

## US Indices

	Closing	Net Change	% Change	YTD
DJIA	17,672.60	+351.89	2.03%	-0.84%
S&P 500	2,051.82	+59.15	2.97%	-0.34%
NASDAQ	4,757.88	+187.06	4.09%	0.46%

## Europe Indices

	Closing	Net Change	% Change	YTD
STOXX 50	3,250.55	+150.13	4.84%	8.21%
FTSE 100	6,832.83	+282.56	4.31%	4.06%
CAC 40	4,640.69	+261.07	5.96%	8.61%
DAX	10,649.58	+481.81	4.74%	8.61%
SMI	8,161.16	+261.57	3.31%	-9.15%

## BRICS Indices

	Closing	Net Change	% Change	YTD
Ibovespa	48,775.30	-241.22	-0.49%	-2.46%
MICEX	1,671.80	+80.37	5.05%	19.70%
SENSEX	29,278.84	+1,156.95	4.11%	6.47%
Shanghai Composite	3,351.76	-24.73	-0.73%	3.62%
JSE Africa	49,816.57	+1,358.32	2.80%	0.09%

## Asia-Pacific Indices

	Closing	Net Change	% Change	YTD
Nikkei 225	17,511.75	+647.59	3.84%	0.35%
Hang Seng	24,850.45	+746.93	3.10%	5.28%
KOSPI	1,936.09	+47.96	2.54%	1.07%
ASX 200	5,501.82	+202.58	3.82%	1.68%

## Commodities

	Closing	Net Change	% Change	YTD
Gold Spot	1,294.08	+13.63	1.06%	9.26%
Silver Spot	18.30	0.51	2.87%	16.47%
Crude Oil (WTI)	45.59	-0.66	-1.43%	-14.42%
Crude Oil (Brent)	48.79	-1.38	-2.75%	-14.90%
Baltic Dry Ind	720.00	-21.00	-2.83%	-7.93%

## Money Market

	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.256	-0.001	0.022	0.001
12M Libor	0.622	0.012	0.068	-0.007
3M Euribor	0.053	-0.007	-0.155	-0.025
12M Euribor	0.275	-0.024	-0.214	-0.050
10Y US	1.797	-0.040	-0.669	-0.374
10Y UK	1.478	-0.056	-1.076	-0.278
10Y Germany	0.362	-0.092	-0.784	-0.179
10Y Japan	0.234	-0.009	-0.303	-0.095
10Y India	7.706	-0.001	-0.957	-0.151

## Currencies

	Closing	Closing
GBP/USD	1.499	EUR/USD 1.120
USD/JPY	117.770	AUD/USD 0.791
USD/CHF	0.880	EUR/AED 4.116
USD/INR	61.435	EUR/INR 68.984
USD/CNY	6.229	EUR/CHF 0.986
USD/RUB	63.706	AED/INR 16.725

Source: Bloomberg

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## International Market News Update

The US benchmark stock indices had their first weekly gain of 2015 on news of good 4<sup>th</sup> quarter earnings and stimulus measures by the European Central Bank. Quarterly earnings data released last week showed that the US economy has been able to remain strong amid the slowdown in global growth. The lower unemployment rate and improving consumer confidence as well as cheaper fuel prices are helping the US economy look stronger.

The European Central Bank announced last week that it plans to buy up to 1.14 trillion euros of private and government bonds as part of expanding its asset-purchase program. The benchmark European stock indices posted their best weekly performances since December 2011 amid growing expectations that the quantitative-easing measures announced by the European Central Bank would spur economic growth and fight deflation in the region. The euro fell to its lowest level against the USD since September 2003, after it touched 1.1115 last week, in its biggest weekly loss since September 2011.

China's economy grew at an annualized pace of 7.3% in the 4<sup>th</sup> quarter of 2014, which is its slowest quarterly growth since 2009. For 2014, the Chinese economy grew at 7.4%, which is its weakest annual growth in 24 years. There are growing expectations that China's central bank will announce a cut in the reserve ratio in the next 1 month. The benchmark gauge of Chinese stocks in Hong Kong rose to a 3-year high even as the Shanghai Composite ended a 10-week winning streak last week. The Indian benchmark index, SENSEX, touched an all-time high and the yield on India's 10-year bond fell to an 18-month low of 7.691% last week as investors bet on increased capital flows into the country due to the announcement by the European Central Bank that it would buy 60 billion euros in assets each month from March 2015 to September 2016.

## Commodity in Focus

Silver has had its best start to a year in over 30 years and seems heading for a bull market. Falling oil prices and the economic stimulus plan announced by the European Central Bank has helped the price of silver touch a high of 18.4864 an ounce last week, its highest level since October 2014. Silver is currently up by over 28% since it touched a low of 14.4235 an ounce in December 2014.

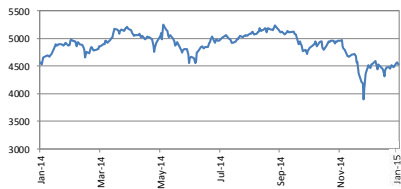
**Key Indices**

	Closing	Net Change	% Change	YTD
Dubai - DFM	3,862.25	-37.28	-0.96%	2.34%
Abu Dhabi - ADX	4,570.22	+14.95	0.33%	0.91%
Saudi - TASI	8,421.72	-37.00	-0.44%	1.06%
Qatar - QE	11,847.48	-68.94	-0.58%	-3.57%
Bahrain - BHSE	1,428.65	+19	0.01%	0.15%
Oman - MSM 30	6,644.51	+125.69	1.93%	4.75%
Kuwait	6,662.81	+64.14	0.97%	1.94%

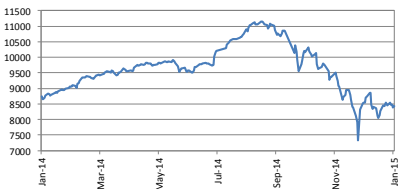
**Dubai - DFM 52-Week Performance**



**Abu Dhabi - ADX 52-Week Performance**



**Saudi - TASI 52-Week Performance**



Source: Bloomberg

**Middle East Market News Update**

The stock markets in the GCC remained flat last week as investors awaited signs that crude oil prices had stabilised. The Saudi Arabian and United Arab Emirates stock markets are expected to remain the most active as liquidity should increase for them this week. More 4<sup>th</sup> quarter results are expected in the coming weeks which should provide an insight into the impact of lower oil prices on the sentiment and performance of firms in the region.

**En Bref..... Biggest Market News**

**Pressure on GCC sovereign wealth funds ... Consequences of falling oil prices**

Plunging oil prices in 2015 will cause the region to face its 1<sup>st</sup> current account deficit since 1998, expected to cross USD 100 billion this year. If crude oil prices continue to remain under USD 50 for large parts of 2015, all the GCC economies will run budget deficits. To cover most of their budget deficits, governments could be expected to liquidate some of the assets in their sovereign funds. Most of the money is expected to come out of US dollar debt holdings and bank deposits abroad.

Oman and Bahrain would face the biggest pressure to liquidate fund assets as they have the weakest budget deficits. Saudi Arabia would run a budget deficit of over USD 50 billion if oil prices stay below USD 50. United Arab Emirates, Qatar and Kuwait would be able to easily manage even if oil continues to stay low.

For over 10 years, GCC sovereign wealth funds have been big buyers in European companies as well as invested deeply into European real-estate. According to the International Monetary Fund, these sovereign funds collectively now total over 2.5 trillion USD. Besides selling assets in them, these funds will now also see low inflows of what has been their main source of new capital - energy export revenue, due to these low oil prices.

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