

International Market News Update

US Indices	Closing	Net		YTD
		Change	% Change	
DJIA	17,873.22	+372.28	2.13%	2.57%
S&P 500	2,099.06	+46.74	2.28%	2.70%
NASDAQ Composite	4,933.51	+163.95	3.44%	-1.48%

Europe Indices	Closing	Net		YTD
		Change	% Change	
UK - FTSE 100	6,270.79	+114.47	1.86%	0.46%
Eurozone - STOXX 50	2,933.05	+112.11	3.97%	-5.39%
France - CAC 40	4,514.74	+160.84	3.69%	-2.64%
Germany - DAX	10,286.31	+370.29	3.73%	-4.25%
Netherlands - AEX	450.94	+16.58	3.82%	2.06%
Switzerland - SMI	8,292.45	+295.15	3.69%	-5.96%

BRICS Indices	Closing	Net		YTD
		Change	% Change	
Brazil - Ibovespa	49,051.49	-1,081.04	-2.16%	13.15%
Russia - MICEX	1,927.58	+36.25	1.92%	9.44%
India - SENSEX	26,653.60	+1,351.70	5.34%	2.05%
China - Shanghai	2,821.05	-4.44	-0.16%	-20.29%
South Africa - JSE Africa	54,105.37	+1,467.12	2.79%	6.73%

Asia-Pacific Indices	Closing	Net		YTD
		Change	% Change	
Japan - Nikkei 225	16,834.84	+98.49	0.59%	-11.55%
Hong Kong - Hang Sen	20,576.77	+724.57	3.65%	-6.10%
South Korea - KOSPI	1,969.17	+21.50	1.10%	0.40%
Australia - ASX 200	5,405.91	+54.61	1.02%	2.08%

Commodities	Closing	Net		YTD
		Change	% Change	
Gold Spot	1,212.38	-39.60	-3.16%	14.26%
Silver Spot	16.23	-0.30	-1.83%	17.18%
Platinum Spot	976.35	-46.35	-4.53%	9.51%
Palladium Spot	538.47	-22.48	-4.01%	-4.35%
Crude Oil (WTI)	49.33	+1.58	3.31%	33.18%
Crude Oil (Brent)	49.32	+60	1.23%	32.30%
Baltic Dry Ind	606.00	-19.00	-3.04%	26.78%

Money Markets	Closing	Net		Net Change (YTD)
		Change (5-D)	Change (6-M)	
3M Libor	0.673	0.012	0.259	0.060
12M Libor	1.317	0.015	0.343	0.139
3M Euribor	(0.260)	(0.002)	(0.147)	(0.129)
12M Euribor	(0.015)	(0.004)	(0.063)	(0.075)
10Y US	1.851	0.013	(0.369)	(0.418)
10Y UK	1.436	(0.016)	(0.380)	(0.524)
10Y Germany	0.138	(0.027)	(0.322)	(0.491)
10Y Japan	(0.113)	-	(0.421)	(0.378)
10Y India	7.471	(0.007)	(0.296)	(0.290)

Currencies	Closing	Closing	
			GBP/USD
USD/JPY	110.310	AUD/USD	0.718
USD/CHF	0.995	EUR/AED	4.083
USD/INR	67.035	EUR/INR	74.918
USD/CNY	6.566	EUR/CHF	1.105
USD/RUB	66.115	AED/INR	18.250

Source: Bloomberg

Wall Street capped off its strongest week since March after U.S. Federal Reserve Chair Janet Yellen said an interest-rate hike would likely be appropriate "in the coming months." While higher interest rates choke liquidity in stock markets, many investors see a potential rate hike as a vote of confidence that the struggling U.S. economy is finding its legs. All of the 10 major S&P sectors rose, with the telecom .SPLRCL and financial .SPSY indexes leading the gainers. The Dow Jones industrial average (DJIA) climbed 0.25 percent to end at 17,873.22 points and the S&P 500 (SPX) gained 0.43 percent to 2,099.06.

