

# Global Market Review

Issued by the Capital Markets Division

September 4, 2012

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Equity Indices		4-Sep
Index	Previous Cls	%Change
DJIA	13,090.84	0.00%
S&P 500	1,406.58	0.00%
NASDAQ	3,066.97	0.00%
EURO Stoxx 50	2,463.17	0.92%
FTSE 100	5,758.41	0.82%
Nikkei 225	8,775.51	-0.10%
VXX	11.51	-0.69%

Forex Rates			4-Sep
	Previous Cls	%Chg *	Hi-Lo 10am
EURUSD	1.2593	0.25%	1.2627-582
GBPUSD	1.5885	0.13%	1.5899-77
USDJPY	78.23	-0.19%	78.42-26
USDCHF	0.9534	-0.21%	0.9544-11
AUDUSD	1.0243	-0.35%	1.0284-24
USDCAD	0.9856	-0.10%	0.9866-52
NZDUSD	0.7971	-0.30%	0.7991-57

\*% Chg is calculated from closing before last

Regional Markets		4-Sep
Index	Previous Cls	Chg in Pts
KSA	7,078.53	-0.17%
Dubai	1,547.66	0.13%
Abu Dhabi	2,556.82	-0.01%
Kuwait	5,916.10	0.13%
Bahrain	1,072.37	-0.45%
Muscat	5,531.61	0.15%
Qatar Exch	8,462.60	0.09%

Beirut Stock Exchange		4-Sep
Listed Shares [USD]	Prev Cls	% Change
Solidere A	12.83	1.10%
Solidere B	12.66	0.00%
Bank Audi	5.45	-0.73%
Bank of Beirut	19.00	0.00%
BLOM Bank	7.40	0.00%
Byblos Bank	1.52	0.00%
Holcim Liban	16.72	0.00%

Key Economic Data						4-Sep
Event	Currency	Time [LB]	Forecast	Previous	Impact	
SPANISH UNEMPLOYMENT CHANGE	EUR	10:00	-	-27.8K	MEDIUM	
CONSTRUCTION PMI	GBP	11:30	50.1	50.9	HIGH	
PPI m/m	EUR	12:00	0.30%	-0.50%	LOW	
FINAL MANUFACTURING PMI	USD	16:00	51.9	51.9	LOW	
ISM MANUFACTURING PMI	USD	17:00	50.0	49.8	HIGH	
CONSTRUCTION SPENDING	USD	17:00	0.40%	0.40%	LOW	
ISM MANUFACTURING PRICES	USD	17:00	46.4	39.5	LOW	
TOTAL VEHICLE SALES	USD	ALL DAY	14.1M	14.1M	LOW	

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Critical Key Points for Future Contracts					4-Sep
Contract	Prv Cls/Trend	Swing Point	Resistance	Support	TRP
SEP GBP	15877 - up	-	15890+/-, 16000+	15755, 157-15676, 15641	156.41
SEP CAD	10144 - sdwys/up	-	10155+/-, 10192	10104, 10054-48, 9986	99.86
SEP EUR	12509 - sdwys/up	12670	12622, 12670-12750	12518-, 12467, 12448	123.30
SEP JPY	12777 - sdwys/up	-	12798, 12839-54	12782, 12703-00, 12647	126.47
SEP CHF	10480 - sdwys/up	10620	10522, 10625	10423-19, 104, 10299-70	102.70
SEP AUD	10314 - sdwys/down	10165	10344-10362, 10457	10220-, 10165	103.01
SEP USD	81215 - down	8106	81585, 81985, 82805	8106-8090, 8030-	82.805
DEC T-BONDS	15121 - up	15310+	15130, 15215-16, 15310+	15028-25, 15001-14931	148.00
SEP MINI S&P	1405 - sdwys/up	-	1411-141350, 1420+	149425, 138550, 137750	1377.50
SEP MINI DJ	13079 - sdwys/up	-	13129-13147, 13265+	13004, 12942, 12825-12810	129.42
SEP MINI NASDAQ	277100 - up	-	278800-280250	274750-, 272300, 267725	2677.25
DEC COPPER	34570 - sdwys/up	35625+	34860, 35100-70, 355-35625	34195, 33835, 335-	338.35
DEC GOLD	168760 - up	169110	169110, 1705	167250, 1666, 1656	1656.00
DEC SILVER	3144 - up	3180	3180+/-, 3240-3250	30925, 3060-, 29965	2996.50
OCT CRUDE OIL	9648 - up	-	9784-9829, 9950-10003	9521-18, 9445-41, 9286	91.39

