



# Global Market Review

Issued by the Capital Markets Division

September 13, 2012

For Further Info please contact GFIC's Capital Markets Division at: +961 1 985236-7-8

| Equity Indices |              | 13-Sep  |
|----------------|--------------|---------|
| Index          | Previous Cls | %Change |
| DJIA           | 13,333.35    | 0.07%   |
| S&P 500        | 1,436.56     | 0.21%   |
| NASDAQ         | 3,114.31     | 0.32%   |
| EURO Stoxx 50  | 2,564.80     | 0.28%   |
| FTSE 100       | 5,782.08     | -0.17%  |
| Nikkei 225     | 8,995.15     | 0.39%   |
| VXX            | 9.58         | -2.84%  |

| Forex Rates |              | 13-Sep            |
|-------------|--------------|-------------------|
|             | Previous Cls | %Chg * Hi-Lo 10am |
| EURUSD      | 1.2899       | 0.35% 1.2931-896  |
| GBPUSD      | 1.6106       | 0.24% 1.6124-05   |
| USDJPY      | 77.81        | 0.08% 77.87-66    |
| USDCHF      | 0.9371       | -0.17% 0.9375-53  |
| AUDUSD      | 1.0465       | 0.37% 1.0487-47   |
| USDCAD      | 0.9760       | 0.34% 0.9767-54   |
| NZDUSD      | 0.8198       | 0.40% 0.8225-193  |

\*% Chg is calculated from closing before last

| Regional Markets |              | 13-Sep     |
|------------------|--------------|------------|
| Index            | Previous Cls | Chg in Pts |
| KSA [closed]     | 7,104.50     | 0.25%      |
| Dubai            | 1,571.39     | 0.90%      |
| Abu Dhabi        | 2,602.20     | 0.21%      |
| Kuwait           | 5,833.94     | -0.01%     |
| Bahrain          | 1,072.17     | -0.03%     |
| Muscat           | 5,564.59     | 0.03%      |
| Qatar Exch       | 8,570.56     | 1.13%      |

| Beirut Stock Exchange |          | 13-Sep   |
|-----------------------|----------|----------|
| Listed Shares [USD]   | Prev Cls | % Change |
| Solidere A            | 12.91    | 0.94%    |
| Solidere B            | 12.99    | 1.72%    |
| Bank Audi             | 5.50     | 0.00%    |
| Bank of Beirut        | 19.00    | 0.00%    |
| BLOM Bank             | 7.40     | 0.00%    |
| Byblos Bank           | 1.49     | -0.67%   |
| Holcim Liban          | 15.31    | -0.33%   |

| Key Economic Data              |          |           |          |          |        | 13-Sep |
|--------------------------------|----------|-----------|----------|----------|--------|--------|
| Event                          | Currency | Time [LB] | Forecast | Previous | Impact |        |
| LIBOR RATE                     | CHF      | 11:00     | <0.25%   | <0.25%   | HIGH   |        |
| SNB MONETARY POLICY ASSESSMENT | CHF      | TENTATIVE | -        | -        | MEDIUM |        |
| ECB MONTHLY BULLETIN           | EUR      | 15:30     | -        | -        | MEDIUM |        |
| 10-Y BOND AUCTION              | GBP      | 15:30     | -        | 1.72 2.2 | MEDIUM |        |
| NHPI m/m                       | CAD      | 15:30     | 0.20%    | 0.20%    | LOW    |        |
| CAPACITY UTILIZATION RATE      | CAD      | 15:30     | 81.10%   | 80.70%   | LOW    |        |
| PPI m/m                        | USD      | 15:30     | 1.10%    | 0.30%    | HIGH   |        |
| UNEMPLOYMENT CLAIMS            | USD      | 15:30     | 370K     | 365K     | HIGH   |        |
| CORE PPI m/m                   | USD      | 15:30     | 0.20%    | 0.40%    | MEDIUM |        |
| NATURAL GAS STORAGE            | USD      | 17:30     | 26B      | 28B      | LOW    |        |
| 30-Y BOND AUCTION              | USD      | 18:30     | -        | 2.83 2.4 | LOW    |        |
| FOMC STATEMENT                 | USD      | 19:30     | -        | -        | HIGH   |        |
| FEDERAL FUNDS RATE             | USD      | 19:30     | <0.25%   | <0.25%   | MEDIUM |        |
| FOMC ECONOMIC PROJECTIONS      | USD      | 21:00     | -        | -        | HIGH   |        |
| FEDERAL BUDGET BALANCE         | USD      | 21:00     | -156.1B  | -69.6B   | MEDIUM |        |
| FOMC PRESS CONFERENCE          | USD      | 21:15     | -        | -        | HIGH   |        |

