



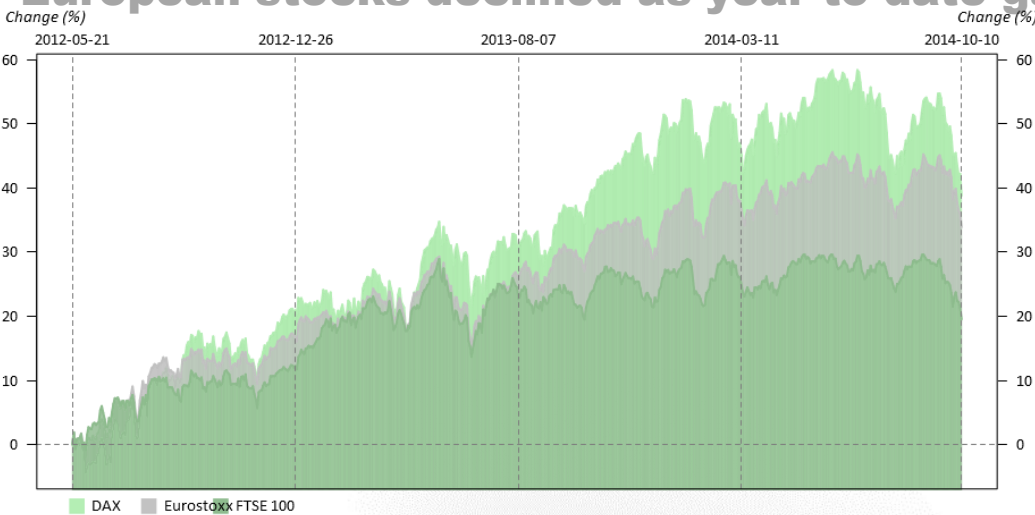
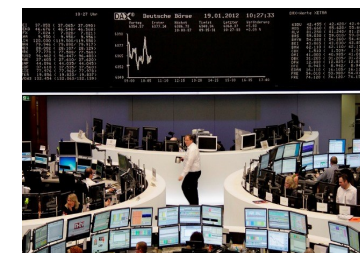
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13/10/2014



Weekly Global Stock Market Review

European stocks declined as year-to-date gains seem eliminated



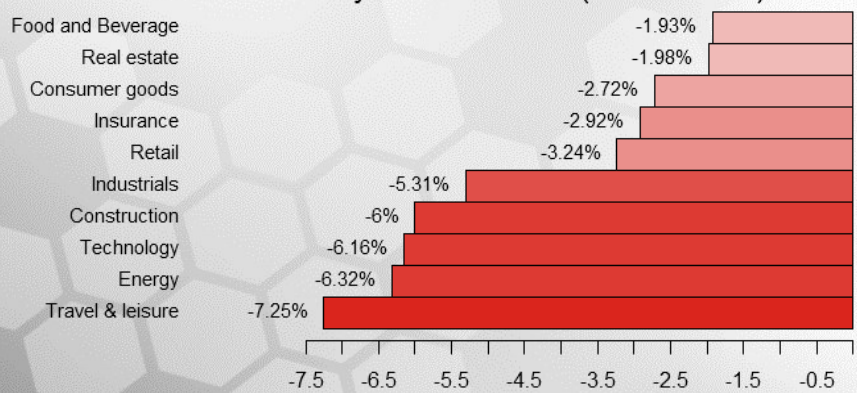
Shares of European companies plunged the most in many weeks during October 6-10 time period, while some of stock indexes experienced elimination of year-to-date gains, while yearly advance approached zero. German factory orders dropped twice as much as expected in August, while country's trade balance worsened. Moreover, industrial production in the largest economy of Eurozone slipped 4% during last month of the summer. In addition, the International Monetary Fund decreased global growth forecast. Nevertheless, stock market in the U.K. posted smaller decrease amid positive news on country's trade balance.

The benchmark Eurostoxx Index, which comprises data for 600 biggest companies in Europe, registered a weekly plunge of 4.3% to 321.61 points, as all the sectors lost value during five trading days. The sharpest downward trend was posted by travel and leisure industry, which slid 7.3%. Energy and technology sectors followed with a fall of 6.3% and 6.2%, respectively. Market losses were led by Spirent Communications Plc, a technology industry representative, which dipped 27.6% to trade at 72 pence on Friday. The company announced its revenue and profit to be lower than initially predicted in the fourth quarter. On the green side, Tesco Plc started to rebound, as it added 7.6% to 185.25 pence in London, capping overall decline of the retail sector.

