

Global Market Review

Issued by the Capital Markets Division

September 5, 2012

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Equity Indices		5-Sep
Index	Previous Cls	%Change
DJIA	13,035.94	-0.42%
S&P 500	1,404.94	-0.12%
NASDAQ	3,075.06	0.26%
EURO Stoxx 50	2,436.54	-1.08%
FTSE 100	5,672.01	-1.50%
Nikkei 225	8,698.75	-0.87%
VXX	11.43	-0.70%

Forex Rates			5-Sep
	Previous Cls	%Chg *	Hi-Lo 10am
EURUSD	1.2564	-0.23%	1.2568-17
GBPUSD	1.5868	-0.11%	1.5875-50
USDJPY	78.38	0.19%	78.53-37
USDCHF	0.9555	0.22%	0.9597-57
AUDUSD	1.0219	-0.23%	1.0230-190
USDCAD	0.9858	0.02%	0.9873-56
NZDUSD	0.7938	-0.41%	0.7957-26

*% Chg is calculated from closing before last

Regional Markets		5-Sep
Index	Previous Cls	Chg in Pts
KSA	7,050.34	-0.40%
Dubai	1,554.11	0.42%
Abu Dhabi	2,552.36	-0.17%
Kuwait	5,891.64	-0.29%
Bahrain	1,070.55	-0.17%
Muscat	5,533.64	0.19%
Qatar Exch	8,469.93	0.09%

Beirut Stock Exchange		5-Sep
Listed Shares [USD]	Prev Cls	% Change
Solidere A	12.76	-0.55%
Solidere B	12.84	1.42%
Bank Audi	5.50	0.92%
Bank of Beirut	19.00	0.00%
BLOM Bank	7.40	0.00%
Byblos Bank	1.50	-1.32%
Holcim Liban	16.72	0.00%

Key Economic Data						5-Sep
Event	Currency	Time [LB]	Forecast	Previous	Impact	
CPI m/m	CHF	10:15	0.10%	-0.50%	HIGH	
SPANISH SERVICES PMI	EUR	10:15	-	43.7	LOW	
ITALIAN SERVICES PMI	EUR	10:45	43.3	43.0	LOW	
FINAL SERVICES PMI	EUR	11:00	47.5	47.5	LOW	
RETAIL SALES m/m	EUR	12:00	-0.20%	0.20%	MEDIUM	
30-Y BOND AUCTION	GBP	TENTATIVE	-	3.22 2.2	LOW	
GERMAN 10-Y BOND AUCTION	EUR	TENTATIVE	-	1.42 1.8	MEDIUM	
REVISED NONFARM PRODUCTIVITY q/q	USD	15:30	1.80%	1.60%	MEDIUM	
REVISED UNIT LABOR COSTS q/q	USD	15:30	1.50%	1.70%	LOW	
BOC RATE STATEMENT	CAD	16:00	-	-	HIGH	
OVERNIGHT RATE	CAD	16:00	1.00%	1.00%	HIGH	

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Critical Key Points for Future Contracts					5-Sep
Contract	Prv Cls/Trend	Swing Point	Resistance	Support	TRP
SEP GBP	15872 - up	-	15890+/-, 16000+	15755, 157-15676, 15641	156.41
SEP CAD	10141 - sdwys/up	-	10155+/-, 10192	10104, 10054-48, 9986	99.86
SEP EUR	12564 - sdwys/up	12670	12622+, 12670-12750	12518-, 12467, 12448	123.30
SEP JPY	12754 - sdwys/up	-	12798, 12839-54	12742, 12703-00, 12647	126.47
SEP CHF	10461 - sdwys/up	10620	10522, 10625	10423-19, 104, 10299-70	102.70
SEP AUD	10213 - sdwys/down	10165	10292, 10313, 10435	10180-10165, 10059	104.35
SEP USD	8136 - down	8106	81585, 81985, 82805	8106-8090, 8030-	82.805
DEC T-BONDS	15108 - up	15310+	15130, 15214-16, 15310+	15028-25, 15001-14931	148.00
SEP MINI S&P	1406 - sdwys/up	-	1411-141350, 1420+	149425, 138550, 137750	1377.50
SEP MINI DJ	13050 - sdwys/up	-	13129-13147, 13265+	12982, 12942, 12825-12810	129.42
SEP MINI NASDAQ	277450 - up	-	278800-280250	274750-, 272300, 267725	2677.25
DEC COPPER	34705 - sdwys/up	35625+	34975, 35100-70, 355-35625	34210, 33835, 335-	338.35
DEC GOLD	169820 - up	169110	1705, 171320+	168040, 167710, 166830	1658.30
DEC SILVER	3238 - up	3303	3250-3310, 3400	3190, 3160-, 30215	3021.50
OCT CRUDE OIL	9555 - up	-	9686, 9784-9829, 9950+	9517-05, 9445-41, 9286	91.39

