

Global Market Review

Issued by the Capital Markets Division

September 26, 2012

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Equity Indices		26-Sep
Index	Previous Cls	%Change
DJIA	13,457.55	-0.75%
S&P 500	1,441.59	-1.05%
NASDAQ	3,117.73	-1.36%
EURO Stoxx 50	2,568.48	0.41%
FTSE 100	5,859.71	0.36%
Nikkei 225	8,898.90	-2.04%
VXX	9.24	7.82%

Forex Rates		26-Sep
	Previous Cls	%Chg * Hi-Lo 10am
EURUSD	1.2898	-0.25% 1.2912-857
GBPUSD	1.6186	-0.20% 1.6209-151
USDJPY	77.79	-0.08% 77.81-71
USDCHF	0.9373	0.18% 0.9402-369
AUDUSD	1.0385	-0.32% 1.0393-43
USDCAD	0.9804	0.18% 0.9828-01
NZDUSD	0.8208	-0.22% 0.8224-188

*% Chg is calculated from closing before last

Regional Markets		26-Sep
Index	Previous Cls	Chg in Pts
KSA	6,977.67	0.24%
Dubai	1,591.62	0.22%
Abu Dhabi	2,606.23	0.06%
Kuwait	5,927.11	-0.01%
Bahrain	1,085.51	0.58%
Muscat	5,563.25	0.14%
Qatar Exch	8,549.30	-0.28%

Beirut Stock Exchange		26-Sep
Listed Shares [USD]	Prev Cls	% Change
Solidere A	12.65	-0.94%
Solidere B	12.67	0.56%
Bank Audi	5.50	0.00%
Bank of Beirut	19.00	0.00%
BLOM Bank	7.40	0.00%
Byblos Bank	1.49	0.00%
Holcim Liban	15.36	0.00%

Key Economic Data						26-Sep
Event	Currency	Time [LB]	Forecast	Previous	Impact	
GERMAN PRELIM CPI m/m	EUR	ALL DAY	0.00%	0.40%	MEDIUM	
ITALIAN RETAIL SALES m/m	EUR	11:00	-0.10%	0.40%	LOW	
BOE CREDIT CONDITIONS SURVEY	GBP	11:30	-	-	MEDIUM	
CBI REALIZED SALES	GBP	13:00	5	-3	MEDIUM	
GERMAN 10-Y BOND AUCTION	EUR	TENTATIVE	-	1.42 1.1	MEDIUM	
NEW HOME SALES	USD	17:00	381K	372K	HIGH	
CRUDE OIL INVENTORIES	USD	17:30	1.7M	8.5M	MEDIUM	

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Futures Contract	26-Sep		
	Prev Close	High	Low
DEC GBP	1.6206	1.6204	1.6145
DEC CAD	1.0187	1.0186	1.0156
DEC EUR	1.2938	1.2924	1.2866
DEC JPY	12868	12880	12860
DEC CHF	1.0696	1.0688	1.0648
DEC AUD	1.0329	1.0315	1.0270
DEC MINI S&P	1437.25	1,439.75	1,436.25
DEC DJIA	13,405.00	13,426.00	13,399.00
DEC GOLD	1766.4	1767.7	1761.5
DEC SILVER	3394.8	3409.5	3375.5
DEC LIGHT CRUDE	91.71	91.65	90.90

Markets Summary

26-Sep

➤ Asian stocks fell amid concern stimulus measures by central banks from the U.S to Asia and Europe won't be enough to boost global economic growth and as more than 900 companies in Japan's Topix Index traded ex-dividend today; the MSCI Asia Pacific Index dropped 1.4% to 121.59 at 3:26 p.m. in Tokyo, with almost 4 stocks falling for every one that rose; it gained 4.7% in September through yesterday.

--*Investors are "finally realizing that recently announced liquidity injections from central banks will do nothing to address the structural issues," said Matthew Sherwood, Sydney-based head of markets research at Perpetual Investments, which manages about \$25 billion.*

➤ European stock futures declined, following yesterday's advance, after Philadelphia Fed President Charles Plosser said that the 3rd round of bond buying may fail to stimulate growth or hiring; U.S. index futures were little changed; futures on the Euro Stoxx 50 Index slumped 1% to 2,535 at 7:30 a.m. in London; contracts on the U.K.'s FTSE 100 Index retreated 0.7%; futures on the S&P's 500 Index added 0.1%.

--*"Now that the world's central banks' use of extraordinary measures has become a routine policy tool, the positive effect on assets prices is having a diminished marginal effect, and those who argue it is having a negative effect on the real economy continue to grow in numbers and voice," Jonathan Sudaria, a dealer at Capital Spreads in London, wrote in a note.*

➤ The EUR fell to the lowest level in almost 2 weeks as political uncertainty and weakening economic data in the currency bloc underscored the deepening impact of the debt crisis; the 17-nation EUR also reached a 2-week low versus the JPY before reports that may show declines in Italian retail sales and European consumer confidence; the JPY was 0.1% from a more than one-week high versus the USD amid losses in Asian equities as Spanish PM Mariano Rajoy faces calls for early elections and a possible international rescue of his nation; the NZD fell after the nation's trade deficit widened.

