

## Global Markets Update

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	18,395.40	-157.17	-0.85%	5.57%
S&P 500	2,169.04	-14.83	-0.68%	6.12%
NASDAQ Composite	5,218.92	-19.46	-0.37%	4.22%

Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,838.05	-20.90	-0.30%	9.54%
Eurozone - STOXX 50	2,860.49	+22.42	0.79%	-7.73%
France - CAC 40	4,441.87	+41.35	0.94%	-4.21%
Germany - DAX	10,587.77	+43.41	0.41%	-1.45%
Netherlands - AEX	453.01	+4.29	0.96%	2.53%
Switzerland - SMI	8,168.32	+41.04	0.50%	-7.37%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	57,716.25	-1,382.67	-2.34%	33.14%
Russia - MICEX	1,993.35	+33.63	1.72%	13.17%
India - SENSEX	27,782.25	-294.75	-1.05%	6.37%
China - Shanghai	3,070.31	-37.79	-1.22%	-13.25%
South Africa - JSE Africa	53,506.62	+734.67	1.39%	5.55%

Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	16,360.71	-185.11	-1.12%	-14.04%
Hong Kong - Hang Sen	22,909.54	-27.68	-0.12%	4.54%
South Korea - KOSPI	2,037.50	-18.74	-0.91%	3.88%
Australia - ASX 200	5,515.47	-11.21	-0.20%	4.15%

Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,321.18	-20.29	-1.51%	24.51%
Silver Spot	18.66	-0.65	-3.37%	34.72%
Platinum Spot	1,073.80	-40.50	-3.63%	20.44%
Palladium Spot	689.12	-22.38	-3.15%	22.41%
Crude Oil (WTI)	47.64	-.88	-1.81%	28.62%
Crude Oil (Brent)	49.92	-.96	-1.89%	33.91%
Baltic Dry Ind	720.00	+37.00	5.42%	50.63%

Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.833	0.016	0.198	0.221
12M Libor	1.537	0.013	0.376	0.359
3M Euribor	(0.298)	-	(0.096)	(0.167)
12M Euribor	(0.050)	(0.003)	(0.033)	(0.110)
10Y US	1.630	0.052	(0.133)	(0.640)
10Y UK	0.564	(0.055)	(0.835)	(1.396)
10Y Germany	(0.072)	(0.040)	(0.219)	(0.701)
10Y Japan	(0.070)	0.008	(0.005)	(0.335)
10Y India	7.129	0.027	(0.654)	(0.632)

Currencies			
	Closing		Closing
GBP/USD	1.314	EUR/USD	1.120
USD/JPY	101.840	AUD/USD	0.756
USD/CHF	0.978	EUR/AED	4.148
USD/INR	67.059	EUR/INR	75.694
USD/CNY	6.670	EUR/CHF	1.095
USD/RUB	64.853	AED/INR	18.281

Source: Bloomberg

Federal Reserve policymakers are signaling they could raise U.S. interest rates soon but they are already weighing new tools they may need to fight the next recession. A solid U.S. labor market "has strengthened" the case for the first rate increase since last December, Fed Chair Janet Yellen told a central banking conference in Jackson Hole, Wyoming. The stock market optimism with Janet Yellen's bullish comments on the U.S. economy fizzled after Federal Reserve Vice Chairman Stanley Fischer said an interest-rate increase is possible in September. Bonds tumbled, while the dollar gained. Both global and American equities extended their weekly losses, while the yields on two-year Treasuries climbed to the highest since June.

European shares rose on Friday after Federal Reserve chair Janet Yellen gave no firm indication about when the Federal Reserve might raise interest rates, encouraging markets after hawkish comments from Fed policymakers last week. The pan-European STOXX 600 rose 0.5 percent, with almost all sectoral indexes showing gains. The STOXX Europe 600 Basic Resources index rose 2.4 percent, making it the biggest sectoral gainer, helped by a rally in metal prices after two days of losses.

Japanese stocks fell to three-week lows on Friday, hit by a fall on Wall Street and as investors stayed cautious before a speech by Federal Reserve Chair Janet Yellen, but companies announcing share buybacks attracted buying. The Nikkei share average ended 1.2 percent lower at 16,360.71 points, its lowest closing level since August 5. Hong Kong stocks rose on Friday but were flat for the week, reflecting investor caution ahead of a speech by Federal Reserve Chair Janet Yellen. The Hang Seng index rose 0.4 percent, to 22,909.54, while the China Enterprises Index gained 0.5 percent, to 9,550.04 points.

