

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,946.68	-69.27	-0.38%	0.69%
S&P 500	2,101.49	-8.50	-0.40%	2.07%
NASDAQ Composite	5,080.51	-36.50	-0.71%	7.27%
Europe Indices				
	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,753.70	+43.25	0.64%	2.86%
Eurozone - STOXX 50	3,423.68	+99.11	2.98%	13.97%
France - CAC 40	5,059.17	+243.80	5.06%	18.41%
Germany - DAX	11,492.43	+452.33	4.10%	17.20%
Netherlands - AEX	494.47	+19.04	4.00%	16.49%
Switzerland - SMI	9,007.50	+140.18	1.58%	0.27%
BRICS Indices				
	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	54,016.97	+267.56	0.50%	8.02%
Russia - MICEX	1,644.45	-18.58	-1.12%	17.75%
India - SENSEX	27,811.84	+495.67	1.81%	1.14%
China - Shanghai	4,192.87	-592.48	-12.38%	29.62%
South Africa - JSE Africa	52,669.75	+863.04	1.67%	5.83%
Asia-Pacific Indices				
	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	20,706.15	+531.91	2.64%	18.65%
Hong Kong - Hang Seng	26,663.87	-96.66	-0.36%	12.96%
South Korea - KOSPI	2,090.26	+43.30	2.12%	9.12%
Australia - ASX 200	5,545.89	-51.11	-0.91%	2.49%
Commodities				
	Closing	Net Change	% Change	YTD
Gold Spot	1,175.52	-24.75	-2.06%	-0.75%
Silver Spot	15.81	-0.30	-1.86%	0.62%
Platinum Spot	1,082.80	-1.95	-0.18%	-10.36%
Palladium Spot	679.25	-28.68	-4.05%	-14.84%
Crude Oil (WTI)	59.63	+0.2	0.03%	11.94%
Crude Oil (Brent)	63.26	+0.24	0.38%	10.34%
Baltic Dry Index	823.00	+44.00	5.65%	5.24%
Money Markets				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.282	0.000	0.025	0.026
12M Libor	0.777	0.010	0.148	0.148
3M Euribor	(0.015)	(0.001)	(0.095)	(0.093)
12M Euribor	0.162	(0.004)	(0.166)	(0.163)
10Y US	2.473	0.215	0.223	0.301
10Y UK	2.187	0.182	0.306	0.431
10Y Germany	0.922	0.170	0.333	0.381
10Y Japan	0.470	0.047	0.140	0.141
10Y India	7.814	0.101	(0.167)	(0.043)
Currencies				
	Closing		Closing	
GBP/USD	1.575	EUR/USD	1.117	
USD/JPY	123.850	AUD/USD	0.766	
USD/CHF	0.933	EUR/AED	4.102	
USD/INR	63.643	EUR/INR	71.278	
USD/CNY	6.209	EUR/CHF	1.043	
USD/RUB	54.806	AED/INR	17.278	

Source: Bloomberg

## International Market News Update

Household spending in the US climbed by 0.9% in May 2015, which is the highest monthly gain since August 2009. Final GDP data for the 1<sup>st</sup> quarter of 2015 was released by the US Commerce Department last week and it showed that the US economy had shrunk by an annualised rate of 0.2% during the quarter. The harsh winter has been attributed as the main reason why the economy shrunk. The US trade deficit also remains a big reason for this poor economic growth. Investors though remain focussed on Greece. The lack of clear consensus on Greece's debt repayment issues led the major US stock markets to fall last week.

Major stock markets in Europe rose sharply as investors remain hopeful that negotiations over extending Greece's bailout will help reach a last-minute deal. Else, Greece would end up defaulting on the repayment of around EUR 1.55 billion that the country owes to the International Monetary Fund. The repayment is scheduled for 30<sup>th</sup> June 2015. The CAC 40 last week rose sharply and touched 5095.04, its highest level of June 2015.

