

- NOUVELLES -

OUR WEEKLY CAPITAL MARKETS UPDATE

July 2nd, 2017

International Market News Update

US Indices

	Closing	Net Change	% Change	YTD
DJIA	21,349.63	-45.13	-0.21%	8.03%
S&P 500	2,423.41	-14.89	-0.61%	8.24%
NASDAQ Composite	6,140.42	-124.83	-1.99%	14.07%

Europe Indices

	Closing	Net Change	% Change	YTD
UK - FTSE 100	7,312.72	-111.41	-1.50%	2.38%
Eurozone - STOXX 50	3,122.17	-69.57	-2.18%	3.71%
France - CAC 40	5,120.68	-145.44	-2.76%	5.31%
Germany - DAX	12,325.12	-408.29	-3.21%	7.35%
Netherlands - AEX	507.15	-12.35	-2.38%	4.96%
Switzerland - SMI	8,906.89	-126.00	-1.39%	8.36%

BRICS Indices

	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	62,899.97	+1,812.83	2.97%	4.44%
Russia - MICEX	1,879.50	+12.04	0.64%	-15.82%
India - SENSEX	30,921.61	-369.13	-1.18%	16.13%
China - Shanghai	3,192.43	+34.55	1.09%	2.86%
South Africa - JSE Africa	51,611.01	+107.49	0.21%	1.89%

Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	20,033.43	-99.24	-0.49%	4.81%
Hong Kong - Hang Seng	25,764.58	+94.53	0.37%	17.11%
South Korea - KOSPI	2,391.79	+13.19	0.55%	18.03%
Australia - ASX 200	5,721.49	+5.62	0.10%	0.98%

Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,241.61	-15.10	-1.20%	8.20%
Silver Spot	16.63	-0.08	-0.48%	4.42%
Platinum Spot	925.87	-4.30	-0.46%	2.52%
Palladium Spot	844.18	-17.85	-2.07%	23.97%
Crude Oil (WTI)	46.04	+3.03	7.04%	-14.30%
Crude Oil (Brent)	48.77	+3.23	7.09%	-14.17%
Baltic Dry Ind	901.00	+31.00	3.56%	-6.24%

Money Markets

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	1.299	0.006	0.301	0.301
12M Libor	1.738	0.005	0.053	0.053
3M Euribor	(0.331)	-	(0.012)	(0.012)
12M Euribor	(0.156)	0.007	(0.074)	(0.074)
10Y US	2.304	0.161	(0.141)	(0.141)
10Y UK	1.257	0.226	0.018	0.018
10Y Germany	0.466	0.211	0.258	0.258
10Y Japan	0.086	0.029	0.040	0.040
10Y India	6.511	0.051	(0.004)	(0.004)

Currencies

	Closing	Closing	
GBP/USD	1.303	EUR/USD	1.143
USD/JPY	112.390	AUD/USD	0.769
USD/CHF	0.958	EUR/AED	4.172
USD/INR	64.579	EUR/INR	73.698
USD/CNY	6.781	EUR/CHF	1.095
USD/RUB	58.943	AED/INR	17.592

Source: Bloomberg

U.S. equities closed mostly higher on Friday as Wall Street capped a strong first-half performance. The S&P 500 rose 0.1 percent, with energy and consumer discretionary leading advancers. The index has gained 8.3 percent this year, notching its best first-half gains since 2013, when it gained 12.6 percent. The Dow Jones industrial average rose about 63 points, with Nike contributing the most gains. The NASDAQ composite closed just below breakeven. The tech-heavy index, however, has easily outperformed the Dow and the S&P this year, surging 14.1 percent and posted its largest first-half gains since 2009. Tech has been the best-performing sector for most of 2017, rising more than 15 percent in the period. But over the past month it has dropped more than 2 percent.

European bourses closed lower on Friday following news that several British banks have stopped trading Qatari riyals for retail customers as the diplomatic crisis in the Gulf grows. The pan-European Stoxx 600 was lower by 0.34 percent. Earlier in the session, markets were confident about rate hikes in the coming months and digested euro zone inflation data showing the slowdown was lesser-than-expected. Almost all sectors and major bourses were in positive territory. Looking at the three biggest indexes in Europe, these dropped more than 2 percent on the month, with the CAC 40 losing 2.9 percent in June. In total, the Stoxx 600 was on average lower by 2.8 percent in June.