*TRP: Trend Reversal Point

Markets Summary

5-Sep

Asian stocks fell, with the regional benchmark index headed for the longest losing streak in 8 weeks, as economic reports from the U.S. to China and Australia stoked concern global growth is slowing; the MSCI Asia Pacific Index dropped 1% to 116.07 as of 2:05 p.m. in Tokyo, heading for a fifth day of losses; more than 3 stocks declined for each that rose on the index; volatility across the region gained before the European Central Bank meets tomorrow.

--"The macro backdrop is quite challenging and growth conditions are fragile obviously," said Nader Naeimi, Sydney-based head of dynamic asset allocation at AMP Capital Investors Ltd., which manages almost \$100 billion. "The market is getting nervous about going into the ECB meeting. There's a lot of speculation on the ECB about what they will do."

European stock futures were little changed as investors await tomorrow's European Central Bank meeting, while reports from the U.S. to China and Australia indicate global growth is slowing; the equity benchmark has still surged 13% from its lowest level this year on June 4 amid speculation that central banks will do more to support growth; U.S. index futures declined.

--"We are coming into the eye of the storm with regards to event risk, and today will really be the last day traders can tweak portfolios ahead of the key ECB meeting and US payrolls on Friday," said Chris Weston, an institutional dealer at IG Markets in Melbourne, in a note to clients. "After last night's adjustment to expectations to the upcoming ECB meeting, we feel the market has a more neutral approach to what is likely to be delivered."

The EUR fell for second day before the European Central Bank meets tomorrow to discuss measures to tackle the region's debt crisis; ECB President Mario Draghi told lawmakers in a closed-door session in Brussels this week the bank's primary mandate compels it to intervene in bond markets to ensure the EUR's survival; the EUR remained lower versus most of its counterparts before regional data forecast to show retail sales declined and services contracted.

--"A lot of expectations have been built into the ECB meeting since President Draghi's comments," said Yuki Sakasai, a currency strategist at Barclays Plc in New York. "There's a risk of a disappointment, so the euro may face some downward pressure into the meeting."

The yield on 10-year Treasuries fell toward a one-month low before reports this week that economists say will signal U.S. employment is struggling to pick up; U.S. bonds halted a decline ahead of government figures projected to show payrolls grew at a slower pace, adding to the case for a third round of quantitative easing by the Federal Reserve; demand for the relative safety of Treasuries was limited before European officials gather today and tomorrow to discuss measures to stem the region's debt woes.

--"If the payroll number undershoots the market consensus, expectations of another round of quantitative easing will rise, and Treasury yields will fall further," said Hitoshi Asaoka, a Tokyo-based senior strategist at Mizuho Trust & Banking Co., a unit of Japan's third-largest lender by market value. "Even if it doesn't, expectations of additional easing are more likely to remain."

Oil traded near the lowest price in almost a week in New York after a report showed manufacturing declined in the U.S., the world's biggest crude consumer; futures were little changed after slipping 1.2% yesterday, the most since Aug. 2; U.S. manufacturing slid for a 3rd month in August, according to the ISM's factory index yesterday, adding to contractions in Europe and China; concern about rising supply also weighed on oil as companies resumed output in the Gulf of Mexico; crude stockpiles dropped 5.5 million barrels last week as Hurricane Isaac shut offshore platforms, a Bloomberg survey said before an official report tomorrow.

--"The somewhat disappointing ISM figure in the U.S. clouds the demand outlook," said Ric Spooner, a chief market analyst at CMC Markets in Sydney. "It's showing a picture of relatively weak conditions and the possibility of softness in production output for the next few months. For oil, that comes against a background where prices have risen a long way already and there's adequate supply capacity."