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| Critical Key Points for Future Contracts |                    |             |                        |                           | 13-Sep  |
|--|--------------------|-------------|------------------------|---------------------------|---------|
| Contract                                 | Prv Cls/Trend      | Swing Point | Resistance             | Support                   | TRP     |
| DEC GBP                                  | 16096 - up         | 162         | 16118, 162+/-          | 16041, 160-15985, 15871   | 158.71  |
| DEC CAD                                  | 10218 - up         | 10269       | 10340                  | 10198-95, 10155, 10120    | 101.20  |
| DEC EUR                                  | 12904 - up         | 13020       | 13020, 13089-13149     | 12818, 12721-, 12617      | 126.17  |
| DEC JPY                                  | 12854 - up         | 129+        | 12900, 13030-70        | 12818, 12797, 12746       | 127.46  |
| DEC CHF                                  | 10681 - up         | 10750+      | 10711-20, 10815        | 10602-10599, 10560, 10466 | 104.66  |
| DEC AUD                                  | 10377 - up         | 10432       | 10388, 10445-93        | 10319, 10280-76, 10207    | 102.07  |
| DEC USD                                  | 79895 - down       | 7936-       | 8026, 8080, 81465      | 7936-7925                 | 81.465  |
| DEC T-BONDS                              | 14720 - sdwys/down | 14618-      | 14805, 14823, 14920-23 | 14631, 14609-00           | 150.05  |
| SEP MINI S&P                             | 143950 - up        | 1444        | 1445+/-, 1460+/-       | 1418-141675, 141175       | 1411.75 |
| SEP MINI DJ                              | 13361 - up         | 13432       | 13425-13450            | 13277, 13205, 13121       | 131.21  |
| SEP MINI NASDAQ                          | 279625 - up        | 285300      | 282050, 285500, 290500 | 277525, 275700, 271275    | 2712.75 |
| DEC COPPER                               | 36925 - up         | 377         | 37110-37250, 377       | 36320, 35975, 35260       | 352.60  |
| DEC GOLD                                 | 173370 - up        | 1769        | 1747-174950, 176920    | 172380, 1716, 170790      | 1686.10 |
| DEC SILVER                               | 33292 - up         | 3635        | 3400+/-, 3525          | 3282-, 3217-              | 3174.50 |
| OCT CRUDE OIL                            | 9687 - sdwys/up    |             | 9755-84, 9823          | 9602, 9441-9395, 9286     | 91.39   |

\*TRP: Trend Reversal Point

## Markets Summary

13-Sep

Asian stocks advanced for a sixth day, while the U.S. dollar weakened, amid speculation the Federal Reserve will unveil a bond-buying program today. European stock futures were little changed; the MSCI Asia Pacific Index added 0.2% as of 7:38 a.m. in London; yields on South Korea's 3-year government bonds rose the most in 4 weeks after the central bank unexpectedly chose not to cut interest rates.

--"Markets are slightly nervous in anticipation of quantitative easing," Lim Say Boon, chief investment officer at DBS Private Bank, said on Bloomberg Television in Singapore. "If we get QE3 then the markets, beyond this period of nervousness, are likely to rally even further."

European stock futures were little changed as investors awaited a Federal Reserve policy meeting that could include an announcement of further stimulus measures; U.S. index futures were little changed; the Fed is likely today to announce another round of bond purchases, according to almost two-thirds of economists in a Bloomberg survey; the previous 2 series of quantitative easing totaling USD 2.3 trillion have failed to revive the labor market, which Fed Chairman Ben S. Bernanke said last month is a "grave concern."

The EUR rose to its highest level in four months against the USD after a German court cleared the way for ratification of Europe's permanent bailout fund, boosting demand for the shared currency; the 17-nation EUR rose for a second day versus the JPY as the court dismissed motions seeking to block the fund, while setting a cap of about EUR 190 billion euros; the dollar fell versus most of its 16 major peers before the Fed starts a 2-day meeting today amid bond-purchase speculation.

--"The German constitutional court decision was widely anticipated, but it was yet another hurdle cleared in easing the stresses in peripheral markets, which were responsible for a lot of the euro's losses in the first half of the year," Robert Lynch, head of currency strategy for HSBC Holdings Plc in New York, said in an interview on Bloomberg Television's "Lunch Money" with Sara Eisen.

Treasuries snapped a loss as economists predicted a Fed statement today will show U.S. growth is weak enough to justify a fresh round of stimulus from the central bank; the Fed will probably implement a third series of bond purchases known as quantitative easing and extend its zero-interest-rate policy into 2015, according to almost two-thirds of economists in a Bloomberg survey; benchmark 10-yr rates were 37 basis points from the record low, reflecting demand for their relative safety as global growth slows; the so-called fiscal cliff, a series of spending and tax cuts scheduled for January, is an added threat to U.S. expansion.

--"I'm not sure the numbers on the U.S. economy will be good," said Youngsung Kim, head of fixed income in Seoul at Samsung Asset Management, South Korea's largest private bond investor. "The fiscal cliff will impact US Treasury yields" and help keep them from rising.

Gold is poised to advance on speculation the U.S. Federal Reserve will today announce more stimulus to spur economic growth, hurting the dollar; palladium is set for the longest winning streak since February 2008.