Bank of England Governor Mark Carney had surprised many investors on Wednesday as he said the U.K.'s central bank could be required to lift interest rates as the economy came close to running at full capacity.

Most Asian markets closed lower on Friday despite China manufacturing activity beating expectations, as select tech shares around the region sold off. Japan's Nikkei 225 dropped 0.92 percent to close at 20,033 after trading below the 20,000 level earlier in the session. Markets in greater China traded lower as President Xi Jinping visited Hong Kong ahead of the twentieth anniversary of the Hong Kong handover. Hong Kong's Hang Seng Index declined 0.7 percent. On the mainland, the Shanghai Composite finished higher by 0.09 percent at 3,191.06 and the Shenzhen Composite ended up 5.4 points at 1,897.6.

Commodity in Focus

Oil prices climbed for a seventh straight session in thin trading on Friday, posting their longest bull run since April, but still turned in their worst first-half performance since 1998. Lingering worries about oversupply have knocked 16 percent off Brent crude so far this year, despite a deal involving OPEC members and some other major producers to curb production.

U.S. crude futures ended Friday's session at \$46.04 a barrel, having added 7 percent this week. Benchmark Brent climbed to \$47.90 a barrel, up 5 percent for the week.

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Middle East Market News Update

Qatar's stock market fell sharply as the deadline for Doha to accept a series of political demands by four Arab states was expected to expire later on Sunday with no sign of a resolution. The Qatari stock index sank as much as 3.1 percent in thin trade, bringing its losses to 11.9 percent since June 5, when Saudi Arabia, the United Arab Emirates, Bahrain and Egypt cut diplomatic and trade ties, accusing Doha of backing militants. Stocks tumbled across the board on Sunday, with 41 lower and only one higher. Qatar National Bank, the largest listed lender in the Gulf, lost 3.1 percent.

MSCI Inc announced the inclusion Saudi Arabia to the upcoming (June 2017-June 2018) review cycle for potential inclusion of Saudi Arabia in MSCI Emerging Markets. If successful, this could mean Saudi Arabia will be added to MSCI Emerging Markets at end-May 2019, in time for the Saudi Aramco's initial public offering (IPO). The kingdom has made significant progress in market reforms in the recent years along a host of fiscal reforms that has attracted global investor attention to Saudi asset classes. Analysts expect inclusion of Saudi Arabia in MSCI Emerging Markets will be a game changer for Saudi equities and will boost allocation of global investors in the Middle Eastern equity markets.

En Bref..... Biggest Market News

Iran plans Monday to sign a formal contract with Total SA and China National Petroleum Corp. to develop its share of the world's biggest natural gas field -- the first investment in the country by an international energy company since sanctions were eased last year. Total and CNPC signed a "heads of agreement" with National Iranian Oil Co. in November to develop phase 11 of the South Pars gas field, a deal that was valued then at \$4.8 billion. Under the accord, Total will control 50.1 percent of the project, while CNPC will have a 30 percent interest and Iran's Petropars, 19.9 percent. Iran's oil production climbed 33 percent last year after sanctions related to its nuclear program were eased in January 2016.

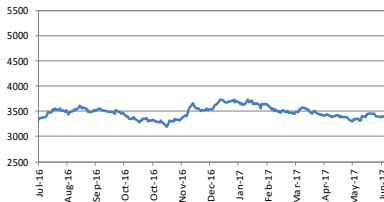
Events in the week ahead

5 July – US FOMC Meeting

6 July – European Central Bank Monetary Policy Meeting

Key Indices	Closing	Net		YTD
		Change	% Change	
Dubai - DFM	3,383.31	-68.79	-1.99%	-4.18%
Abu Dhabi - ADX	4,443.66	-12.07	-0.27%	-2.26%
Saudi Arabia - TASI	7,486.31	+439.78	6.24%	3.83%
Qatar - QE	8,822.15	-365.94	-3.98%	-15.47%
Bahrain - BHSE	1,319.35	+16	0.01%	8.10%
Oman - MSM 30	5,116.83	-132.41	-2.52%	-11.52%
Kuwait	6,612.52	-152.49	-2.25%	15.04%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

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