European shares were steady last week, propped up by the Swiss stock market and pharmaceuticals companies after drugmaker Roche climbed on positive results for one of its products. The pan-European STOXX 600 and FTSEurofirst 300 equity indexes both rose 0.2 percent. Zurich's benchmark SMI market outperformed to rise 0.8 percent, helped by a 4 percent gain at Roche which was among the best-performing European blue-chip stocks. Roche got a big boost when a clinical trial testing its new blood cancer drug Gazyva proved successful, lifting prospects for a new medicine that will be pivotal as the Swiss company fights the threat of competition.

Japanese stocks rose in thin trade on Friday, amid the growing prospect that Prime Minister Shinzo Abe would delay by several years a sales tax hike scheduled to go into effect next April. The Nikkei share average edged up 0.4 percent to 16,834.84 and ended a very light trading week just over half a percent higher. Trading remained subdued but the total volume on the Tokyo Stock Exchange's first section did edge up to a one-week high of 1.805 billion shares. Abe is considering postponing next year's sales tax increase by several years, government sources told Reuters, due to concerns the move could tip the economy back into deflation.

Commodity in Focus

With the price of oil finally touching \$50 a barrel this week, producers and speculators have been loading up on options to protect themselves from a downside risk, signaling there are still some jitters surrounding the recent rally. Deep out-of-the-money put options - options that would not be profitable until a substantial pullback in the price of oil - have shown a marked increase in implied volatility, a sign that producers are locking in prices close to levels for them to be profitable while speculators are protecting themselves from a potential correction.

Crude oil for July delivery on the New York Mercantile Exchange tacked on 79 cents, or 1.62%, to trade at \$49.41 a barrel. Prices were at around \$49.36 prior to the release of the inventory data after climbing to a daily peak of \$49.58, the most since October 12.

For more information:

Mail: info@sidracapital.com

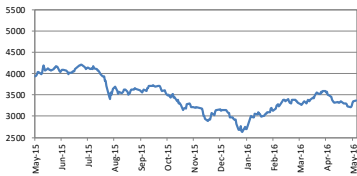
Tel: +971 4 4328369

Fax: +971 4 4343806

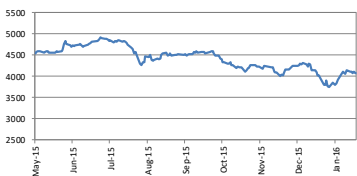
Key Indices

	Closing	Net		YTD
		Change	% Change	
Dubai - DFM	3,360.47	+151.95	4.74%	6.65%
Abu Dhabi - ADX	4,297.19	+109.60	2.62%	-0.23%
Saudi Arabia - TASI	6,424.65	-204.30	-3.08%	-7.05%
Qatar - QE	9,675.66	+37.40	0.39%	-7.23%
Bahrain - BHSE	1,092.02	-10.17	-0.92%	-10.19%
Oman - MSM 30	5,890.45	-40.64	-0.69%	8.96%
Kuwait	5,392.81	+75.78	1.43%	-3.96%

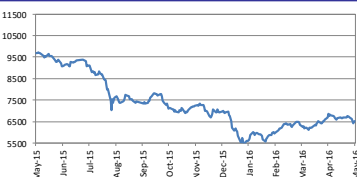
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Shares in Kuwaiti companies linked with the al-Kharafi family tumbled on Sunday after the multibillion-dollar sale of another Kharafi-controlled business was scrapped. Investment Company Adeptio had agreed in February to buy 69 percent of Kuwait Food Co (Americana) from Al Khair for Stocks and Real Estate, which is run by the wealthy Kharafi merchant family, but Al Khair announced on Sunday that the plans have been scrapped. Americana's shares were suspended ahead of the market open and have yet to resume trading, but other Kharafi-linked stocks plunged. National Industries Group and National Investment Co slid 1.8 percent and 8.9 percent respectively, while Al Mal Investment Co was down 8.5 percent and Gulf Cable Co fell 6.2 percent. The Kharafis own stakes in all four of the companies, Thomson Reuters data shows.