\*TRP: Trend Reversal Point

## Markets Summary

4-Sep

Asian stocks fell, with the regional benchmark index poised for its longest losing streak in 6 weeks, as the European Union's outlook was cut by Moody's Investors Service ahead of policy makers' meetings; Australian shares declined as the central bank left the key rate unchanged; the MSCI Asia Pacific Index fell 0.4% to 117.31 as of 2:20 p.m. in Tokyo, headed for a 4-day decline, the longest streak since July 25; about 5 stocks dropped for every 3 that gained on the measure.

--The European Central Bank "is more likely to trigger action when they meet" in two days, said Matthew Sherwood, Sydney-based head of markets research at Perpetual Investments, which manages about \$25 billion. "Whether it's comprehensive enough to keep sentiment strong and keep markets rallying is a different issue because in the end there's not much central banks can do to address the global debt situation."

European stock futures climbed, indicating the region's equities will extend their biggest rally in a month, as investors awaited a report on U.S. manufacturing; U.S. index futures gained; futures on the Euro Stoxx 50 Index expiring in September rose 0.2% to 2,465 at 7:09 a.m. in London, while FTSE 100 Index futures advanced 0.2%; contracts on the S&P's 500 Index gained 0.2% before U.S. trading resumes after the Labor Day public holiday; European stocks yesterday advanced the most in a month as an unexpected drop in Chinese manufacturing increased speculation that the government will announce further stimulus.

--"The fall in August manufacturing levels, particularly in China, raises the prospects of additional stimulus," Lachlan Shaw, an analyst at Commonwealth Bank of Australia, wrote in an e-mail today. "The composition, timing and size of the stimulus package remain uncertain."

Treasuries fell, snapping a 2-day advance, as speculation that the ECB will announce measures as early as this week to stem the Euro region's debt crisis curbed demand for the safest assets; ECB President Mario Draghi told officials yesterday he would be comfortable buying 3-year government bonds to bring down borrowing costs for nations in financial distress; treasury 10-year yields earlier touched one-month lows before U.S. data forecast to show manufacturing is struggling to recover, fanning speculation the Federal Reserve will expand bond purchases to support economic growth.

--"The euro region has a chronic disease, but the medicine has been already prescribed," said Hideki Shibata, a senior strategist for rates and foreign exchange at Tokai Tokyo Research Center Co. Steps toward a resolution of Europe's debt crisis "will be a positive for the U.S. economy, leading to a positive gain in Treasury yields."

Gold gained to the highest level in more than 5 months as global data strengthened the case for more central-bank measures to boost growth, increasing demand for the metal; silver climbed to the highest price since April; assets in gold-backed exchange-traded products, which reached a record 2,460.462 metric tons on Aug. 29, stood at 2,459.963 tons on Aug. 31, according to data tracked by Bloomberg; gold also climbed as the EUR rose against the USD before leaders in the region meet this week to discuss ECB President Mario Draghi's plan to buy bonds of debt-saddled nations; bullion tends to trade inversely to the dollar.

Oil climbed to the highest intraday price in more than a week in New York on speculation central banks will take more steps to boost economic growth, spurring demand for raw materials; Oil has technical support at USD 95.76 a barrel, along the bottom of an uptrend channel on the daily chart, according to data compiled by Bloomberg; this channel started from USD 77.28, the 2012 intraday low traded on June 28; buy orders tend to be clustered near chart-support levels; the U.S. Energy Department report will be released a day late this week because of Labor Day; the holiday marks the end of the U.S. summer driving season, the peak demand period for gasoline; refiners often idle processing units for maintenance in September and October as consumption of the motor fuel drops and before heating-oil use increases.

