sidra capital

Monday 07th of July 2014

NOUVELLES

….. Weekly market news for you

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,068.26	+222.13	1.32%	2.97%
S&P 500	1,985.44	+28.22	1.44%	7.42%
NASDAQ	4,485.93	+106.88	2.44%	7.41%

Europe Indices				
	Closing	Net Change	% Change	YTD
DJ STOXX 50	3,076.94	+62.30	2.07%	5.40%
FTSE 100	6,866.05	+108.28	1.60%	1.73%
CAC 40	4,468.98	+31.99	0.72%	4.03%
DAX	10,009.08	+193.91	1.98%	4.78%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Bovespa	54,055.90	+898.60	1.69%	4.95%
Russia TS	1,360.48	-19.27	-1.40%	-5.70%
Sensex	25,962.06	+862.14	3.43%	22.63%
Shanghai	2,059.38	+22.86	1.12%	-2.68%
JSE Africa	52,060.03	+1,434.66	2.83%	12.55%

Asia & Japan Indices				
	Closing	Net Change	% Change	YTD
TOPIX	1,285.24	+32.09	2.56%	-1.31%
NIKKEI 225	15,437.13	+342.13	2.27%	-5.24%
Hang Seng	23,546.36	+348.53	1.50%	1.03%
HSCEI	10,489.56	+152.54	1.48%	-3.02%
KOSPI	2,009.66	+21.15	1.06%	-0.08%

Commodities / Money Market / Currencies

Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	893.00	62.00	7.46%	-60.78%
Gold Spot	1,320.55	4.38	0.33%	9.90%
Silver Spot	21.17	0.20	0.96%	8.72%
WTI Oil	104.06	-1.78	-1.68%	5.73%
Money Market	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.23	0.00	-0.01	-0.01
12M Libor	0.55	0.01	-0.03	-0.03
3M Euribor	0.20	0.00	-0.08	-0.08
12M Euribor	0.49	0.00	-0.07	-0.07
10Y Bund	1.26	-0.03	-0.68	-0.66
10Y US	2.64	-0.89	-0.36	-0.39
10Y JPY	0.56	-0.06	-0.17	-0.17

Currencies	Closing		**Currencies**	Closing
USD/JPY	102.0600	-	CNY/USD	6.2050
EUR/USD	1.3595	-	EUR/AED	4.9929
EUR/CHF	1.2157	-	INR/USD	59.7350
GBP/USD	1.7160	-	AUD/USD	1.0678

Source: Bloomberg

International Market Update

In US, the S&P 500 and Dow Jones closed at record levels in a holiday-shortened week, fueled by a jobs report that was far stronger than expected but nonetheless isn't shifting expectations about when the Federal Reserve will start raising interest rates. Investors clearly welcomed a strong employment data, but decided the subdued wage growth means the Fed won't speed up its timetable for ending its unusually loose monetary policy. The U.S. economy added 288,000 new jobs in June, and the unemployment rate fell to 6.1%. Meanwhile, weekly jobless claims, a proxy for layoffs, ticked up 2,000 to 315,000 in the week ended June 28, hovering near a post-recession low for several months, the Labor Department said. Job growth is on an uptrend and so is the marketplace. **Investors will tune in this week to see if the positive trends from last week carry the three day weekend.**

European stocks ended the day on a negative note on Friday, but were higher on the week, as traders digested a better-than-expected U.S. jobs report and the European Central Bank's (ECB) decision to hold fire on Thursday and promises that cheap money will be sloshing around for years. The ECB will give banks the opportunity to borrow up to 1 trillion euros for four years at a rate of only 0.25% from September in the hope they will lend some of that money to businesses and consumers. **More liquidity in the system is a boost for bonds.**

Asian stocks rose to a three-year peak on Friday and the dollar held near its overnight highs after U.S. jobs data which showed the lowest unemployment rate in six years and underscored the strength of the economic recovery. Japanese markets too advanced during the week as companies increase their capital spending plans to 7.4% this fiscal up by 0.1% they signaled three months back as they perceive inflation to remain firm in the economy. Nikkei stock average rose 2.3% for the week, hitting a 6-month high.

In India, Indian stock markets made fresh highs before the budget to be announced on 10th July on the anticipation that higher allocations may be done for the infrastructure sector like roads, power, ports, etc. There could be case that because of the fiscal limitations, no major allocations may be done but markets would focus on the intent of the government and investors would try to gauge what could be in offing in the budget to be presented in February 2015 for the fiscal year 2015 – 2016. Other key areas that investors want to know is the government intent and action on the subsidies, fiscal prudence, implementation of goods and services tax and last but not the least the public sector banks recapitalization.