Source: Bloomberg News

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Equity Highlights

HIGHLIGHTED EARNINGS RELEASES					
Company	Symbol	Period	EPS est	Prev Actual	
H & R Block Inc	HRB	Q1 2013	-\$0.39	-\$0.57	
Harry Winston Diamond Corp	HW.TO	Q2 2013	n/a	n/a	
Hi-Tech Pharmacal Co Inc	HITK	Q1 2013	\$0.68	\$1.05	
Korn/Ferry International	KFY	Q1 2013	\$0.18	\$0.33	
Nordion Inc	NDN.TO	Q3 2012	n/a	n/a	
Overland Storage Inc	OVRL	Q4 2012	-\$0.14	-\$0.16	

HIGHLIGHTED DIVIDENDS						
Company	Amount	Ex-Date	Payable	Record	Declaration	
Qualcomm Inc [QCOM]	\$0.250	5-Sep	26-Sep	7-Sep	6-Jul	
Qualcomm Inc [QCOM.BA]	\$0.023	5-Sep	26-Sep	7-Sep	11-Jul	
Bank of America Corp [BAC]	\$0.010	5-Sep	28-Sep	7-Sep	11-Jul	
Bank of America Corp [BAC.BA]	\$0.005	5-Sep	28-Sep	7-Sep	13-Jul	
Baxter International Inc	\$0.450	5-Sep	1-Oct	7-Sep	25-Jul	
PepsiCo Inc	\$0.269	5-Sep	28-Sep	7-Sep	24-Jul	

Equity News

5-Sep

- ✓ **Bloomberg:** Rolls-Royce Motor Cars Ltd. forecast a second year of record sales as growth fueled by Asian wealth outweighs the economic slump in Europe; the Bayerische Motoren Werke AG's ultra-luxury unit is on track to sell more than the 3,538 vehicles it delivered last year, when it had the highest sales in its 107-year history and beat the previous record set in 1978, Chief Executive Officer Torsten Mueller-Oetvoes said in an interview; a slowing China, which became Rolls-Royce's biggest market in 2011, won't prevent it from posting back-to-back record years, he said.
- ✓ **S&P European MarketScope:** Nokia is set to launch its new smartphones using the Windows 8 platform; Nordea says focus will be on the shipment date, and thinks broad availability in early 4Q will be needed; BarCap expects Nokia to unveil 2 new Windows 8 devices with shipments to begin in October, supported by carrier promotions and Windows 8 marketing; rival Samsung has already announced that its new smartphone with Windows 8 software will be shipping in 4Q.
- ✓ **Reuters:** MegaFon, Russia's second-largest mobile phone operator, has asked its local regulator for permission to list its shares in London for what would be the world's biggest initial public offering since Facebook's in May.
- ✓ **Reuters:** Boeing Co expects mounting pressures on U.S. military spending to result in further consolidation among second- and third-tier U.S. defense and space contractors, but says there is no space for mergers among the largest companies in the sector.
- ✓ **Reuters:** French engineering company Schneider Electric said on Wednesday it had sold its 0.45% stake in Europe's No. 2 insurer AXA for approximately EUR 120 million.
- ✓ **Reuters:** 3M Co said it is not dropping the purchase of Avery Dennison Corp's office products groups, in response to the U.S. Justice Department's statement on Tuesday that the company is abandoning the plan following threats of a civil lawsuit by antitrust authorities.
- ✓ **Reuters:** Fraser and Neave Ltd said it will put out a circular on Thursday to lay out details of the proposed stake sale in its crown jewel, Asia Pacific Breweries Ltd, to Heineken and set the date for a crucial shareholders' meeting.
- ✓ **Reuters:** Cash-strapped computer services provider NEC Corp will sell its entire stake in China's Lenovo Group Ltd in a transaction worth about JPY 18 billion (USD 230 million), a source with direct knowledge of the matter told Reuters on Tuesday.
- ✓ **Reuters:** Private equity firm Guggenheim Partners together with media companies Mandalay Entertainment and Mosaic Media Investment Partners will buy Golden Globes telecast producer Dick Clark Productions for USD 370 million.