NOUVELLES

OUR WEEKLY CAPITAL MARKETS UPDATE

August 31, 2015

US Indices	Closing	Net Change	% Change	YTD
DJIA	16,643.01	+183.26	1.11%	-6.62%
S&P 500	1,988.87	+17.98	0.91%	-3.40%
NASDAQ Composite	4,828.33	+122.29	2.60%	1.95%

Europe Indices	Closing	Net Change	% Change	YTD
UK - FTSE 100	6,247.94	+60.29	0.97%	-4.85%
Eurozone - STOXX 50	3,114.84	+12.73	0.41%	3.69%
France - CAC 40	4,675.13	+44.14	0.95%	9.42%
Germany - DAX	10,298.53	+174.01	1.72%	5.03%
Netherlands - AEX	445.96	+3.09	0.70%	5.06%
Switzerland - SMI	8,785.10	-13.47	-0.15%	-2.21%

BRICS Indices	Closing	Net Change	% Change	YTD
Brazil - Ibovespa	47,153.87	+1,434.23	3.14%	-5.71%
Russia - MICEX	1,719.16	+55.85	3.36%	23.10%
India - SENSEX	26,392.38	-973.69	-3.56%	-4.03%
China - Shanghai	3,232.35	-275.39	-7.85%	-0.07%
South Africa - JSE Africa	49,966.80	+938.44	1.91%	0.39%

Asia-Pacific Indices	Closing	Net Change	% Change	YTD
Japan - Nikkei 225	19,136.32	-299.51	-1.54%	9.66%
Hong Kong - Hang Seng	21,612.39	-797.23	-3.56%	-8.44%
South Korea - KOSPI	1,937.67	+61.60	3.28%	1.15%
Australia - ASX 200	5,263.56	+48.96	0.94%	-2.73%

Commodities	Closing	Net Change	% Change	YTD
Gold Spot	1,133.60	-27.17	-2.34%	-4.29%
Silver Spot	14.60	-0.72	-4.69%	-7.08%
Platinum Spot	1,018.05	-1.45	-0.14%	-15.72%
Palladium Spot	587.95	-14.50	-2.41%	-26.29%
Crude Oil (WTI)	45.22	+4.77	11.79%	-15.11%
Crude Oil (Brent)	50.05	+4.59	10.10%	-12.70%
Baltic Dry Ind	903.00	-91.00	-9.15%	15.47%

Money Markets	Closing	Net Change (5-D)	Net Change (6-M)	Net Change (YTD)
3M Libor	0.329	(0.000)	0.067	0.073
12M Libor	0.843	(0.005)	0.164	0.215
3M Euribor	(0.033)	(0.002)	(0.072)	(0.111)
12M Euribor	0.161	0.001	(0.072)	(0.164)
10Y US	2.181	0.144	0.188	0.009
10Y UK	1.962	0.271	0.166	0.206
10Y Germany	0.742	0.178	0.414	0.201
10Y Japan	0.379	0.013	0.044	0.050
10Y India	7.777	(0.010)	0.049	(0.080)

Currencies	Closing		Closing
GBP/USD	1.539	EUR/USD	1.119
USD/JPY	121.710	AUD/USD	0.717
USD/CHF	0.964	EUR/AED	4.108
USD/INR	66.163	EUR/INR	74.574
USD/CNY	6.390	EUR/CHF	1.076
USD/RUB	65.207	AED/INR	18.010

Source: Bloomberg

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International Market News Update

Growth in the US GDP for the 2nd quarter of 2015 was revised upwards last week to 3.7%. This was due to increased consumer spending, investments and better export data. Consumer spending had risen by 0.3% during July 2015. New home sales in the US increased by 5.4% in July 2015. On an annualized rate, new home sales rose by 25.8% since July 2014. The S&P 500 was unable to rise upwards to break the psychological level of 2000 last week. It had fallen to 1867.01 during last week before rising by around 6.77% to touch 1993.48. All major stock market indices in the US rose to end the week in positive territory.

Stock markets in Europe remained flat during last week. The DAX had fallen to 9338.20 last week before rising by around 11.19% during the week to touch 10382.95. At its lowest level, the DAX had fallen by around 24.64 % from the high of 12390.75 that it had touched on 10th April 2015, indicating a bear market. China is Germany's largest non-European trade partner. According to data released last week, business confidence in Germany rose sharply in August 2015 as domestic spending remains high due to extremely low unemployment and low borrowing costs in the country.