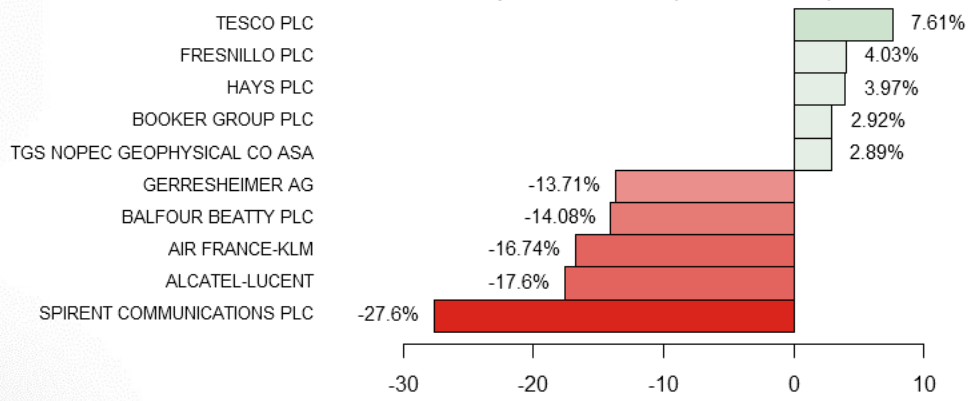
While German DAX showed a plunge of 4.6% to 8,788.81, British FTSE lost only 3.4% to close at 6,339.97 points last Friday.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Eurostoxx	-4.28	-6.7	-4.54	-2.17	5.4	3.65
DAX	-4.57	-9.4	-9.08	-5.65	3.2	1.19
FTSE 100	-3.41	-7.18	-5.23	-3.38	0.03	-1.41

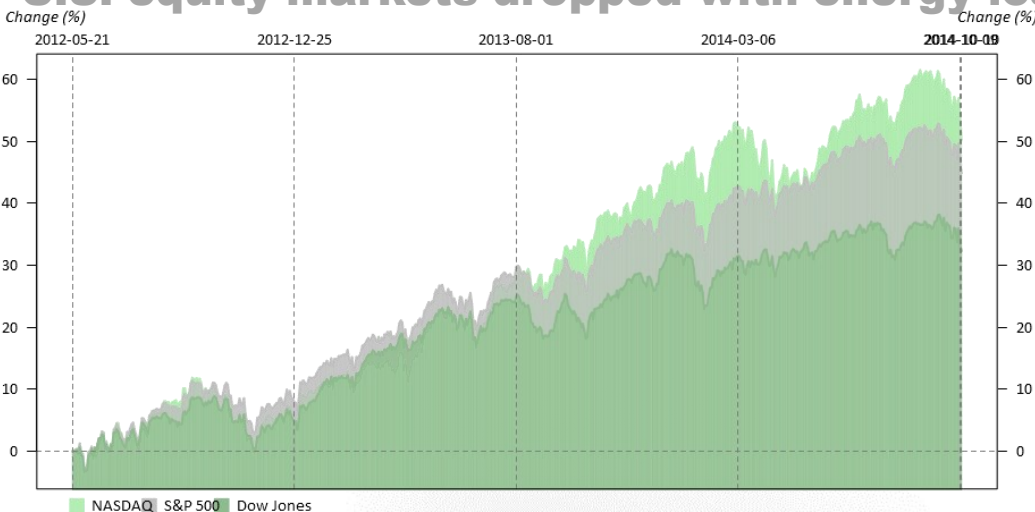
Industry Performance (STOXX600)



TOP performers (SXXP600)



U.S. equity markets dropped with energy losing the most



American equity market followed its European counterparts during the previous trading week, as it mostly moved in the red zone. Although the U.S. was not rich on fundamental data last week, the domestic market was mainly affected by declining oil prices, which led to sell-offs among companies of the energy sector. At some points of time statistics was able to support markets, including labour market in the country, which continued to improve.

