

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	16,493.37	-467.20	-2.75%	-0.50%
S&P 500	1,925.15	-53.19	-2.69%	4.15%
NASDAQ	4,352.64	-96.92	-2.18%	4.22%

Europe Indices				
	Closing	Net Change	% Change	YTD
DJ STOXX 50	2,948.89	-76.92	-2.54%	1.01%
FTSE 100	6,679.18	-112.37	-1.65%	-1.04%
CAC 40	4,202.78	-127.77	-2.95%	-2.17%
DAX	9,210.08	-433.93	-4.50%	-3.58%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Bovespa	55,902.87	-1,918.21	-3.32%	8.53%
Russia TS	1,212.74	-33.51	-2.69%	-15.94%
Sensex	25,480.84	-791.01	-3.01%	20.36%
Shanghai	2,185.30	+58.69	2.76%	3.28%
JSE Africa	50,917.78	-632.39	-1.23%	10.08%

Asia & Japan Indices				
	Closing	Net Change	% Change	YTD
TOPIX	1,281.30	-.05	0.00%	-1.61%
NIKKEI 225	15,523.11	+65.24	0.42%	-4.72%
Hang Seng	24,532.43	+316.42	1.31%	5.26%
HSCEI	10,982.65	-10.59	-0.10%	1.54%
KOSPI	2,073.10	+39.25	1.93%	3.07%

#### Commodities / Money Market / Currencies

Commodities	Closing	Net Change	% Change	YTD
Baltic Dry Ind	751.00	12.00	1.62%	-67.02%
Gold Spot	1,293.75	-13.47	-1.03%	7.67%
Silver Spot	20.33	-0.41	-1.97%	4.40%
WTI Oil	97.88	-8.46	-7.96%	-0.55%

Money Market	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.24	0.00	0.00	-0.01
12M Libor	0.58	0.02	0.01	-0.01
3M Euribor	0.21	0.00	-0.09	-0.08
12M Euribor	0.49	0.00	-0.07	-0.07
10Y Bund	1.13	0.14	-0.53	-0.80
10Y US	2.49	-0.23	-0.15	-0.54
10Y JPY	0.53	-0.03	-0.08	-0.20

Currencies	Closing	Currencies	Closing
USD/JPY	102.6100	CNY/USD	6.1795
EUR/USD	1.3427	EUR/AED	4.9327
EUR/CHF	1.2164	INR/USD	61.1850
GBP/USD	1.6821	AUD/USD	1.0738

\* Source: Bloomberg

## International Market Update

**In US**, the S&P 500 Index slid 2.69% for its biggest retreat since June 2012 as \$765 billion was erased from global equities. Investors started selling a week after the benchmark gauge for American equities reached an all-time high of 1,987.98 and ended seven straight days within 30 points of the 2,000 milestone, the longest streak to date. Signs of anxiety seems to be multiplying in the U.S. market that has gone almost three years without a decline of 10% and that hadn't even had a 1% drop in the DJIA for 52 days before this week. The Chicago Volatility Index, a gauge of investor concern derived from options prices, had two of its three biggest increases of the year in the last 15 days and jumped 34% over the week. The MSCI All-Country World Index dropped 2.4% over the five days as Argentina defaulted on debt and Portuguese securities regulators suspended trading in Banco Espirito Santo.

It was a big week for US economic activity—with jobs and GDP statistics and a meeting and decision from the Fed—but it was **Europe** that was whipsawed the hardest, with major equity markets tumbling. Germany's stocks were hard hit as investors worried that stepped-up sanctions on Russia, a crucial supplier of natural gas to Germany, would weigh on the German economy. For the week, the German benchmark slid 4.5%, the biggest weekly loss in two years.

**In Asia**, Asian markets ended their recent rally after the Dow posted its biggest single sell-off since February on weak Eurozone data and as news of Argentina's debt default shook the market. The drop came despite Chinese manufacturing activity increasing sharply in July and rising at its fastest pace in more than two years, according to official statistics.

**In India**, monsoon this season as a whole is estimated to be below 22% of the long period average for the first two months of the monsoon season that starts in June and ends in September. The month of August is crucial now as below normal rains would make drought a reality this year. Reserve Bank of India in the monetary policy review meeting scheduled on 5th August is expected to keep status-quo on the interest rates. In the earnings season so far, nine out of sixteen companies that have come out with the results for June quarter have matched or beaten the estimates.