China's central bank last week cut the benchmark 1-year lending interest rate to 4.85%, which is an all-time low. The reserve-requirement ratio was also lowered by 0.5% by the central bank. The Shanghai Composite last week fell to 4139.844, its lowest level of the month. This was 20.05% lower than the 7-year high that it had touched on 12<sup>th</sup> June 2015. The stock market index has therefore had its worst 2-week fall since December 1996. This fall has been attributed to the reduction in stock holdings by leveraged investors. The Nikkei last week rose to its highest level since 7<sup>th</sup> December 1996, after it touched 20952.71.

## Money Market in Focus

Palladium last week fell to its lowest level since 5<sup>th</sup> July 2013, after it touched USD 669.97. This is a fall of over 26.56% from the high of USD 912.26 that it had touched on 1<sup>st</sup> September 2014. Since 8<sup>th</sup> May 2015, it has fallen by 16.63%. There are rising expectations that mines in South Africa will boost production by nearly 20% after the end of a recent strike. South Africa is the 2<sup>nd</sup> largest producer of palladium in the world and current production is expected to touch the highest levels in over 30 years. China remains one of the biggest purchasers of palladium for its automobile industry. But Chinese vehicle sales have been poor this year and the use of palladium, particularly in pollution-control devices, has therefore been low.

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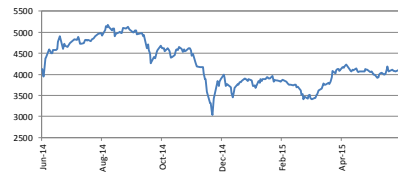
Fax: +971 4 4343806

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	4,146.73	+3.41	2.04%	9.88%
Abu Dhabi - ADX	4,760.76	+132.88	4.13%	5.12%
Saudi Arabia - TASI	9,367.29	-138.45	-1.46%	12.41%
Qatar - QE	12,133.23	+103.68	1.98%	-1.24%
Bahrain - BHSE	1,368.43	+2.34	0.11%	-4.08%
Oman - MSM 30	6,441.95	-1.95	-0.21%	1.56%
Kuwait	6,211.73	-1.27	-0.02%	-4.96%

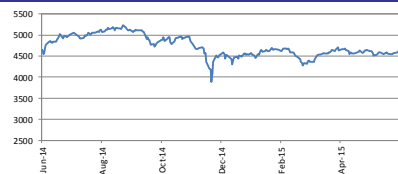
## Middle East Market News Update

Foreign fund inflows into Saudi Arabia's benchmark stock market index continued to be tiny last week. The stock market fell on this disappointing data. Other major stock markets in the GCC rose last week but are expected to fall sharply this week due to the attacks in Kuwait and the nervousness over Greece's debt repayment crisis. Etisalat announced last week that foreign institutions and expatriate individuals would be allowed to buy up to 20% of the company. This news led the stock to touch a 20-year high last week, rising by around 36.63%.

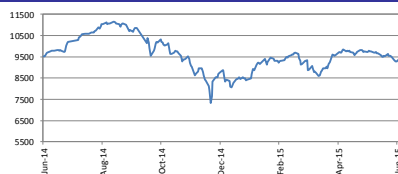
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

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

### The Greece debt repayment crisis... What lies ahead this week?

The International Monetary Fund (IMF) has indicated that it would not be able to provide any further financial assistance to Greece if the country misses its debt repayment due on 30<sup>th</sup> June 2015. IMF rules prevent it from letting financial institutions within Greece get access to funds for servicing liquidity needs.

Greek Prime Minister Alexis Tsipras has pledged a referendum to be held on 5<sup>th</sup> July 2015 on the bailout terms proposed by the country's creditors. The country's future in the Eurozone will be at stake during the referendum. The referendum consists of a 68-word ballot question with namechecks for 4 international institutions and asks voters to provide their opinion on two highly technical documents that have been translated into Greek over the weekend.

The European Central Bank (ECB) last week froze the emergency aid that it had been providing to Greek banks. Banks in Greece are facing a huge and unprecedented crisis due to cash withdrawals made from ATMs during last week. As many as 500 out of the country's total of 7000 ATMs have run out of cash. Clearly the ECB now wants to protect its balance sheet as Greece clearly seems heading for a financial collapse. Also, collateral levels of assets are dependent on state guarantees and so the risk of default affects their creditworthiness.

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