

US Indices	Closing	Net Change	% Change	YTD
DJIA	16,093.51	-285.54	-1.74%	-7.64%
S&P 500	1,906.90	-14.94	-0.78%	-6.70%
NASDAQ Composite	4,591.18	-23.82	-0.52%	-8.31%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	5,900.01	+95.91	1.65%	-5.48%
Eurozone - STOXX 50	2,874.08	+72.65	2.59%	-7.30%
France - CAC 40	4,336.69	+126.53	3.01%	-6.48%
Germany - DAX	9,764.88	+219.61	2.30%	-9.10%
Netherlands - AEX	419.28	+15.71	3.89%	-5.10%
Switzerland - SMI	8,271.11	+163.98	2.02%	-6.20%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	38,031.22	-537.91	-1.39%	-12.27%
Russia - MICEX	1,717.98	+109.62	6.82%	-2.46%
India - SENSEX	24,435.66	-19.38	-0.08%	-6.44%
China - Shanghai	2,916.56	+15.59	0.54%	-17.59%
South Africa - JSE Africa	47,661.87	+701.50	1.49%	-5.98%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	16,958.53	-188.58	-1.10%	-10.90%
Hong Kong - Hang Seng	19,080.51	-440.26	-2.26%	-12.93%
South Korea - KOSPI	1,879.43	+5.56	0.03%	-4.17%
Australia - ASX 200	4,915.95	+23.15	0.47%	-7.17%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,097.95	+9.07	0.83%	3.47%
Silver Spot	14.03	0.10	0.71%	1.29%
Platinum Spot	832.50	3.15	0.38%	-6.62%
Palladium Spot	497.17	2.42	0.49%	-11.69%
Crude Oil (WTI)	32.19	+9.99	3.17%	-13.09%
Crude Oil (Brent)	32.18	+3.24	11.20%	-13.68%
Baltic Dry Ind	354.00	-19.00	-5.09%	-25.94%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.619	(0.001)	0.327	0.006
12M Libor	1.156	0.011	0.351	(0.022)
3M Euribor	(0.152)	(0.010)	(0.133)	(0.021)
12M Euribor	0.032	(0.017)	(0.139)	(0.028)
10Y US	2.052	0.017	(0.272)	(0.218)
10Y UK	1.711	0.049	(0.319)	(0.249)
10Y Germany	0.484	(0.056)	(0.263)	(0.145)
10Y Japan	0.240	0.019	(0.183)	(0.025)
10Y India	7.778	(0.034)	(0.050)	0.017

Currencies	Closing	EUR/USD	Closing
GBP/USD	1.427	EUR/USD	1.080
USD/JPY	118.780	AUD/USD	0.700
USD/CHF	1.016	EUR/AED	3.966
USD/INR	67.630	EUR/INR	73.229
USD/CNY	6.579	EUR/CHF	1.097
USD/RUB	78.115	AED/INR	18.400

Source: Bloomberg

## International Market News Update

Consumer price inflation in the US fell by 0.1% in December 2015. On an annualized basis, consumer price inflation rose by 0.7% during 2015. A strong USD is clearly keeping the cost of imports low and not allowing inflationary pressures to rise. The US Federal Reserve plans to raise benchmark interest rates further in 2016 but the impact of current global economic conditions are going to make it increasingly difficult for the policymakers to go ahead with hiking the rates. Stock markets in the US continued to fall last week as investors still remained concerned over falling crude oil prices. The S&P 500 fell last week to 1820.66, which is its lowest level since 14<sup>th</sup> February 2014. The Dow Jones Industrial Average fell last week to 15842.11, which is its lowest level since 24<sup>th</sup> August 2015. The current stock market levels in the country are suitable for equity investments with a long-term horizon as the valuations of the stocks within the main stock market indices have now lowered to the 5-year average.

Stock markets in Europe rose sharply last week after European Central Bank's (ECB) President Mario Draghi made comments that led investors to anticipate further stimulus measures by the ECB by March 2016. Unemployment in the UK fell in November 2015 to 4.9%, which is its lowest level since September 2005. The DAX in Germany fell to 9314.57 last week, which is its lowest level since 17<sup>th</sup> December 2014. The stock market index is now down by over 24.83% since the high that it had touched in April 2015.

China's GDP grew at 6.8% during the October-December 2015 quarter, which is the country's slowest quarterly economic growth since 2009. During 2015, the country's GDP grew by 6.9% which is the slowest annual growth since 1990. The Shanghai Composite continued to fall last week and touched 2845.204, which is its lowest level since 10<sup>th</sup> December 2014. India's trade deficit grew to USD 117.7 billion in December 2015, which is its highest level since August 2015, due to a nearly 179% rise in gold imports. The Indian rupee touched 68.165 against the USD last week, which is its lowest level since 5<sup>th</sup> September 2013.

## Commodity in Focus

WTI crude oil fell last week to USD 26.19, which is its lowest level since 8<sup>th</sup> May 2003. WTI crude oil rose later in the week by over 23.52% to touch USD 32.35. Brent crude oil fell last week to USD 27.10, which is its lowest level since 4<sup>th</sup> November 2003. WTI crude oil rose later in the week by around 19.19% to touch USD 32.30.

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Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	2757.08	+72.16	2.69%	-12.50%
Abu Dhabi - ADX	3839.05	+51.65	1.36%	-10.87%
Saudi Arabia - TASI	5615.08	+94.67	1.71%	-18.76%
Qatar - QE	8581.61	+453.86	5.32%	-13.88%
Bahrain - BHSE	1158.03	-37.83	-3.16%	-4.76%
Oman - MSM 30	4941.75	-6.73	-0.14%	-8.59%
Kuwait	4974.95	-123.47	-2.42%	-11.40%

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 are expected to rise this week if crude oil continues the sharp uptrend seen at the end of last week. Saudi Arabia's Tadawul stock market exchange fell to 5348.61 last week, which is its lowest level since 27<sup>th</sup> April 2009. The Dubai Financial Market fell to 2590.72 last week, which is its lowest level since 16<sup>th</sup> September 2013. The Abu Dhabi Securities Market fell to 3731.56 last week, which is its lowest level since 16<sup>th</sup> September 2013.

## En Bref..... Biggest Market News

Gold continues to shine in 2016. Are fundamentals driving the price of the metal upwards?

The turmoil in global stock markets as well as a preference for safe haven assets has caused gold to rise during 2016. Also, investors are increasingly getting apprehensive that the US Federal Reserve would not be able to raise interest rates during the year as quickly as was being projected. Fundamentals are clearly driving the market upwards because investors will continue to buy gold as long as the growth of economies across the world remains unclear.

Holdings in gold ETFs touched 1511.8 tons last week, which is the highest level since 6<sup>th</sup> November 2015. Earlier in January 2016, the holdings had fallen to their lowest level since 13<sup>th</sup> February 2009. Gold touched USD 1109.72 last week. Gold had its 3<sup>rd</sup> straight weekly rise last week, which is its longest streak since October 2015. While stock markets globally have all fallen sharply since the start of 2016, the price of gold has risen by over nearly 4.88%.

## Events in the week ahead

January 27 – US Federal Reserve meeting.

January 28 – Japan inflation and industrial production data is released.

January 29 – US GDP data is released.

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