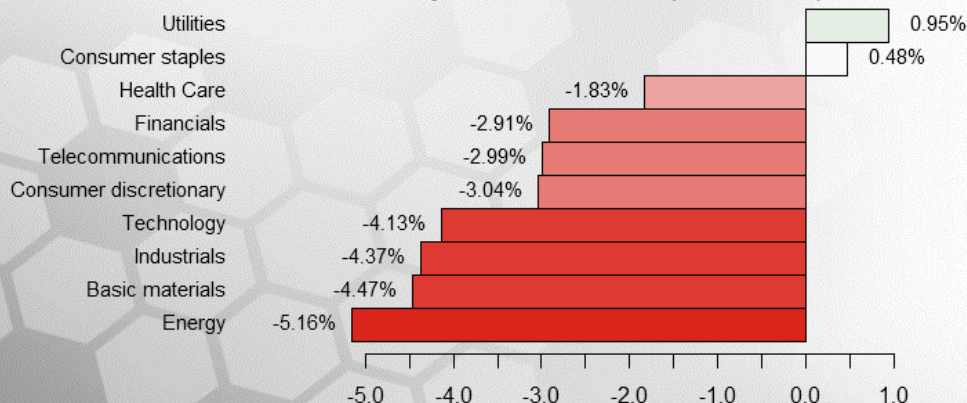
The main S&P 500 gauge plunged 3% to 1,906.13 points in five trading days of the week ended October 10. All but two industries showed a negative trend, with only utilities and consumer staples gaining some value of 1% and 0.5%, respectively. At the same time, energy and basic materials sectors dropped 5.2% and 4.5%. It is worth pointing out that neither biggest gains nor highest losses were led by representatives of above-mentioned industries. Carefusion Corp, a global medical technology company, added 24% to \$57.22, as it was announced that the company will be bought by Becton, Dickinson & Co for \$12.2 billion. Stockholders of Carefusion, in turn, will get \$49 per share in cash. Becton, Dickinson & Co, however, jumped 10.4% to \$127.87 per share, showing the second-biggest increase on the whole market. On the other hand, JC Penney Co Inc, a Texas-based chain of mid-range department stores, lost 28.8% to \$7.12, as the retailer warned investors on declining sales' volumes.

The Dow Jones Industrial Average traded 2.6% lower at 16,544.10 points on October 10, while high-tech index NASDAQ plummeted 4% to close the week at 4,276.23 points.

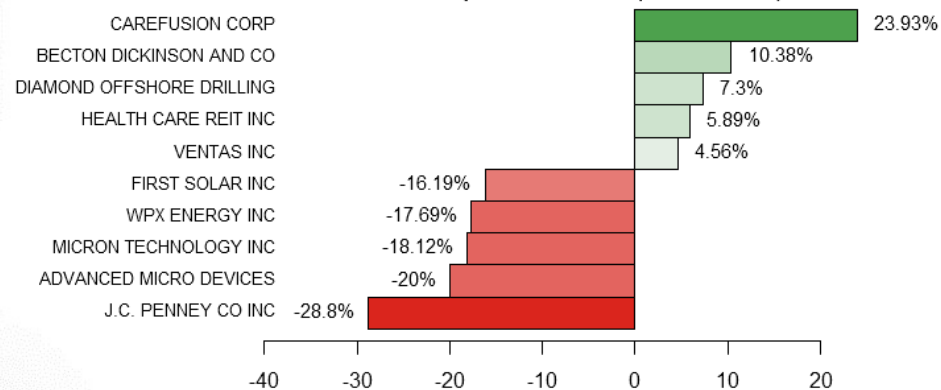
Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
S&P 500	-2.99	-4.49	-3.12	4.98	15.08	12.62
Dow Jones	-2.64	-3.07	-2.36	3.23	11.76	9.37
NASDAQ	-4.01	-6.77	-3.15	6.91	16.27	13.71

Industry Performance (S&P 500)



TOP performers (S&P 500)



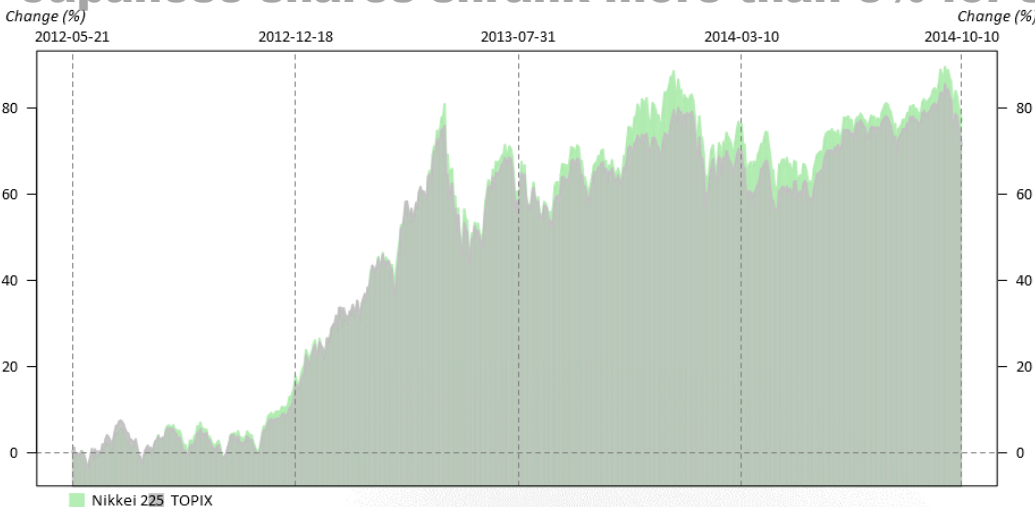
Japanese shares shrank more than 3% for second week in a row



