

International Market News Update

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,500.94	-34.38	-0.20%	0.44%
S&P 500	2,052.32	+5.71	0.28%	0.41%
NASDAQ Composite	4,769.56	+51.88	1.10%	-4.75%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,156.32	+17.82	0.29%	-1.38%
Eurozone - STOXX 50	2,820.94	+15.38	0.55%	-9.01%
France - CAC 40	4,353.90	+33.91	0.78%	-6.11%
Germany - DAX	9,916.02	+53.90	0.55%	-7.70%
Netherlands - AEX	434.36	+84	0.19%	-1.69%
Switzerland - SMI	7,997.30	+111.45	1.41%	-9.31%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	49,722.75	-2,081.56	-4.02%	14.70%
Russia - MICEX	1,891.33	-15.86	-0.83%	7.38%
India - SENSEX	25,301.90	-187.67	-0.74%	-3.12%
China - Shanghai	2,825.48	-1.63	-0.06%	-20.17%
South Africa - JSE Africa	52,638.25	+1,035.70	2.01%	3.84%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	16,736.35	+324.14	1.97%	-12.07%
Hong Kong - Hang Sen	19,852.20	+132.91	0.67%	-9.41%
South Korea - KOSPI	1,947.67	-19.32	-0.98%	-0.70%
Australia - ASX 200	5,351.31	+22.32	0.42%	1.05%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,251.98	-21.47	-1.69%	17.99%
Silver Spot	16.53	-0.58	-3.40%	19.36%
Platinum Spot	1,022.70	-28.95	-2.75%	14.71%
Palladium Spot	560.95	-32.08	-5.41%	-0.36%
Crude Oil (WTI)	48.41	+2.20	4.76%	30.70%
Crude Oil (Brent)	48.72	+89	1.86%	30.69%
Baltic Dry Ind	625.00	+25.00	4.17%	30.75%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.661	0.034	0.279	0.049
12M Libor	1.302	0.073	0.355	0.124
3M Euribor	(0.258)	(0.001)	(0.163)	(0.127)
12M Euribor	(0.011)	0.001	(0.079)	(0.071)
10Y US	1.838	0.138	(0.424)	(0.431)
10Y UK	1.452	0.076	(0.422)	(0.508)
10Y Germany	0.165	0.041	(0.314)	(0.464)
10Y Japan	(0.113)	(0.004)	(0.437)	(0.378)
10Y India	7.478	0.029	(0.219)	(0.283)

Currencies			
	Closing		Closing
GBP/USD	1.450	EUR/USD	1.122
USD/JPY	110.150	AUD/USD	0.722
USD/CHF	0.990	EUR/AED	4.122
USD/INR	67.448	EUR/INR	75.675
USD/CNY	6.549	EUR/CHF	1.111
USD/RUB	66.777	AED/INR	18.358

Source: Bloomberg

Economic data will garner most of the attention this week, with investors placing a heavy weight on a host of reports as they try and determine the likelihood of a rate hike by the U.S. Federal Reserve at its June meeting. Multiple gauges of the manufacturing sector will be released along with durable goods orders, a reading on consumer sentiment and the revised gross domestic product report for the first quarter. Signs of improvement in the data would likely heighten expectations of a rate hike and put equities under pressure.

A group of global banks and clearing houses, working with U.S. regulators, said on Friday it has identified two possible replacements for Libor, the benchmark interest rate for \$160 trillion worth of credit for everything from home mortgages to corporate loans. The Alternative Reference Rates Committee (ARRC) said that together with the Federal Reserve it has identified the Fed's Overnight Bank Funding Rate (OBFRR) and the overnight rate on U.S. Treasury securities pledged as collateral in repurchase, or repo, transactions as alternatives.

