

US Indices				
	Closing	Net Change	% Change	YTD
DJIA	17,113.15	-166.59	-0.96%	3.24%
S&P 500	1,982.85	-27.55	-1.37%	7.28%
NASDAQ	4,512.19	-67.59	-1.48%	8.04%

Europe Indices				
	Closing	Net Change	% Change	YTD
STOXX 50	3,063.71	-48.21	-1.55%	4.94%
FTSE 100	6,649.39	-188.53	-2.76%	-1.48%
CAC 40	4,394.75	-66.47	-1.49%	2.30%
DAX	9,490.55	-308.71	-3.15%	-0.64%

BRICS Indices				
	Closing	Net Change	% Change	YTD
Ibovespa	57,212.38	-576.32	-1.00%	11.08%
MICEX	1,434.20	+2.62	0.18%	-4.65%
SENSEX	26,626.32	-464.10	-1.71%	25.77%
Shanghai	2,347.72	+18.27	0.78%	10.95%
JSE Africa	49,663.64	-1,883.38	-3.65%	7.37%

Asia Indices				
	Closing	Net Change	% Change	YTD
Nikkei 225	16,229.86	+162.29	1.01%	-0.38%
Hang Seng	23,678.41	-627.75	-2.58%	1.60%
KOSPI	2,031.64	-22.18	-1.08%	1.01%

Commodities				
	Closing	Net Change	% Change	YTD
Baltic Dry Ind	1,049.00	-26.00	-2.42%	-53.93%
Gold Spot	1,218.38	+2.68	0.22%	1.39%
Silver Spot	17.65	-0.19	-1.04%	-9.37%
Crude Oil (WTI)	93.54	+1.13	1.22%	-4.96%

Money Market				
	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.233	0.000	0.000	-0.013
12M Libor	0.578	-0.007	0.016	-0.005
3M Euribor	0.082	-0.001	-0.233	-0.205
12M Euribor	0.341	-0.006	-0.250	-0.215
10Y US	2.528	-0.047	-0.164	-0.501
10Y UK	2.468	-0.076	-0.231	-0.554
10Y Germany	0.972	-0.071	-0.596	-0.957
10Y Japan	0.523	-0.041	-0.109	-0.218
10Y India	8.443	-0.013	-0.340	-0.382

Currencies			
	Closing		Closing
EUR/USD	1.268	GBP/USD	1.625
USD/JPY	109.290	AUD/USD	0.877
EUR/AED	4.659	USD/INR	61.158
EUR/CHF	1.207	USD/CNY	6.127

* Source: Bloomberg

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International Market News Update

In the US, the S&P 500 last week surrendered all of the previous week's gain, as investors grew more concerned about whether the current equity valuations would be able to withstand the eventual increase in short-term interest rates after the Federal Reserve ends its quantitative easing program. Also, it was announced last week that there was a fall of 18.2% in durable goods orders in August which shook the market. The US Department of Commerce confirmed the 2nd quarter GDP at 4.6%, reflecting stronger business sentiments.

In Europe, the business activity index fell to 52.3, which is a nine-month low. On this news, the Euro continued its downward trend on rising speculation that the Europe Central Bank would have to announce new measures over the next few months to curb this fall in business sentiment. German and French 10-year government bonds rose the fastest as a result along with the growing demand of safer assets as the US and its allies - United Arab Emirates, Qatar, Saudi Arabia, Bahrain and Jordan participated in military strikes in Syria.

Japan's annual core rate of consumer inflation continued its monthly fall and came out at 1.1% in August down from 1.3% in July. The Chinese manufacturing sector index grew slightly recording a level of 50.5 up from 50.2 in August. But, Chinese employment levels fell to their lowest value since February 2009. In India, the Sensex continued its side-wise consolidation. S&P revised India's sovereign credit outlook from negative to stable which should invite more foreign capital flows into the country.