Majority of the Japan-based companies are losing value for the second consecutive week in a row, as, following elimination of monthly advance two weeks before, last week the quarterly advance was decreased to minimum as well. The world's third biggest economy still lacks growth momentum, as tertiary industry activity continued to decline, while current account surplus rose less than forecasted. At the same time, core machinery orders added some optimism, as they jumped 4.7% in August, prolonging the streak of growth to three months.

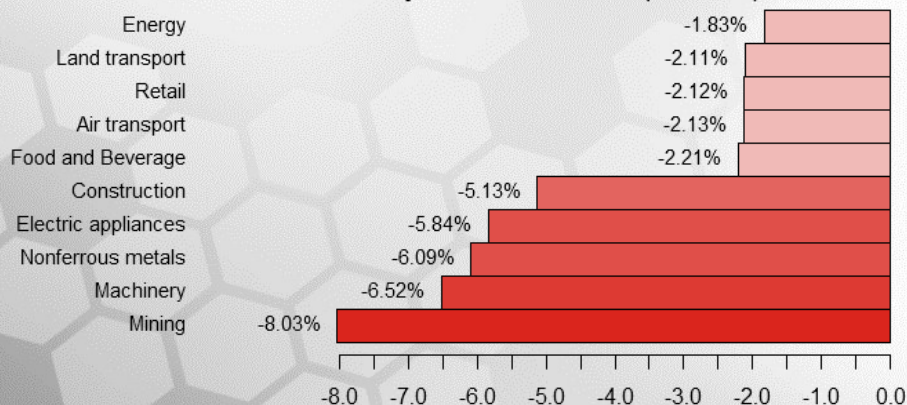
Meanwhile, the Topix Index dropped 4.1% to close at 1,243.09 points on Friday's evening, as all industries included in the gauge experienced negative tendency during the trading week. On a quarterly basis, the index entered red zone by slipping 1%. Among biggest losers, mining and machinery sectors slipped 8% and 6.5%, respectively. At the same time, energy and land transport fell only 1.8% and 2.1%, accordingly. The best performer was represented by Airtech Japan Ltd, which continued to surge for the second continuous week and added 16.9% to 830 yen during October 6-10 period. Pal Co Ltd, a local retailing company, followed with a climb of 13.6% to 3,285 yen per share. On the other hand, Daiichi Chuo Kisen Kaisha crashed 23% to trade at 67 yen on Friday, while I'ROM Holdings Co Ltd dipped 21.2% to 944 yen.

The second-largest stock index of the country, Nikkei 225, plummeted as much as 3.7% to 15,300.55 points, but on the basis of last three months the gauge still shows a slight 0.9% increase in value.

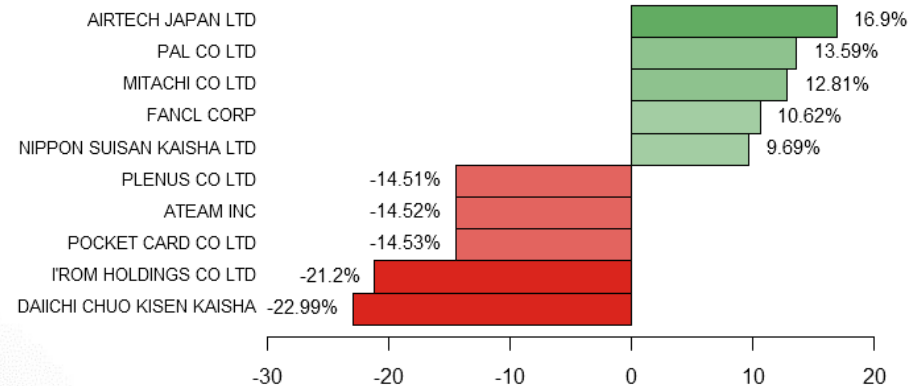


Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Nikkei 225	-3.72	-3.09	0.9	9.6	9	7.79
TOPIX	-4.11	-4.87	-0.96	9.61	6.53	5.53

