

| US Indices       |           |            |          |        |
|------------------|-----------|------------|----------|--------|
|                  | Closing   | Net Change | % Change | YTD    |
| DJIA             | 17,712.66 | -414.99    | -2.33%   | -0.62% |
| S&P 500          | 2,061.02  | -47.08     | -2.33%   | 0.10%  |
| NASDAQ Composite | 4,891.22  | -135.20    | -2.69%   | 3.28%  |

| Europe Indices      |           |            |          |        |
|---------------------|-----------|------------|----------|--------|
|                     | Closing   | Net Change | % Change | YTD    |
| UK - FTSE 100       | 6,855.02  | -167.49    | -2.39%   | 4.40%  |
| Eurozone - STOXX 50 | 3,424.60  | -80.46     | -2.30%   | 14.00% |
| France - CAC 40     | 5,034.06  | -53.43     | -1.05%   | 17.82% |
| Germany - DAX       | 11,868.33 | -171.04    | -1.42%   | 21.04% |
| Netherlands - AEX   | 485.73    | -13.39     | -2.68%   | 14.43% |
| Switzerland - SMI   | 9,083.52  | -312.77    | -3.33%   | 1.11%  |

| BRICS Indices             |           |            |          |        |
|---------------------------|-----------|------------|----------|--------|
|                           | Closing   | Net Change | % Change | YTD    |
| Brazil - Ibovespa         | 50,094.66 | -1,871.92  | -3.60%   | 0.17%  |
| Russia - MICEX            | 1,571.55  | -57.09     | -3.51%   | 12.53% |
| India - SENSEX            | 27,458.64 | -802.44    | -2.84%   | -0.15% |
| China - Shanghai          | 3,691.10  | +73.78     | 2.04%    | 14.11% |
| South Africa - JSE Africa | 51,810.16 | -821.62    | -1.56%   | 4.10%  |

| Asia-Pacific Indices  |           |            |          |        |
|-----------------------|-----------|------------|----------|--------|
|                       | Closing   | Net Change | % Change | YTD    |
| Japan - Nikkei 225    | 19,285.63 | -274.59    | -1.40%   | 10.51% |
| Hong Kong - Hang Seng | 24,486.20 | +110.96    | 0.46%    | 3.73%  |
| South Korea - KOSPI   | 2,019.80  | -17.44     | -0.86%   | 5.44%  |
| Australia - ASX 200   | 5,919.94  | -55.56     | -0.93%   | 9.41%  |

| Commodities       |          |            |          |         |
|-------------------|----------|------------|----------|---------|
|                   | Closing  | Net Change | % Change | YTD     |
| Gold Spot         | 1,198.55 | +16.01     | 1.35%    | 1.20%   |
| Silver Spot       | 16.96    | 0.21       | 1.23%    | 7.93%   |
| Platinum Spot     | 1,138.00 | -0.88      | -0.08%   | -5.79%  |
| Palladium Spot    | 741.15   | -35.85     | -4.61%   | -7.08%  |
| Crude Oil (WTI)   | 48.87    | +3.15      | 6.89%    | -8.26%  |
| Crude Oil (Brent) | 56.41    | +1.09      | 1.97%    | -1.60%  |
| Baltic Dry Ind    | 596.00   | +5.00      | 0.85%    | -23.79% |

| Money Market |         |                  |                  |                  |
|--------------|---------|------------------|------------------|------------------|
|              | Closing | Net Change (5-D) | Net Change (6-M) | Net Change (YTD) |
| 3M Libor     | 0.275   | 0.009            | 0.042            | 0.020            |
| 12M Libor    | 0.702   | 0.005            | 0.124            | 0.073            |
| 3M Euribor   | 0.021   | 0.000            | -0.061           | -0.057           |
| 12M Euribor  | 0.199   | -0.006           | -0.142           | -0.126           |
| 10Y US       | 1.962   | 0.031            | -0.566           | -0.210           |
| 10Y UK       | 1.542   | 0.026            | -0.926           | -0.214           |
| 10Y Germany  | 0.207   | 0.023            | -0.765           | -0.334           |
| 10Y Japan    | 0.375   | 0.046            | -0.148           | 0.046            |
| 10Y India    | 7.777   | 0.031            | -0.666           | -0.080           |

| Currencies |         |         |         |
|------------|---------|---------|---------|
|            | Closing |         | Closing |
| GBP/USD    | 1.488   | EUR/USD | 1.089   |
| USD/JPY    | 119.130 | AUD/USD | 0.775   |
| USD/CHF    | 0.962   | EUR/AED | 3.998   |
| USD/INR    | 62.418  | EUR/INR | 67.745  |
| USD/CNY    | 6.216   | EUR/CHF | 1.047   |
| USD/RUB    | 57.849  | AED/INR | 17.034  |

Source: Bloomberg

## International Market News Update

Inflation in the US rose 0.2% in February 2015, the 1<sup>st</sup> gain in 4 months. The inflation data though remains significantly low for the Federal Reserve to start raising its benchmark interest rate. The Federal Reserve Chairwoman Janet Yellen though indicated last week that raising interest rates "may be warranted later this year" if the unemployment rate continues to stay low and the labour market improves. US' 4<sup>th</sup> quarter GDP was confirmed last week to have grown by 2.2% but the GDP is not expected to grow significantly higher in the current quarter due to the detrimental impact of the strong US dollar on earnings of multinational companies. Markets in the US fell last week as investors analysed the strength of the US economy as well as the pace of future consumer spending growth.

