

US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,100.18	+156.37	0.92%	3.16%
S&P 500	1,978.22	+10.65	0.54%	7.03%
NASDAQ	4,432.15	+16.66	0.38%	6.12%

Europe Indices

	Closing	Net Change	% Change	YTD
DJ STOXX 50	3,007.91	+20.58	0.69%	3.03%
FTSE 100	6,749.45	+59.28	0.89%	0.01%
CAC 40	4,335.31	+18.81	0.44%	0.92%
DAX	9,720.02	+53.68	0.56%	1.76%

BRICS Indices

	Closing	Net Change	% Change	YTD
Bovespa	57,012.90	+2,226.97	4.06%	10.69%
Russia TS	1,276.28	-106.90	-7.73%	-11.54%
Sensex	25,641.56	+617.21	2.47%	21.12%
Shanghai	2,059.07	+12.11	0.59%	-2.69%
JSE Africa	51,695.05	+533.72	1.04%	11.76%

Asia & Japan Indices

	Closing	Net Change	% Change	YTD
TOPIX	1,263.29	+8.10	0.65%	-2.99%
NIKKEI 225	15,215.71	+51.67	0.34%	-6.60%
Hang Seng	23,454.79	+221.34	0.95%	0.64%
HSCEI	10,441.23	+61.62	0.59%	-3.47%
KOSPI	2,019.42	+30.68	1.54%	0.40%

Commodities / Money Market / Currencies

Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	732.00	-82.00	-10.07%	-67.85%
Gold Spot	1,310.88	-27.82	-2.08%	9.09%
Silver Spot	20.87	-0.57	-2.68%	7.20%
WTI Oil	103.13	2.30	2.28%	4.79%
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	0.00	-0.02	-0.03
3M Euribor	0.20	0.00	-0.10	-0.09
12M Euribor	0.49	0.00	-0.09	-0.07
10Y Bund	1.15	0.44	-0.60	-0.77
10Y US	2.48	0.31	-0.34	-0.55
10Y JPY	0.54	-0.09	-0.13	-0.20

Currencies	Closing	Currencies	Closing
USD/JPY	101.3400	CNY/USD	6.2079
EUR/USD	1.3524	EUR/AED	4.9664
EUR/CHF	1.2151	INR/USD	60.2875
GBP/USD	1.7088	AUD/USD	1.0644

* Source: Bloomberg

International Market Update

In US, stocks gained during the week with Dow Jones reaching a record on July 16 as companies reported second-quarter results. About 77% of the 82 companies in the S&P 500 that have posted results this earnings season beat analysts' profit projections and 70% exceeded sales estimates. S&P 500 plunged 1.2% on July 17 and VIX had the biggest jump in 15 months after a Malaysian Airlines passenger jet crashed in Ukraine in a suspected missile attack. Equities recovered on the final day of the week amid the speculation that selloff was overdone. Some 140 companies in the S&P 500 are scheduled to report earnings in the coming week, including Netflix Inc., McDonald's Corp., Boeing Co., Apple Inc. and Microsoft Corp. Equities are also getting a lift from a boom in takeovers, with more than \$1 trillion worth of deals announced this year. Economic data during the week was mixed, with housing starts unexpectedly declining in June while retail sales reflected a broad-based gain last month. The number of Americans filing applications for unemployment benefits dropped, indicating further healing in the labor market. Federal Reserve, Chair Janet Yellen, told lawmakers this past week that benchmark-rate increases "likely would occur sooner and be more rapid than currently envisioned," should labor-market improvements exceed projections.

In Europe, FTSE 100 Index climbed into positive territory despite a sharp rise in geo-political fears caused by events in Ukraine and the Middle East. Strong results on the Wall Street, led by Google and Honeywell, were an important factor in the recovery. Markets also gained on account of acquisition activity after Abbvie Inc. agreed on a £31 billion deal to buy Hampshire-based drugs maker Shire.

In Asia, Shanghai Composite Index extended this week's gain amid speculation more cities will loosen property curbs as home prices slump. The Malaysian Airline crash did cause some temporary jitters in the Asian markets as well; however, the impact was more sentimental than fundamental.