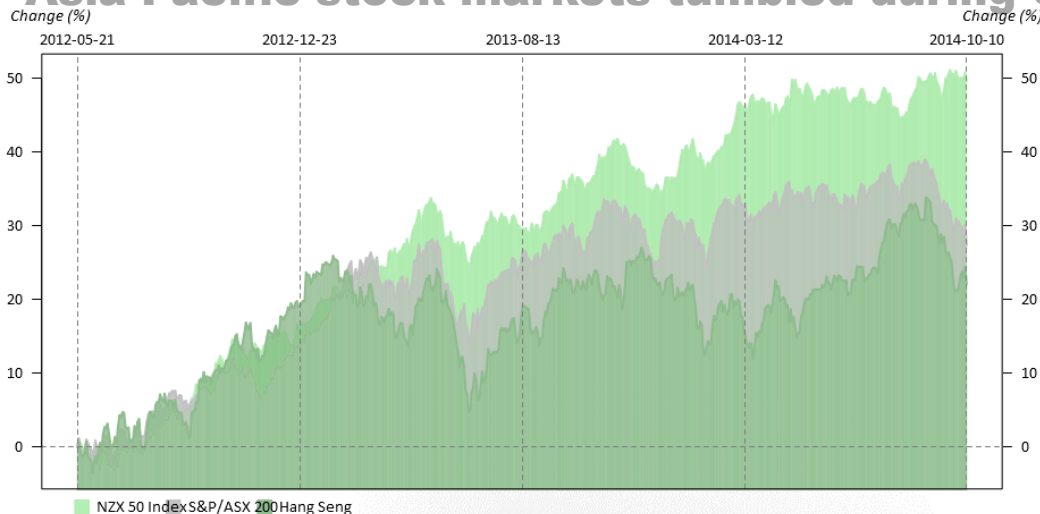
Industry Performance (TOPIX)



TOP performers (TOPIX)



Asia-Pacific stock markets tumbled during October 6-10 week



Equity market in the Asia-Pacific region posted the smallest decline among all global financial markets, even though statistical data from Australia and China used to be rather disappointing. Employment in the former dropped despite positive expectations, while jobless rate rose to 6.1% in September. Alongside, the Reserve Bank of Australia kept main refinancing rate unchanged at 2.5%, underlying sluggish growth of the national economy.

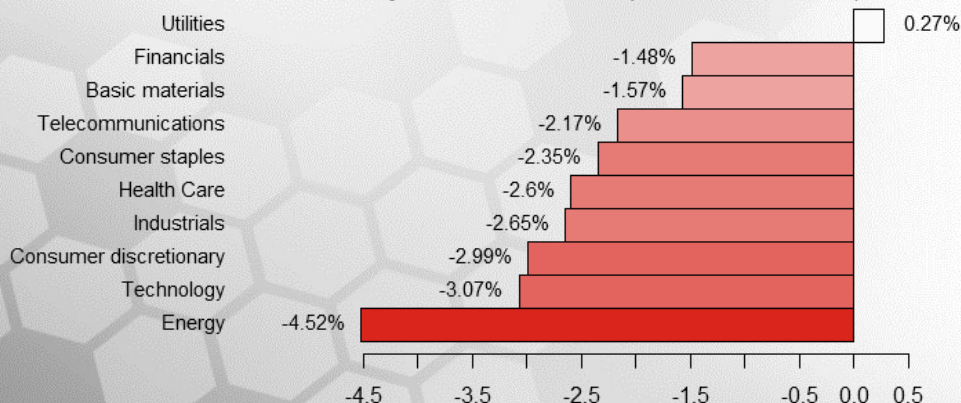
The S&P/ASX 200 benchmark Index lost 2% to 5,188.30 points from Monday to Friday, the most among all regional stock markets. At the same time, only one sector of the gauge showed some minor advance during the trading week, while others dropped considerably. Losses were led by energy and technology sectors, as they plunged 4.5% and 3.1%, respectively. Utility industry, however, added 0.3% in course of five trading days. In addition, companies-representatives of the mining industry continued to trade under intense pressure, taking into account falling prices on some commodities. Coalspur Mines Ltd dipped 22.6% to A\$0.024 per share, prolonging its long-term streak of losses. Since January, the miner's stock lost as much as 94% of all value. Sundance Resources Ltd followed with a fall of 15.8% to A\$0.048. Meanwhile, Virgin Australia Holdings Ltd, a subsidiary of the Virgin Group, surged 7% to A\$0.385 per share, as the company has no plans to make ticket prices cheaper amid decline in fuel costs.

Meanwhile, the Hang Seng Index fell 1% last week to close at 23,088.54 points on Friday, while New Zealand's NZX 50 Index slipped only 0.3% to 5,225.13 points.