Foreign investor holdings of Indian corporate bonds have slumped to a 19-month low, despite world-beating economic growth and yields close to 8 percent. This is a situation that may not last too long in the face of negative interest rates across the globe. The outlook for India's \$2 trillion economy has improved after Prime Minister Narendra Modi took steps to lure foreign investment, cut red tape and build infrastructure. Aberdeen Asset Management Plc says a new goods-and-services tax (GST) and the appointment of Deputy Governor Urjijit Patel as central bank chief highlights the reform drive.

## Commodity In Focus

Oil closed higher after swinging between gains and losses as investors parse a speech by Federal Reserve Chair Janet Yellen for signs of when the central bank will raise interest rates.

West Texas Intermediate for October delivery rose 31 cents to settle at \$47.64 a barrel on the New York Mercantile Exchange. Brent for October settlement increased 25 cents to \$49.92 on the London-based ICE Futures Europe exchange.

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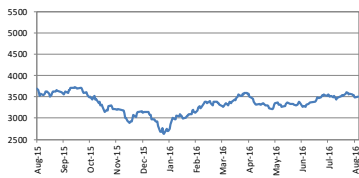
## Regional Markets Update

The Capital Markets Authority has detailed in full new rules governing the allocation method in initial public offerings (IPOs) in Saudi Arabia, due to come into force on January 1 2017. The changes are part of a wider reform to the kingdom's IPO process that include previously reported new rules to permit foreign institutional investors to buy shares directly in IPO offers for the first time. It was announced at the end of last week that the new CMA rules list qualified foreign investors among the types of institution allowed to bid in the book-building process that underwriters use to price and allocate shares. Saudi Arabia is making sweeping changes in an attempt to open up its capital market and, in particular, help the government sell stakes in state companies such as oil giant Saudi Aramco.

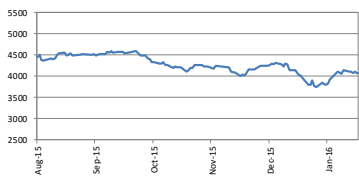
The Nasdaq Dubai exchange will open an equity futures market next month to trade single-stock futures on the shares of 10 of the UAE's biggest companies. The introduction of stock futures could be a major development for equity markets in the UAE, where short-selling is restricted and a lack of opportunities to hedge has been a concern of foreign investors. The 10 stocks are Aldar Properties, Arabtec, DAMAC Properties, DP World, Dubai Islamic Bank, Dubai Parks and Resorts, Emaar Properties, Etisalat, First Gulf Bank and Union Properties. Futures contracts will have maturities of one, two or three months and be settled in cash.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,503.57	-56.13	-1.58%	11.19%
Abu Dhabi - ADX	4,524.11	+4.82	0.11%	5.03%
Saudi Arabia - TASI	5,976.89	-235.58	-3.79%	-13.53%
Qatar - QE	11,179.63	-117.87	-1.04%	7.19%
Bahrain - BHSE	1,144.55	-12.40	-1.07%	-5.87%
Oman - MSM 30	5,822.87	-76.27	-1.29%	7.71%
Kuwait	5,425.00	-42.77	-0.78%	-3.39%

### Dubai - DFM 52-Week Performance



### Abu Dhabi - ADX 52-Week Performance



### Saudi - TASI 52-Week Performance



Source: Bloomberg

## En Bref – The Biggest Market News

Japan's Government Pension Investment Fund, the world's biggest pension, fund lost 3.9 percent, or 5.2 trillion yen (\$52 billion), in the three months ended June 30, reducing assets to 129.7 trillion yen (\$1.27 trillion). That erases a 4.1 trillion yen (\$40 billion) investing return for the previous six quarters starting October 2014, the month it decided to put half its assets into equities. The fund's Japanese shares sank 7.4 percent in the period as the benchmark Topix index lost 7.5 percent. More than 80 percent of GPIF's local equity investments are passive. Overseas stocks lost 7.8 percent, while foreign debt fell 8 percent, as the yen surged 9.1 percent against the dollar. The only asset class to post a profit was domestic bonds, which rose in value as the Bank of Japan's negative interest rates sent yields lower.

## The Week Ahead

30 Aug – USD Consumer Confidence (Year-on-Year).

31 Aug – Euro-Zone Unemployment Rate (Yearly).

1 Sept – CNY Manufacturing & Non-Manufacturing PMI (Year-on-Year)