China's central bank cut the benchmark 1-year lending rate by 0.25% to 4.6% and reduced the reserve rate requirement for banks by 0.5%. The country's central bank also removed the ceiling on fixed-deposit interest rates for tenures greater than 1-year. Due to the devaluation of the Chinese yuan, it is expected that the central bank had to sell foreign reserves of around USD 200 billion in August 2015 to defend the currency. This has included the highest selling of US treasuries since 2011. The Shanghai Composite fell to 2850.714 last week, its lowest level of 2015 and its lowest level since 11th December 2014. The stock market index was down by around 44.95% from the high of 5178.191 that it had touched on 12th June 2015.

Commodity in Focus

Crude oil prices had fallen to new 6-year lows last week. WTI crude oil touched USD 37.75 last week, its lowest level since 25th February 2009. Brent crude oil touched USD 42.23 last week, its lowest level since 13th March 2009. But, then crude oil prices rose sharply later during the week. WTI crude oil rose by around 21.59% from last week's low to touch USD 45.90. Brent crude oil rose by around 20.72% from last week's low to touch USD 50.98. The biggest boost to crude oil prices came due to the strong 2nd quarter GDP data of the US.

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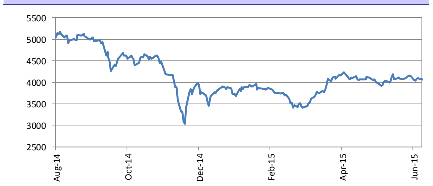
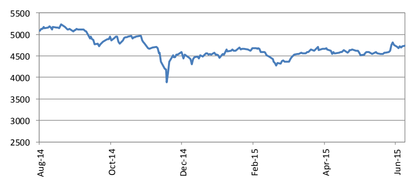
August 31, 2015

Key Indices	Closing	Net Change	% Change	YTD
Dubai - DFM	3,648.45	-61.39	-1.65%	-3.33%
Abu Dhabi - ADX	4,461.09	-51.39	-1.14%	-1.50%
Saudi Arabia - TASI	7,604.32	-408.52	-5.10%	-8.75%
Qatar - QE	11,295.46	-50.07	-0.44%	-8.06%
Bahrain - BHSE	1,302.29	-17.70	-1.34%	-8.71%
Oman - MSM 30	5,816.80	-273.07	-4.48%	-8.30%
Kuwait	5,876.51	-176.12	-2.91%	-10.09%

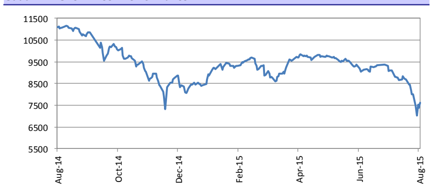
Dubai - DFM 52-Week Performance



Abu Dhabi - ADX 52-Week Performance



Saudi - TASI 52-Week Performance



Source: Bloomberg

Middle East Market News Update

Falling global markets along-with the low crude oil prices sent all major stock markets in the GCC on a downward trend last week. The Tadawul in Saudi Arabia fell to its lowest level of 2015, touching 6920.96. It is expected that the sharp upwards rally in crude oil prices will help the stock markets and retail investors in the GCC to remain positive in this week ahead.

En Bref….. Biggest Market News

The Indian rupee falls sharply. Will the Indian central bank get into a currency war?

The Indian rupee fell to 66.765 against the USD last week. This is its lowest level since 5th September 2013. Yet, there are signs that India's central bank would prefer to avoid letting the Indian rupee fall further or not get into a currency war of devaluing the local currency currently being orchestrated by central banks globally, prompted by the devaluation of the Chinese yuan. The primary reason for that would be that the central bank wants to control inflation and not have a weakening rupee cause the prices of imports to rise sharply.

India currently has its foreign reserves at all-time high levels. Last week, the reserves crossed USD 355 million. There will be intent to keep foreign reserves at these high levels not only to ensure that stability can be maintained during capital outflow events like what was witnessed during last week, but also to ensure that negative consequences of an event like the upcoming interest rate hike in the US can be controlled.

Events in the week ahead

August 31 - China manufacturing purchasing managers' index data will be released.

September 01 - US manufacturing data will be released.

September 02 - US Federal Reserve releases Beige Book of regional economic data.

September 04 - US Department of Labor reports employment data.