--"With the expectation of QE weighing on the dollar, gold prices remain supported heading into the Fed announcement," said Huang Fulong, an analyst at CITICS Futures Co., a unit of China's largest brokerage by market value.

Oil traded near the lowest price in 2 days in New York after stockpiles unexpectedly rose in the U.S., the world's biggest crude user.

--"The oil market couldn't go higher because of the bearish impact of the inventory data," said Ken Hasegawa, a commodity-derivative sales manager at Newedge Group in Tokyo who expects New York prices to trade below \$98.29 a barrel, the Aug. 23 intraday high that marked the peak of a rally since June. "The lower side will be limited ahead of the FOMC meeting. It's a big event."

Source: Bloomberg News

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## Equity Highlights

| HIGHLIGHTED EARNINGS RELEASES |           |         |         |             |
|-------------------------------|-----------|---------|---------|-------------|
| Company                       | Symbol    | Period  | EPS est | Prev Actual |
| China Finance Online Co Ltd   | JRJC      | Q2 2012 | n/a     | \$0.00      |
| Pier 1 Imports Inc            | PIR       | Q2 2013 | \$0.19  | \$0.14      |
| Actia Group SA                | ATI.PA    | Q2 2012 | n/a     | n/a         |
| AFK Sistema OAO               | AFKS.MZ   | Q2 2012 | n/a     | n/a         |
| Al Enma Real Estate Co KSCC   | ERESCO.KW | Q3 2012 | n/a     | n/a         |
| Analogic Corp                 | ALOG      | Q4 2012 | \$0.71  | \$0.45      |

| HIGHLIGHTED DIVIDENDS [Ex-Date Today] |        |         |         |             |
|---------------------------------------|--------|---------|---------|-------------|
| Company                               | Symbol | Amount  | Payable | Declaration |
| Merck & Co Inc                        | MRK    | \$0.420 | 5-Oct   | 24-Jul      |
| Merck & Co Inc                        | MRK.BA | \$0.042 | 5-Oct   | 25-Jul      |
| H.J. Heinz Co                         | HNZ PR | \$0.425 | 1-Oct   | 28-Aug      |
| H.J. Heinz Co                         | HNZ PR | \$0.515 | 10-Oct  | 28-Aug      |
| Hess Corp                             | HES    | \$0.100 | 28-Sep  | 5-Sep       |
| Thermo Fisher Scientific Inc          | TMO    | \$0.130 | 15-Oct  | 12-Jul      |

## Equity News

13-Sep

✓ **Bloomberg:** Apple Inc. unveiled a taller, lighter and speedier iPhone that's poised to become the fastest selling technology gadget in history -- even as competition accelerates in the USD 219.1 billion smartphone market; CEO Tim Cook took the stage in San Francisco yesterday to tout iPhone 5, which runs on faster wireless networks, boasts a bigger screen and has a chip that handles tasks more quickly than past versions; while the event had few surprises, Apple is betting that the device is loaded with enough features to set it apart in a market swiftly crowding with phones by Nokia Oyj (NOK1V), Microsoft Corp. (MSFT) and Samsung Electronics Co; Apple may sell as many as 58 million units of the iPhone 5 by the end of the year, according the average estimate of analysts surveyed by Bloomberg; that could generate as much as USD 36.2 billion in sales for Apple, according to data compiled by Bloomberg.

--Apple gained 1.4% to \$669.79 yesterday in New York, extending the year-to-date surge to 65%.

✓ **S&P European MarketScope:** Diversified French healthcare company Sanofi has gained US approval for its multiple sclerosis drug Aubagio, one of the two MS treatments it is relying on to return to growth after several blockbuster drugs lost patent protection.

✓ **S&P European MarketScope:** UK's BAE Systems and France's EADS confirm discussions over a possible combination of their businesses, through the creation of a dual-listed company; discussions currently envisage that BAE shareholders would own 40% and EADS 60% of the combined group, with a unified board and management structure; certain defence activities would be ringfenced due to strategic and national security importance, particularly in the US; the parties envisage issuing special shares to each of the French, German and UK governments to replace current agreements.

✓ **Reuters:** Thai billionaire Charoen Sirivadhanabhakdi launched a USD 7.2 billion offer to buy out other shareholders of Fraser and Neave Ltd (F&N), potentially derailing Heineken NV's bid to take full control of F&N's prized beer business.

✓ **Reuters:** KKR & Co LP, Apollo Global Management LLC and Clayton Dubilier & Rice LLC are among a handful of private equity firms considering a buyout of KAR Auction Services Inc, according to several people familiar with the matter, in a deal that could top USD 4 billion.

✓ **Reuters:** As Liberty Media Corp inches closer to full control of Sirius XM Radio Inc, the media holding company said on Wednesday it may hang on to its shares of the satellite radio provider for the long term and not pursue a spinoff.

✓ **Reuters:** Dole Food Company Inc said it is in advanced talks with Itochu Corp to sell its packaged foods and Asian fresh fruit and vegetable businesses to the Japanese trading house, causing shares of world's largest fruit and vegetable company to jump almost 10%.