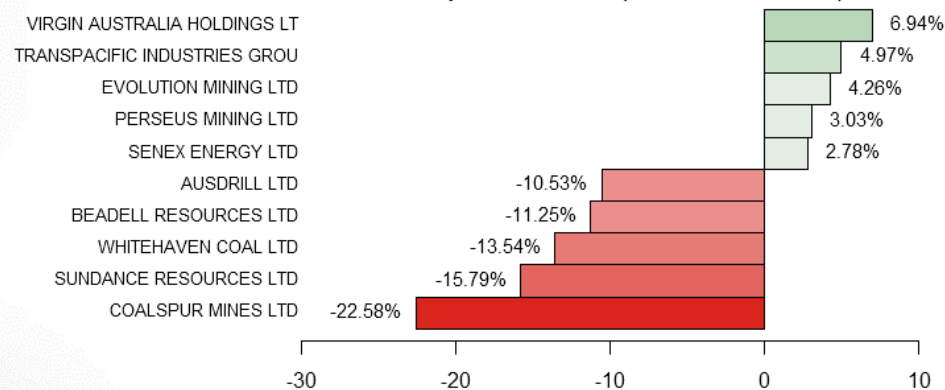
Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
S&P/ASX 200	-1.98	-6.93	-5.44	-4.43	0.68	0.8
Hang Seng	-0.97	-6.38	-1.08	0.37	0.24	0.6
NZX 50 Index	-0.31	-0.22	2.44	2.63	10.92	10.76

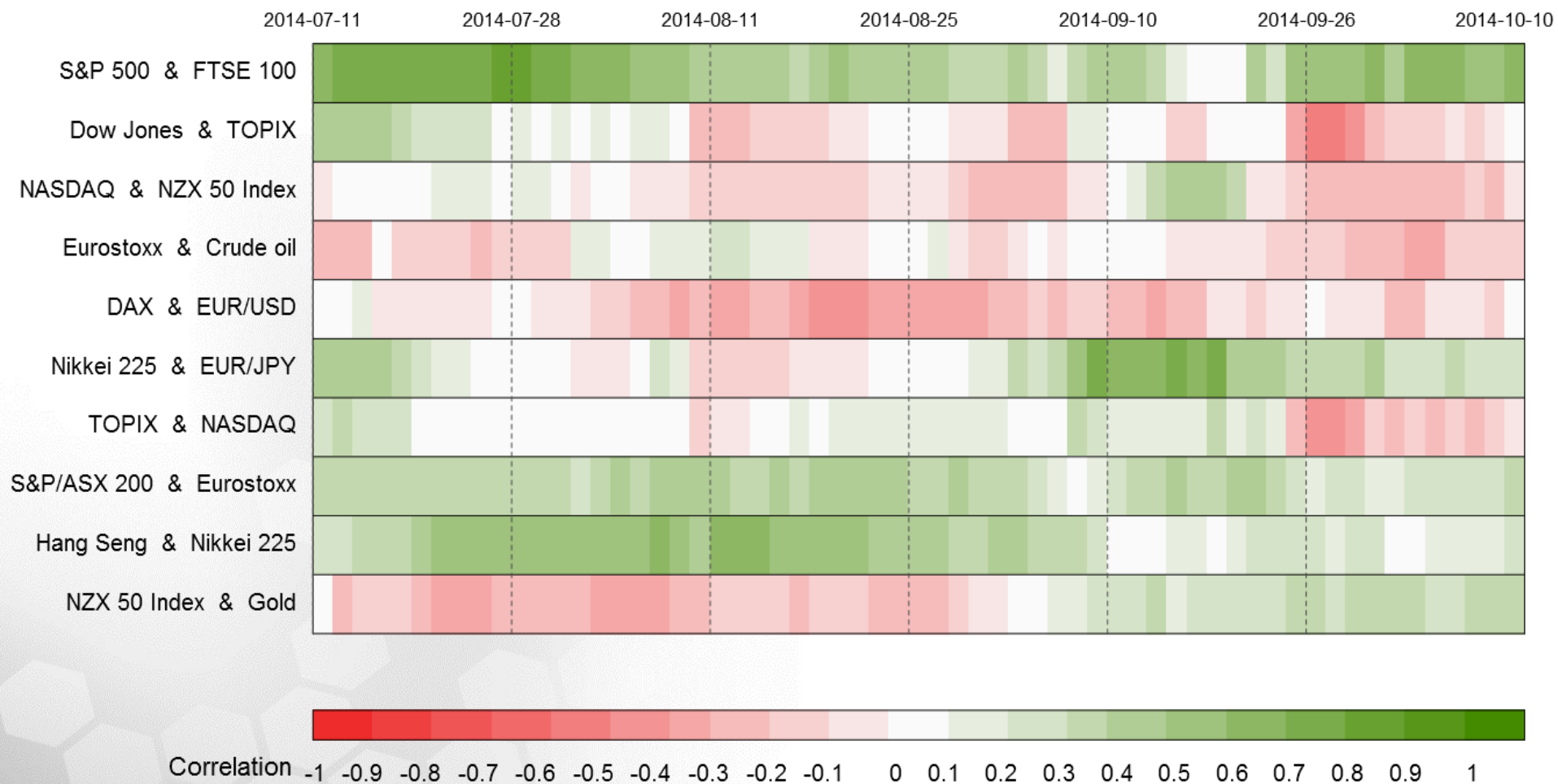
Industry Performance (S&P/ASX 200)