Japan's extraordinarily easy monetary policy, a source of friction with the United States for pushing the yen's value down, has had some positive effects on emerging Asian economies, including increased growth and equity prices, International Monetary Fund researchers have found. The researchers said that Japan's Quantitative Easing (QE) caused a significant increase in equity prices in emerging Asia, with increases in the 2 to 5 percent range for China, Indonesia, Malaysia, Singapore, Thailand, and Indonesia. And while nearly all countries surveyed experienced an appreciation of their currencies versus the yen as a result of QE, it had a "generally positive" impact on growth in emerging Asian countries.

Norway's sovereign wealth fund may be forced to step up divestments of coal companies and could face a wider ban on investments in other fossil fuels such as oil sands. A majority of parties in Norway's parliament want to tighten guidelines that prevent the \$850 billion fund from owning companies that base more than 30 percent of their activities or revenues on thermal coal, according to a group of lawmakers including opposition Labor. Adjustments could come as soon as next year, said a representative of Labor.

Commodity in Focus

Lead, the worst performing industrial metal on the London Metal Exchange this year, is set to stay under pressure due to weak demand in China, where a new tax has been slapped on lead-acid batteries and authorities are cracking down on electric-bikes. Lead depends on lead-acid batteries for about 80 percent of demand in top consumer China.

Benchmark lead futures on the London Metal Exchange (LME) have shed 5 percent so far this year to around \$1,700 a tonne compared with a 17-percent jump in prices of zinc, the best LME performer.

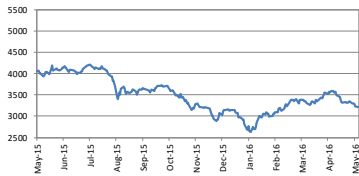
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Key Indices

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,208.52	-96.11	-2.91%	1.83%
Abu Dhabi - ADX	4,216.44	-157.75	-3.61%	-2.11%
Saudi Arabia - TASI	6,657.43	-35.17	-0.53%	-3.68%
Qatar - QE	9,672.48	-277.89	-2.79%	-7.26%
Bahrain - BHSE	1,102.19	-7.59	-0.68%	-9.35%
Oman - MSM 30	5,931.09	-40.16	-0.67%	9.71%
Kuwait	5,317.03	-58.67	-1.09%	-5.31%

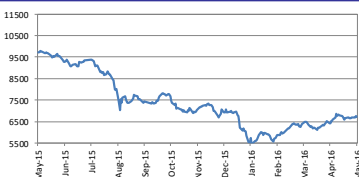
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

The International Monetary Fund backed Saudi Arabia's sweeping economic reform plan and said the kingdom was cutting spending at the right speed to cope with a huge state budget deficit caused by low oil prices. Late last month, Deputy Crown Prince Mohammed bin Salman announced steps to reduce the kingdom's dependence on oil exports over the next 15 years, including subsidy cuts, tax rises, sales of state assets, a government efficiency drive and efforts to spur private sector investment.

Major Middle Eastern stock markets fell last week after Moody's cut the debt ratings or outlooks of many countries, while Dubai construction firms dropped steeply after reporting first-quarter earnings. Moody's lowered its ratings for Saudi Arabia, Oman and Bahrain while assigning negative outlooks to the United Arab Emirates, Oman and Bahrain.

En Bref..... Biggest Market News

A Caribbean financial center favored by hedge funds is now the third-biggest foreign owner of U.S. government debt. The Cayman Islands, where more hedge funds are domiciled than anywhere else in the world, held \$265 billion of Treasuries as of March, up 31 percent from a year earlier, according to data the U.S. Treasury Department. It was the first time that the U.S. released details of bond holdings among OPEC and Caribbean countries, and it came in response to a Freedom-of-Information Act request submitted by Bloomberg News. The stockpile makes the British territory, an offshore tax haven with about 60,000 residents, the largest holder after China and Japan. Those nations, the world's second- and third-biggest economies, each own more than \$1 trillion of Treasuries.

Events in the week ahead

- 25 May – Bank of Canada Rate Decision.
- 26 May – US Durable Goods Orders.
- 27 May – Japan Consumer Price Index (CPI) Yearly Announcement.

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