Lower oil prices and heightened regional geopolitical tensions have slowed the take-up by foreign investors in Saudi Arabia's stock market since Tadawul opened up in July 2015, according to Jadwa Investment. In a research note, Jadwa said that latest data shows that in the nine months to March, net inflow from foreign investors amounted to SR793 million (\$211.4 million), equivalent to 0.1 percent of market capitalisation of SR1.5 trillion. Saudi Arabia earlier this month said it will loosen restrictions on foreign ownership in its stock market in order to improve the investment environment.

En Bref..... Biggest Market News

Federal Reserve Chair Janet Yellen said the ongoing improvement in the U.S. economy would warrant another interest rate increase "in the coming months," stopping short of giving an explicit hint that the central bank would act in June. Yellen will host her colleagues on the Federal Open Market Committee in Washington June 14-15, when they will contemplate a second interest-rate increase following seven years of near-zero borrowing costs that ended when they hiked in December. A series of speeches by Fed officials and the release of the minutes to their April policy meeting have heightened investor expectations for another tightening move either next month or in July.

Events in the week ahead

- 31 May – US Consumer Confidence Meeting.
- 1 June – OECD Economic Outlook Meeting.
- 2 June – European Central Bank Rate Decision.

DISCLAIMER: This material was prepared by the Sidra Capital DIFC Limited based out of Dubai International Financial Centre, United Arab Emirates ("U.A.E.") and regulated by the Dubai Financial Services Authority (DFSA). This material is provided for informational purposes and private circulation only and should not be construed as an offer to sell or a solicitation to buy any security or any other financial instrument or adopt any hedging, trading or investment strategy. The information, opinions, forecasts (if any), assumptions or estimates contained in this material are as of the date indicated and are subject to change at any time without prior notice. The stated price of any securities mentioned in this material is as of the date indicated and is not a representation that any transaction can be effected at this price. Past performance is no guarantee of current or future returns, and the investor may receive back less than he invested. The investments mentioned in this document may carry risks that are difficult to quantify and integrate into an investment assessment. In general, products such as equities, bonds, securities lending, forex, or money market instruments bear risks, which are higher in the case of derivative, structured and private equity products; these are aimed solely at sophisticated investors who are able to understand and accept the risks. The value of any investment in a currency other than the base currency of a portfolio is subject to foreign exchange rate risk. These rates may fluctuate and adversely affect the value of the investment when it is realized and converted back into the investor's base currency. The liquidity of an investment is subject to supply and demand. Some products may not have a well-established secondary market or in extreme market conditions may be difficult to value, resulting in price volatility and making it difficult to obtain a price to dispose of the asset. Neither Sidra Capital nor its officers, directors or shareholders or other persons shall be liable for any direct, indirect, incidental or other damages including loss of profits arising in any way from the information contained in this material. This material is intended solely for the use by a PROFESSIONAL CLIENT, as defined by the DFSA rulebook via COB section 2.3.2, Professional clients as defined by DFSA need to have net assets of USD 500,000/- and have sufficient experience and understanding of relevant financial markets, products or transactions and any associated risks. The contents shall not be reproduced, redistributed or copied in whole or in part for any purpose without Sidra Capital's prior express consent. This message may contain confidential, proprietary or legally privileged information. It should not be used by anyone who is not the original intended recipient. If you have erroneously received this message, please delete it immediately and notify the sender. The information in this report has not been independently verified nor the Firm makes any representations or warranties (express or implied) in relation to the truth, accuracy or completeness of this document or as to any opinion expressed herein. While based on information believed to be reliable, we do not guarantee and make no express or implied representation as to the accuracy, reasonableness or achievability of such statements, estimates, targets and projections and nothing in this document is or should be relied on as a promise or representation as to the future.