The Euro crossed 1.1052 against the US dollar last week, its highest level in over 3 weeks. The Purchasing Managers Index for the Eurozone region rose to a 46-month high of 54.1 in March 2015 due to lower oil prices and the impact on exports due to the falling euro. Germany's unemployment and inflation data is expected this week and will be a strong benchmark of the region's economy. Negotiations over providing Greece with access to more funds from the European Central Bank are expected to continue this week as well. Inflation in the UK fell to zero in February 2015, which is its lowest all-time level on record.

China's Manufacturing Purchasing Managers Index fell to an 11-month low of 49.2 in March 2015, as the slowdown continues in the Chinese economy. The SENSEX dropped for the 3<sup>rd</sup> straight week as data released last week showed that earnings in the last quarter of 2014 had fallen, which is the 1<sup>st</sup> time since 2013. The SENSEX is currently down by around 10.18% from its all-time high of 30021.43 that it reached on 4<sup>th</sup> March 2015.

## Commodity in Focus

Crude oil prices last week grew at the fastest weekly pace in over 4 years as Saudi Arabia led a 10-member coalition in launching air strikes in Yemen. Yemen lies on the side of the world's 4<sup>th</sup> busiest shipping gateway while its neighbour Saudi Arabia is the world's largest exporter of crude oil. West Texas Intermediate crude oil rose by 15.77% from Monday's low last week to touch USD 52.48 while Brent crude oil rose by 10.46% from Monday's low last week to touch USD 59.78.

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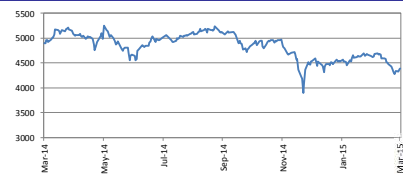
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| Key Indices         | Closing   | Net Change | % Change | YTD    |
|---------------------|-----------|------------|----------|--------|
| Dubai - DFM         | 3,407.25  | -66.17     | -1.91%   | -9.72% |
| Abu Dhabi - ADX     | 4,373.13  | +35.50     | 0.82%    | -3.44% |
| Saudi Arabia - TASI | 8,903.49  | -270.92    | -2.95%   | 6.84%  |
| Qatar - QE          | 11,410.76 | -113.01    | -0.98%   | -7.12% |
| Bahrain - BHSE      | 1,444.51  | -14.58     | -1.00%   | 1.26%  |
| Oman - MSM 30       | 6,112.91  | -106.95    | -1.72%   | -3.63% |
| Kuwait              | 6,222.46  | -212.97    | -3.31%   | -4.79% |

Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

## Middle East Market News Update

Stock markets in the GCC continued to react negatively to the crisis in Yemen but rising oil prices prevented a bigger weekly fall. The Saudi Arabian government last week approved a proposal that would tax undeveloped land in urban areas. Investors reacted negatively to this news as they dumped the stocks of property developers. Qatar's stock market exchange decided last week to treat investors from the GCC countries as local citizens. This move should help foreign investors to now hold larger stakes in listed Qatari firms.

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

Is the ECB's fight against deflation really working? The strong US dollar is not helping....

The European Central Bank (ECB) launched a massive quantitative-easing program this month as its biggest weapon against deflation in the Eurozone. Government bonds and bonds issued by corporates are being bought each week by the ECB and other national banks in the region, sending the yields of most of the government bonds to all-time lows and turning the yield negative for many of the short-term tenured government bonds. This also caused the euro to fall this month to its lowest level against the US dollar, since 2003.

But, the strong US dollar continues to threaten growth of the US economy, reduce overseas earnings made by the US multinationals and rattle emerging markets. The US is expected to raise interest rates later in 2015 which will make the US dollar grow even stronger. The strong US dollar will cause investors to withdraw from the emerging markets and bring funds into the US as well as make borrowings in the US dollar more expensive.

Already, currencies like the Turkish lira and Mexican peso have in March 2015 hit all-time lows against the US dollar and the Brazilian real is trading at its lowest level since 2004 against the US dollar. This will cause countries like India and China to let their currencies devalue to ensure that their goods and services remain competitive in the global markets.

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