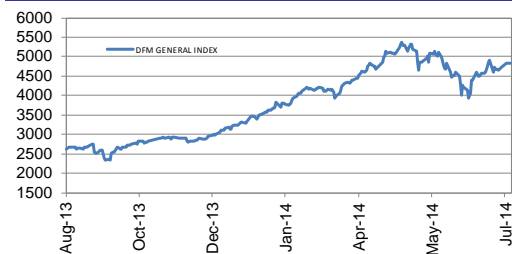
On the commodities front, it was a volatile week; with most of the commodities witnessed wild swings. Better than expected GDP data injected confidence in US economy and dollar index traded high. With strong dollar index, commodities moved down as they have strong negative correlations. Improved economic data from China and US along with supply shortfall will continue to support the prices of base metals in near term.

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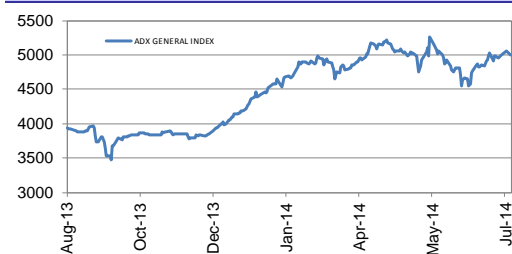
**Key Indices**

	Closing	Net Change	% Change	YTD
Dubai - DFM	4,833.24	+181.49	3.90%	43.43%
Abu Dhabi - ADX	5,054.95	+101.99	2.06%	17.82%
Saudi - Tadawul	10,214.73	+74.05	0.72%	19.67%
Kuwait	7,130.89	+33.85	0.48%	-5.55%
Bahrain - BHSE	1,471.70	+06	0.01%	17.84%
Qatar - DSM QE	12,877.31	-75.51	0.58%	24.06%
Oman - MSM 30	7,200.70	-3.17	-0.04%	5.36%
Turkey - ISEN 100	82,409.81	+193.81	0.24%	21.63%

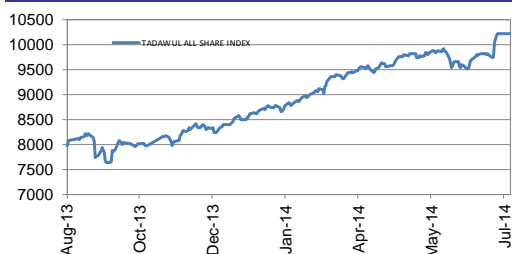
**Dubai - DFM Index 52-Week Performance**



**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**

Last week, most of GCC Financial markets opened only for one day due to Eid holidays. UAE and Bahrain opened for only two sessions. In UAE, both the sessions sustained bullish activities and analysts expect that the same trend to prevail in days to come. Dubai Financial Market benchmark index increased by 3.90% last week while Abu Dhabi's Index witnessed 2.06% gain. Usually investors don't take much interest in the market during Ramadan, but last month was a record month for the markets as Dubai stocks gained the most in almost seven years in July that helped to recover some of the losses sustained in the bearish market that wiped a quarter of the benchmark index in June. The Index advanced by 23 per cent in July — the strongest gain since October 2007.

**The UAE stocks are expected to witness a strong rally when trading resumes post-Eid holidays. The investors should stay cautious.**

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

Stock markets globally came off sharply at the end of the week as investors perceived that the earnings of the companies do not support the prices in the bourses. U.S. economy saw expansion at a pace of 4% in the quarter ending June, much higher than the expectations after shrinking 2.1% in the previous quarter. Improvement in growth in the U.S. also boosted the possibilities that Fed may hike interest rates sooner. The FOMC meeting at its two-day meeting further reduced its purchases of Treasury bonds and mortgage-backed securities, to \$25 billion a month from \$35 billion.

Manufacturing activity in Japan expanded less than estimates in the month of July as domestic demand remained lower owing to sales tax increase. Manufacturing activity in China expanded at the fastest pace in last 27 months.

The latest bout of uncertainty in the markets followed news that US non-farm payrolls had risen 209,000 last month – shy of the 230,000 expected by economists, but the sixth successive increase of more than 200,000. The jobless rate edged up to 6.2% from 6.1%, as the labor force participation rate rose slightly, while – crucially – average earnings growth was flat.

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