Source: Bloomberg News

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## Equity Highlights

HIGHLIGHTED EARNINGS RELEASES				
Company	Symbol	Period	EPS est	Prev Actual
Campbell Soup Co	CPB	Q4 2012	n/a	n/a
Forest City Enterprises Inc	FCE.A	Q2 2012	n/a	n/a
Genus PLC	GNS.L	PRELIM 2012	n/a	n/a
Quanex Building Products Corp	NX	Q3 2012	\$0.22	\$0.30
Teavana Holdings Inc	TEA	Q2 2012	\$0.02	n/a
Aedifica SA	AED.BR	Q4 2011/'12	n/a	n/a

HIGHLIGHTED DIVIDENDS					
Company	Amount	Ex-Date	Payable	Record	Declaration
Interpublic Group of Companies Inc	\$0.060	4-Sep	20-Sep	6-Sep	21-Aug
Newmont Mining Corp [NEM]	\$0.350	4-Sep	28-Sep	6-Sep	24-Jul
Newmont Mining Corp [NEM.BA]	\$0.350	4-Sep	28-Sep	6-Sep	26-Jul
Principal Financial Group Inc	\$0.210	4-Sep	28-Sep	4-Sep	21-Aug
361 Degrees International Ltd	\$0.070	4-Sep	18-Sep	5-Sep	21-Aug
AMP Ltd	\$0.521	4-Sep	1-Nov	6-Sep	17-Aug

## Equity News

4-Sep

- ✓ **Bloomberg:** Samsung Electronics Co's victory over Apple Inc in a Tokyo court shows that global judges won't automatically heed a USD 1.05 billion U.S. jury verdict issued in California a week earlier; a Tokyo judge ruled on Aug. 31 that Samsung smartphones and a tablet computer didn't infringe an Apple invention for synchronizing music and video data with servers; Apple won the verdict in the U.S. on Aug. 24, with a jury finding that its South Korea-based rival infringed 6 patents for mobile devices; while the rulings dealt with different patents, courts outside the U.S. tend to discount jury verdicts because they lack legal reasoning typically included in judges' rulings, lawyers said; the companies are battling over the smartphone market, estimated by Bloomberg Industries to be worth USD 219 billion last year, with patent lawsuits on 4 continents.
- ✓ **S&P European MarketScope:** Rio Tinto says the short-term picture for aluminium remains challenging, with the softness in the LME price and high input costs putting significant pressure on producers; notes 25% of smelting capacity outside China is in a loss-making position at current prices and input costs; believes the trend of Western producers curtailing projects is likely to continue, while inventories remain high; however expects accelerated cost reduction and volume creep to steepen the improvement curve; Rio also adds that bauxite supply constraint may lift its price in the coming months.
- ✓ **S&P European MarketScope:** RBS is within sight of selling its Direct Line unit, four and a half years after putting up for sale, writes the FT; adds fund managers and analysts warn that it is unlikely to fetch even half of the original sum of GBP 7 billion hoped for in its planned flotation.
- ✓ **Reuters:** Ericsson, the world's top mobile network infrastructure supplier, is in pole position to buy the business support systems (BSS) unit of rival Nokia Siemens Networks, Dow Jones Newswires reported on Monday.
- ✓ **Reuters:** Hon Hai Precision Industry Co Ltd's chairman is demanding a management role at Sharp Corp as part of an equity tie-up, stepping up the pressure on the Japanese TV maker to give him greater influence in the company in return for badly needed cash.
- ✓ **Reuters:** Universal Music Group will win EU approval for its USD 1.9 billion purchase of EMI with its offer to sell global rights to some of EMI's most valuable record labels and catalogues, according to two people familiar with the deal; Universal, owned by French group Vivendi SA, proposed in July to meet anti-trust concerns by selling the bulk of Parlophone, one of EMI's most prized assets with star acts such as Coldplay and Queen, EMI CEO Roger Faxon told staff at the time; Faxon's remarks confirmed an earlier story on the proposal, which does not include rights to The Beatles, one of the biggest-selling bands of all time.
- ✓ **Reuters:** Valeant Pharmaceuticals International Inc agreed on Monday to buy Medicis Pharmaceutical Corp for USD 2.6 billion in cash, in a deal that will add Botox competitor Dysport and other skin care drugs to its portfolio.
- ✓ **Reuters:** Vodafone said it has agreed a deal with Kuwait-based telecoms operator Zain that would expand the global telecoms group's presence in the Middle East.
- ✓ **Reuters:** Limitless, the indebted property arm of Dubai World, will seal a final deal with creditors in September to restructure its USD 1.2 billion debt pile, the chairman of state property firm Nakheel told a local newspaper on Tuesday.