TOP performers (S&P/ASX 200)

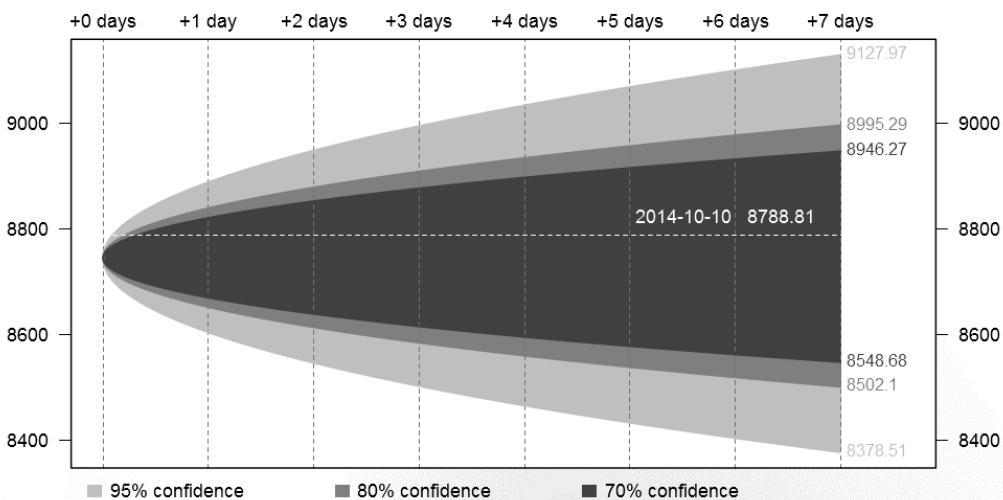


Correlation Matrix

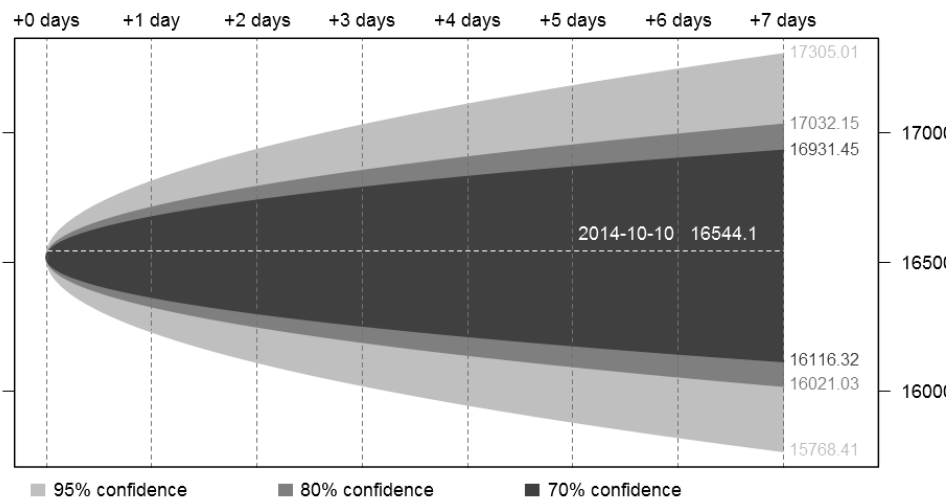


Confidence Intervals

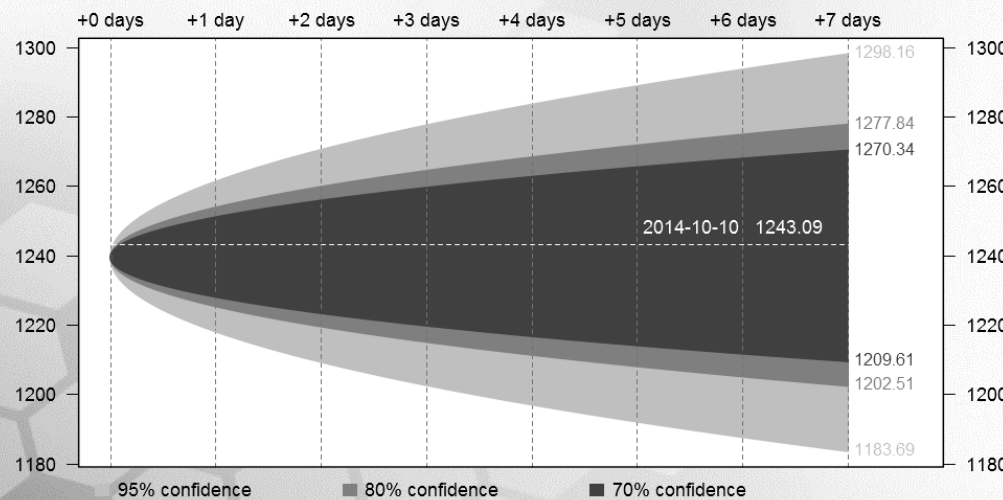
DAX Potential Rates



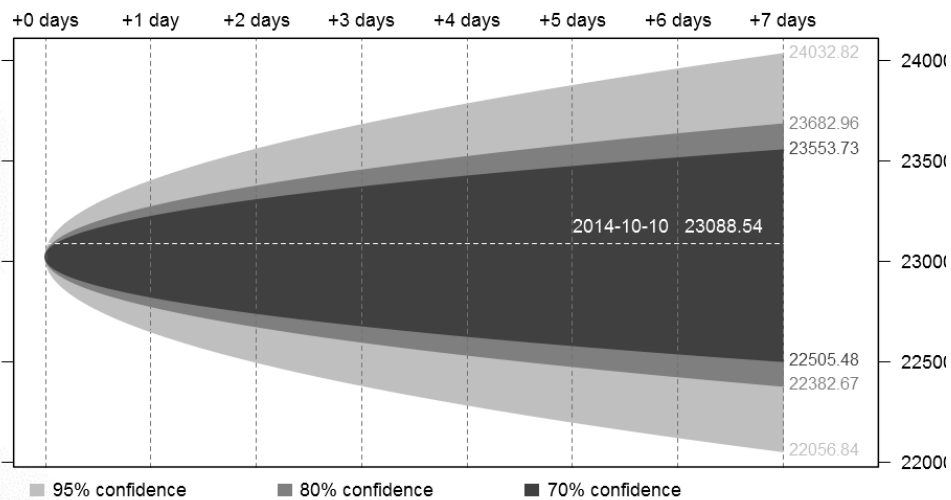
Dow Jones Potential Rates



TOPIX Potential Rates



Hang Seng Potential Rates



EXPLANATIONS

Indexes

- **Standard & Poor's 500 Index (S&P 500) or (SPX)** - U.S. stock market index consisting of the 500 large-cap shares widely traded on the New York Stock Exchange and the NASDAQ.
- **Dow Jones Industrial Average Index (INDU)** - U.S. stock market index consisting of the 30 large publicly owned U.S. companies, primarily industrials
- **NASDAQ Composite Index** - U.S. stock market index representing all the stocks that are traded on the Nasdaq stock market, mostly technology and Internet-related
- **New Zealand Exchange 50 Gross Index (NZX 50)** - stock market index consisting of the top 50 companies listed on the New Zealand Stock exchange
- **S&P/ASX 200** - a market-capitalization weighted stock market index of stocks listed on the Australian Securities Exchange from Standard and Poor's
- **Hang Seng Index (HI)** - Hong Kong's stock market index consisting of 48 largest companies listed on the Hong Kong Exchange
- **Japan's Nikkei Stock Average (Nikkei 225 Index) or (NKY)** - Japanese stock market index consisting of the 225 largest companies listed on Tokyo Stock Exchange
- **FTSE 100 Index (UKX)** - U.K. stock market index consisting of the 100 most capitalized U.K. companies trading on the London Stock Exchange
- **DAX Index (DAX)** - German stock market index consisting of the 30 largest and most liquid German companies trading on the Frankfurt Stock Exchange
- **Eurostoxx 600** - stock market index, derived from the Stoxx Europe Total Market Index, consisting of 600 large, mid- and small-sized companies from 18 European countries

Chart

- **Correlation** - statistical measure of the linear relationship between two random variables. It is defined as the covariance divided by the standard deviation of two variables.
- **Historical price changes** - chart reflecting the historical price changes of particular region's stock indices

Indicators

- **Industry performance** - weekly performance of industries within the particular stock market index
- **Top performers** - companies within a particular stock market index showing the best or worst weekly performance
- **Performance** - relative historical change of stock market index value



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