--*"Recent data suggest that the European economy is likely to remain weak for a long time," said Hitoshi Asaoka, a senior strategist at Mizuho Trust & Banking Co. in Tokyo. "We're not sure whether Spain is really going to ask for bailout, weighing on the euro."*

➤ Treasuries held a 7-day gain on speculation the Fed's efforts to spur the economy will take time and inflation will hold in check; the U.S. plans to sell \$35 billion of 5-year debt today in the second of 3 note auctions this week totaling \$99 billion; bond-market gauges of inflation expectations dropped over the past week, reversing an initial surge triggered by the Fed's announcement on Sept. 13 that it was expanding stimulus; the central bank plans to buy \$40 billion of mortgage-backed securities a month as part of its quantitative-easing policy of pumping money into the economy.

--*"The Fed could do additional quantitative easing by buying Treasuries, and long-term inflation will be contained," said Hideo Shimomura, who helps oversee the equivalent of \$77.2 billion in Tokyo as chief fund investor at Mitsubishi UFJ Asset Management Co., which is part of Japan's largest publicly traded bank. "There's no consistent improvement in the labor market."*

➤ Oil fell to the lowest level in 7 weeks after a report showed rising U.S. stockpiles and the Federal Reserve Bank of Philadelphia President Charles Plosser said a new stimulus plan probably won't boost economic growth.

--*"There is less demand and more supply," said David Lennox, an analyst at Fat Prophets in Sydney. "We have a history of the U.S. introducing a number of quantitative easings, and they're bouncing along the bottom somewhere. It just hasn't worked."*

➤ Gold advanced for the first time in 3 days, extending the best quarterly gain in more than 2 years, as central banks and investors bought the metal to hedge against the prospect of weaker currencies and slowing growth.

--*"A poor economic backdrop will keep global stimulus measures on the cards for a while and gold is set to profit from that," Sun Yonggang, a macroeconomic strategist at Everbright Futures Co., a unit of China's largest state-owned investment group. "Gold continues to consolidate*

Source: Bloomberg News

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Equity Highlights

HIGHLIGHTED EARNINGS RELEASES				
Company	Symbol	Period	EPS est	Prev Actual
HB Fuller Co	FUL	Q3 2012	\$0.53	\$0.47
Landec Corp	LNDC	Q1 2013	\$0.08	\$0.07
Worthington Industries Inc	WOR	Q1 2013	\$0.47	\$0.38
Aeon Fantasy Co Ltd	4343.T	Q2 2013	n/a	n/a
Aeon Kyushu Co Ltd	2653.OS	Q2 2013	n/a	n/a
Aeon Mall Co Ltd	8905.T	Q2 2013	n/a	n/a

HIGHLIGHTED DIVIDENDS [Ex-Date Today]				
Company	Symbol	Amount	Payable	Declaration
DENTSPLY International Inc	XRAY	\$0.055	12-Oct	25-Jul
Staples Inc	SPLS	\$0.110	18-Oct	11-Sep
Staples Inc	SPLS.BA	\$0.110	18-Oct	14-Sep
Harley-Davidson Inc	HOG	\$0.155	12-Oct	13-Sep
Harley-Davidson Inc	HOG.BA	\$0.052	12-Oct	17-Sep
St Jude Medical Inc	STJ	\$0.230	31-Oct	1-Aug

Equity News

26-Sep

- ✓ **S&P European MarketScope:** Credit Suisse is preparing to dismantle its sub-scale asset management unit, integrating the business into its larger private bank and investment bank to clamp down on costs, two people within the Swiss bank told Reuters.
- ✓ **S&P European MarketScope:** Daimler is planning to cut production at its largest car plant, a source familiar with the situation told Reuters, as deteriorating markets in Europe and China hit sales of its Mercedes-Benz cars.
- ✓ **Reuters:** Trader Glencore has trimmed its ambitions to control Kazakh zinc producer Kazzinc, announcing a revised cash and shares agreement worth up to \$1.4 billion, less than half the original deal, to raise its stake to just under 70%.
- ✓ **Reuters:** General Electric's GE Capital said on Wednesday it sold a 7.6% stake in Thailand's Bank of Ayudhya .
- ✓ **Reuters:** Sony Corp will likely approve a plan this week to invest JPY 50 billion yen (\$642 million) in cash-strapped Olympus Corp, becoming its biggest shareholder with around a 10% stake, three sources familiar with the deal told Reuters
- ✓ **Reuters:** Ameriprise Financial Inc is in advanced talks to buy most of ING Group's asset management business in Asia, Bloomberg reported, citing two people with knowledge of the matter.