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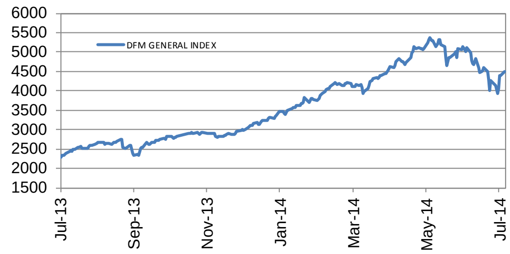
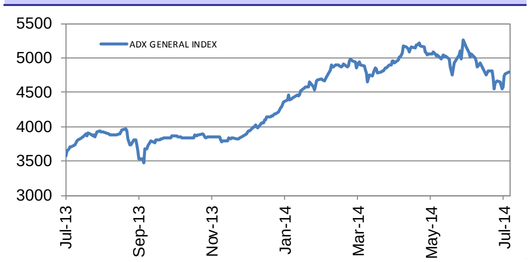
Key Indices				
	Closing	Net Change	% Change	YTD
Dubai - DFM	4,399.64	-353.18	4.19%	17.00%
Abu Dhabi - ADX	4,635.53	+82.22	1.81%	6.08%
Saudi - Tadawul	9,687.94	+118.45	1.24%	11.36%
Kuwait	7,004.31	+22.46	0.32%	-7.66%
Bahrain - BHSE	1,427.15	-4.90	-0.34%	14.31%
Qatar - DSM QE	12,376.62	+560.12	4.74%	10.69%
Oman - MSM 30	7,053.27	+110.08	1.59%	2.54%
Turkey - ISEN 100	77,534.77	-286.40	-0.36%	16.58%

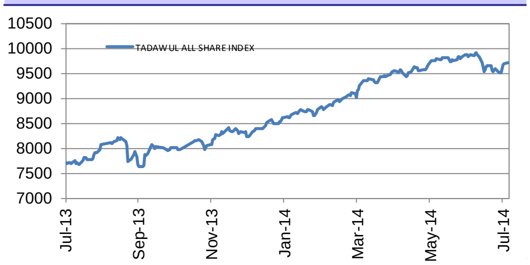
Dubai - DFM Index 52-Week Performance



Abu Dhabi - ADX Index 52-Week Performance



Saudi - Tadawul Index 52-Week Performance



** Source: Bloomberg*

For more information:
mail: info@sidracapital.com
Tel: +971 4 4328369
Fax: +971 4 4343806

Middle East

GCC financial markets this week were in positive territory. Qatar DSM 20 recorded as the top gainer with 4.74, while the top loser was Bahrain All Index which decreased by 0.34% compared to the previous week.

Unprecedented levels of volatility swept through the regional markets last week as buyers reasserted themselves and bears kept raising the pressure. However, on a weekly score, the bulls won handsomely. In the UAE, specifically Dubai, the markets snapped by smartly from the 'mini-crash' and most stocks now sit considerably above their recent lows. The volume levels increasing means that this is not a function of summer 'light volume' trading and that in fact this is legitimate, in many cases, institutional money taking advantage of the correction to accumulate. Similar bargain buying was seen in Qatar as blue chips were favored over speculative stocks. Saudi, as has been the general case, followed the trend but at a much slower and less volatile pace. When markets go from one extreme to another, uncertainty and volatility remain. Market participants would prefer a period of consolidation after such emphatic market gyrations. **The coming week will show if this is possible or that July will be like June, sizeable market movements in either direction with no side in relative control.**

En Bref ….. Biggest market news

Global stock markets strengthened during the week on the back of positive economic data out of two biggest economies namely; U.S. and China and also as crude prices came off from the highs amid speculation that oil supplies would remain uninterrupted from Iraq. Manufacturing activity saw fastest expansion in China in the month of June this year. Six nations including U.S., Russia, China, Germany, France and the U.K are negotiating with Iran to reach an agreement for crude supplies to eliminate the risks of disruption of supplies from Iraq due to fighting.

Geopolitical tension along with movement of greenback and ETF demand will give direction to the bullion counter in near term. Iraq tensions along with hurricane concerns will give clues to the crude oil traders. Additionally, the Tropical Storm Arthur is expected to cause further trouble along with Atlantic coastline with the Eastern and Northeast points likely to be the hardest hit. Libya is reopening two oil export terminals in the country's east after taking control from rebels who have blocked oil shipments for the past year. Fighting in Iraq still hasn't spread to the south, home to more than three-quarters of its output. In Iraq, oil exports have been unaffected by an Islamist insurgency in the north. The country will ship 2.8 million barrels a day this month, close to a record high.