Country in Focus

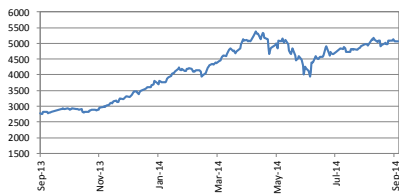
Spain auctioned 50-year government bonds for the first time in its history last week. The bond has an interest rate of 4% and 1 billion Euros were raised during the auction. The country is hoping to ride the rally in the bond market that has seen yields on its 10-year government bond fall to 2.083% on August 27, the lowest level on record. The economy is expected to grow 1.5% this year even though unemployment remains close to the record high of 26% and the public debt, having doubled since 2007, still remains close to 100% of the GDP. Residential mortgages have risen nearly 30% in the past one year, the highest jump since early 2006, as Spanish home buyers grow in confidence of the economic prospects of the country. Spanish bonds have risen over 12% till date this year heading for the biggest annual gain since 1996.

Commodities in Focus

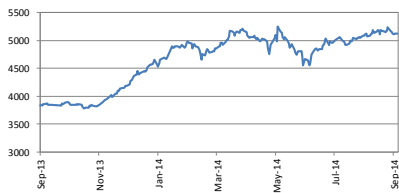
The USD rose to the strongest level against the Euro in 22 months which has reduced demand for precious metals as alternative investments. Platinum fell to its lowest value in 15-months and gold hit an 8-month low amid expectations that the fast-paced US economic recovery and low inflation will prompt the Federal Reserve to increase interest rates early next year which will bring increased capital flows into the US bond market.

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	5,058.95	-28.10	-0.55%	50.16%
Abu Dhabi - ADX	5,115.76	-47.45	-0.92%	19.50%
Saudi - TASI	10,765.02	-297.35	-2.69%	26.12%
Qatar - QE	13,824.52	-311.66	-2.20%	33.19%
Bahrain - BHSE	1,475.41	+6.17	0.42%	18.14%
Oman - MSM 30	7,461.75	-38.73	-0.52%	9.17%
Kuwait	7,650.10	+38.66	0.51%	1.34%

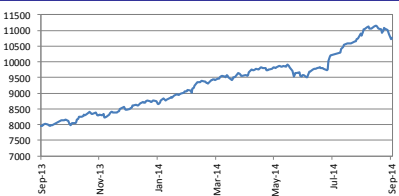
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



* Source: Bloomberg

Middle East Market News Update

September 22 saw changes made to the FTSE All-World Index and addition of stocks from the UAE and Qatar stock markets. Also on the same day, S&P upgraded UAE and Qatar to emerging market from frontier market status. Both events have raised hopes of further long-term funds entering the stock exchanges of these two countries. MSCI had already reclassified the MSCI UAE and MSCI Qatar indexes to emerging market status from frontier market back in May. "The UAE market is substantially cheaper compared to Qatar. Some stocks in Qatar have been overvalued after the MSCI upgrade as money got into relatively illiquid stocks, which propelled the stock prices higher," said Jaap Meijer, Executive Director at Arqaam Capital. Marka, the retailing and restaurants start-up, listed on September 25 on the Dubai Financial Market touching 2 Dirhams within moments of its debut on the stock exchange, up 100% from its IPO price of 1 Dirham.

En Bref..... Biggest Market News

Money market investors stunned as 'Bond king' quits firm he co-founded

Bill Gross, the person responsible for building the biggest and most powerful bond fund in the world, left Pacific Investment Management Company (Pimco) abruptly last week heading to Janus Capital Group. Bill, who had co-founded Pimco in 1971 and almost single-handedly built it into a nearly USD 2 trillion firm, was in danger of being ousted by Pimco's management as his leadership style was undergoing scrutiny with most of his deputies threatening to quit. Former Pimco CEO Mohamed El-Erian had resigned in January after constant clashes with Bill over management of the firm. The Securities and Exchange Commission in the US was already investigating whether Pimco had bought bonds at discounts and then had marked them up.

The exit by Bill, who personally oversaw more money than any investor in the world, caused a major sell-off in US treasuries and the biggest fall in Pimco's parent Allianz SE in almost 3 years. Janus' stock rose by over 40% on this news, the biggest jump in 14 years. Janus' CEO Dick Weil used to work for Bill at Pimco from 1996 to 2010. The exit of Bill is expected to see huge redemptions in funds managed by Pimco, particularly from fixed-income funds which were already seeing 16 straight months of withdrawals in anticipation of increasing US interest rates. Further, this news has prompted some of the biggest managers of US pension funds and retirement plans to contemplate moving money out of Pimco in the absence of a strong track record by Pimco's present investment team.

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