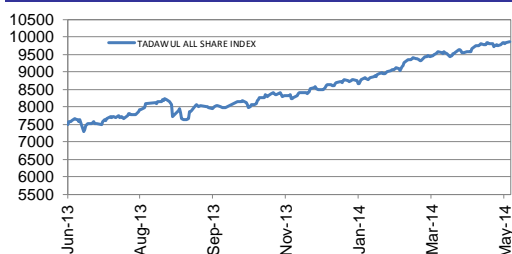
**Dubai - DFM Index 52-Week Performance**



**Abu Dhabi - ADX Index 52-Week Performance**



**Saudi - Tadawul Index 52-Week Performance**



\* Source: Bloomberg

**For more information:**  
mail: [info@sidracapital.com](mailto:info@sidracapital.com)  
Tel: +971 4 4328369  
Fax: +971 4 4343806

**Middle East**

UAE Stock indices, ADX and DFMGI, gained traction on last trading day of the week as traders scrambled to buy share of companies which now form part of the MSCI Emerging Market Index. The Abu Dhabi market, which has usually seen a total trading value of between Dh500 million and Dh600 million a day over the past month, saw trades worth Dh2.4 billion, whereas Dubai, which usually trades between Dh1.5 billion and Dh2 billion, saw trades worth Dh3.7 billion on Thursday. The stock market in Qatar as well witnessed an upward rally and volumes on the last day of the week, coinciding with the inclusion in the global index compiler MSCI emerging market (EM) index.

Although the impact of the upgrade has largely been reflected in the valuations of most stocks included in these indexes, the participation of passive funds is expected to be reflected in the valuations over the next few months.

**En Bref ..... Biggest market news**

Stock markets largely remained firm throughout the week on the expectations of easing from European Central Bank (ECB) and Bank of Japan (BOJ) but some nervousness during the end after a report showed that U.S. economy contracted by 1% on annualized basis in the first quarter ending March.

There is a possibility that Fed Chairwoman may resort to lower cut in monthly bond purchases going forward from an earlier cut of \$10 billion a month. As regards to interest rates, it is expected that lower interest rates would stay longer if wage growth and inflation stays low for a long. Consumer inflation rose to 23 year high in Japan at 3.2% in the month of April from previous month level of 1.3% while industrial production and household spending fell after sales tax hike.

Though inflation is rising but many on the street are of the opinion that it would not reach towards to (BOJ) target level as real incomes are falling. There is consensus that BOJ would raise the stimulus shortly. Japan's prime minister is also learnt to be working on rationalizing the corporate tax structure which may be unveiled going next month.

Next week marks a busy period for economic data, including the May unemployment report, which will be released on June 6. Financial markets will also focus on the European Central Bank monetary decision on June 5. The ECB is expected to cut its main interest rate to close to 0% and announce other measures to stimulate growth in the Eurozone.

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