

US Indices	Closing	Net Change	% Change	YTD
DJIA	16,391.99	+731.81	4.67%	-5.93%
S&P 500	1,917.78	+88.70	4.85%	-6.17%
NASDAQ Composite	4,504.43	+237.59	5.57%	-10.04%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	5,950.23	+242.63	4.25%	-4.68%
Eurozone - STOXX 50	2,737.29	+85.51	3.22%	-11.71%
France - CAC 40	4,223.04	+227.98	5.71%	-8.93%
Germany - DAX	9,388.05	+420.54	4.69%	-12.61%
Netherlands - AEX	411.96	+20.10	5.13%	-6.76%
Switzerland - SMI	7,863.36	+206.76	2.70%	-10.83%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	41,543.41	+1,735.36	4.36%	-4.17%
Russia - MICEX	1,790.15	+51.61	2.97%	1.63%
India - SENSEX	23,709.15	+723.03	3.15%	-9.22%
China - Shanghai	2,860.02	+96.53	3.49%	-19.19%
South Africa - JSE Africa	48,940.43	+350.74	0.72%	-3.46%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	15,967.17	+1,014.56	6.79%	-16.11%
Hong Kong - Hang Seng	19,285.50	+965.92	5.27%	-12.00%
South Korea - KOSPI	1,916.24	+80.96	4.41%	-2.30%
Australia - ASX 200	4,952.80	+187.45	3.93%	-6.48%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,226.80	-11.17	-0.90%	15.62%
Silver Spot	15.35	-0.40	-2.54%	10.84%
Platinum Spot	939.40	-15.95	-1.67%	5.37%
Palladium Spot	499.55	-24.08	-4.60%	-11.27%
Crude Oil (WTI)	29.64	+3.43	13.09%	-19.98%
Crude Oil (Brent)	33.01	-.35	-1.05%	-11.45%
Baltic Dry Ind	315.00	+24.00	8.25%	-34.10%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.618	-	0.285	0.006
12M Libor	1.140	0.024	0.290	(0.038)
3M Euribor	(0.198)	(0.015)	(0.169)	(0.067)
12M Euribor	(0.017)	(0.008)	(0.177)	(0.077)
10Y US	1.745	(0.003)	(0.381)	(0.525)
10Y UK	1.414	-	(0.420)	(0.546)
10Y Germany	0.202	(0.059)	(0.417)	(0.427)
10Y Japan	0.013	(0.077)	(0.363)	(0.252)
10Y India	7.739	0.015	(0.002)	(0.022)

Currencies	Closing	Closing
GBP/USD	1.441	EUR/USD 1.113
USD/JPY	112.630	AUD/USD 0.715
USD/CHF	0.990	EUR/AED 4.088
USD/INR	68.468	EUR/INR 76.112
USD/CNY	6.522	EUR/CHF 1.102
USD/RUB	77.000	AED/INR 18.716

Source: Bloomberg

International Market News Update

Stock markets in the US rose last week, posting their highest weekly gain since November 2015. Consumer price inflation in the US remained unchanged in January 2016 when compared to December 2015. Core consumer price inflation, which excludes fuel and food prices, rose by 0.3% in January 2016. This is the biggest monthly rise in core consumer price inflation since August 2011. The minutes of the US Federal Reserve January 2016 meeting were released last week. According to the minutes, policy makers remained unwilling to change their outlook for the country's economy but would continue to closely watch commodity and stock prices. They accepted the need to modify earlier views, of the path they would take for raising benchmark interest rates, if global economic conditions continued to deteriorate. Claims for unemployment benefits fell to 262,000 last week. These unemployment claims have been below 300,000 for 50 straight weeks now, which is the longest such streak since the early 1970s.

UK's Prime Minister David Cameron reached a deal with European Union (EU) leaders last week that is aimed at keeping the UK in the 28-member bloc. This would grant the UK special status in the EU. The UK will vote in a referendum on 23rd June 2016 to decide whether the country wants to stay in the EU or leave the bloc. Consumer price inflation in the UK rose at an annualised rate of 0.3% in January 2016, which is its highest level since February 2015. Stock markets in Europe rose last week as investors bought at cheaper stock market levels.

The Indian rupee fell to 68.6738 against the USD last week, which is its lowest level since 28th August 2013. Wholesale price inflation in India fell by 0.9% in January 2016, which is a bigger fall as compared to December 2015. Consumer price inflation in India had risen by 5.69% in January 2016, which is higher than the rate at which it rose in December 2015. The two inflation levels therefore moved in different directions in January 2016. Japan's economy contracted by 1.4% during the October – December 2015 quarter.

Commodity in Focus

WTI crude oil rose by around 11.43% last week as news emerged that crude oil inventories in the US had fallen last week. Russia, Qatar, Venezuela and Saudi Arabia announced last week that they would freeze oil production output at January 2016 levels. This was seen as not enough to stop oil prices from staying low which caused Brent crude oil to fall last week.

For more information:

Mail: info@sidracapital.com

Tel: +971 4 4328369

Fax: +971 4 4343806

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,093.54	+82.07	2.73%	-1.82%
Abu Dhabi - ADX	4,199.99	+124.76	3.06%	-2.49%
Saudi Arabia - TASI	5,878.29	+320.37	5.76%	-14.95%
Qatar - QE	10,003.39	+402.42	4.19%	-4.08%
Bahrain - BHSE	1,171.67	+5.62	0.48%	-3.64%
Oman - MSM 30	5,422.88	+57.59	1.07%	0.31%
Kuwait	5,114.65	-16.40	-0.32%	-8.91%

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Stock markets in the GCC region reacted positively to the firming of crude oil prices. Many investors believe that the bottom in crude oil prices has been seen, especially with the deal announced by the two largest energy exporters in the world – Saudi Arabia and Russia. Investors continued to buy stocks after GCC stock market levels had fallen to multi-year lows.

En Bref..... Biggest Market News

The US economy appears not headed for a recession. Are US stock markets getting it wrong?

It is true that earnings of companies listed in the S&P 500, as a whole, had the biggest quarterly loss during the October-December 2015 quarter since 2009. But if the earnings of companies that are energy-related are removed from the data, the earnings of the other companies actually show significant profit gains. Interest rates remain low and consumer spending remains strong in the US. Bank lending and consumer borrowing continues to grow which shows that losses by the energy sector remain diversified amongst global investors and not localised with banks in the US. This has allowed for strong credit creation in the US.

Clearly challenges in the energy sector are not impacting the broader economy as much as it is being feared. Neither has consumer price inflation fallen nor has weekly jobs data become weaker. The past year has instead seen a drop in the unemployment rate. According to UBS Deputy US Chief Economist Drew Matus - "Since 1960, the median increase in the unemployment rate in the year before a recession is 0.4 percentage points".

Events in the week ahead

- 23 February – Germany’s GDP data is released.
- 25 February – Eurozone consumer price inflation data is released.
- 26 February – US’s GDP data is released.

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