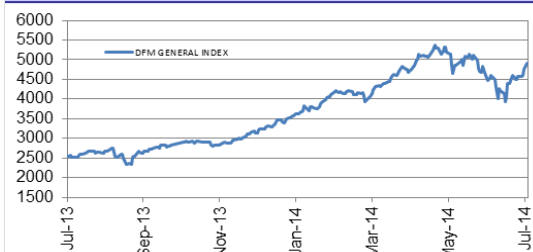
Indian stocks bounced back this week with Sensex gaining 2.47% on fresh buying mainly in capital goods, metal, banking and power sectors on easing of infrastructure financing norms by the RBI coupled with easing of inflation. Retail inflation in June touched its lowest at 7.31% since Jan 2012 and the wholesale Price Index slid to four-month low of 5.43%. Exports grew by 10.22% in June this year while imports rose by 8.33%. Indian rupee capped its biggest weekly loss, 0.6% for the week, in a month as the prospect of higher U.S. interest rates and conflicts in the Middle East and Ukraine hurt demand for riskier assets.

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Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	4,903.46	+328.37	7.18%	45.51%
Abu Dhabi - ADX	5,033.18	+186.04	3.84%	17.32%
Saudi - Tadawul	9,786.58	-16.71	-0.17%	14.66%
Kuwait	7,097.04	+21.04	0.30%	-5.99%
Bahrain - BHSE	1,481.32	+40.18	2.79%	18.61%
Qatar - DSM QE	13,284.65	+365.02	2.83%	27.99%
Oman - MSM 30	7,203.87	+13.90	0.19%	5.40%
Turkey - ISEN 100	82,314.53	+2,950.10	3.72%	21.40%

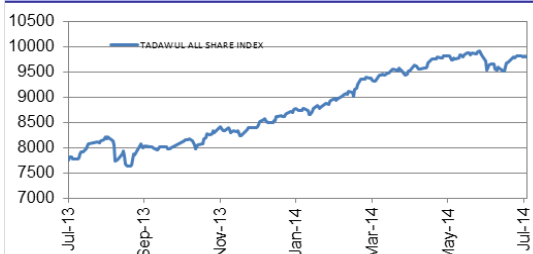
Dubai - DFM Index 52-Week Performance



Abu Dhabi - ADX Index 52-Week Performance



Saudi - Tadawul Index 52-Week Performance



* Source: Bloomberg

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Middle East

GCC financial markets ended the week in a positive territory. Dubai DFM recorded as the top gainer with 7.18% increase compared to the previous week, while the least gainer was Saudi Tadawul which ended almost flat compared to the previous week.

The net profit of Dubai Financial Market (DFM), the Gulf's only listed bourse, more than tripled in the second quarter on higher trading volume. The firm made a net profit of AED 252.5 million (\$68.7 million) in the three months to June 30, compared with a net profit of AED 69.5 million in the year-ago period. **The market volatility is expected to continue in UAE stock markets as long as there is ambiguity lurking around Arabtec.**

Dar al-Arkan, Saudi's largest real estate developer by market value, reported a 17% in second quarter net income but widely missed analysts' forecasts.

Merger and acquisition activity seems to have picked up in the Middle East as well as the region rebounds from the financial crisis. Kuwait Projects Co. received an offer to buy 100% of OSN, the pay-TV company valued at \$4.3 billion by Arqaam Capital. Kipco owns 60.5% of OSN, while Mawarid Group holds the rest. Private-equity firms are stepping up acquisitions in the Gulf as economies improve and companies seek cash for expansion. Private-equity firms KKR & Co. and TPG Capital are among groups examining bids for a majority stake in Kuwait Foods Co., known as Americana.

En Bref Biggest market news

Last week, U.S. and European Union imposed most aggressive sanctions on Russia over its role in the Ukraine conflict, including targeting specific companies such as oil producer OAO Rosneft and lender OAO Gazprombank and halting loans for public-sector projects in Russia. This is led to a decline of over 7% last week in the benchmark equity gauge together with the worsening investor sentiment and a retreat in oil prices.

John-Paul Smith, the Deutsche Bank AG strategist who predicted Russia's 1998 market crash and accurately called for a May rebound in the country's stock market, said the Micex Index could lose 10% by the end of this year as sentiment erodes amid international sanctions.

West Texas Intermediate crude capped its first weekly gain in a month rising almost 2.3%. The events in Gaza and the downed plane have the potential to deepen already dangerous geopolitical situations.

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