



# Global Market Review

Issued by the Capital Markets Division

September 17, 2012

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Equity Indices		17-Sep
Index	Previous Cls	%Change
DJIA	13,593.37	0.40%
S&P 500	1,465.77	0.40%
NASDAQ	3,183.95	0.89%
EURO Stoxx 50	2,594.56	2.02%
FTSE 100	5,915.55	1.64%
Nikkei 225	9,159.39	1.86%
VXX	9.18	3.49%

Forex Rates		17-Sep	
	Previous Cls	%Chg *	Hi-Lo 10am
EURUSD	1.3127	1.07%	1.3140-05
GBPUSD	1.6213	0.38%	1.6238-15
USDJPY	78.38	1.16%	78.45-17
USDCHF	0.9272	-0.82%	0.9277-51
AUDUSD	1.0552	0.10%	1.0563-17
USDCAD	0.9704	0.23%	0.9720-695
NZDUSD	0.8275	-0.39%	0.8298-75

\*% Chg is calculated from closing before last

Regional Markets		17-Sep
Index	Previous Cls	Chg in Pts
KSA	7,155.77	-0.14%
Dubai	1,596.27	1.42%
Abu Dhabi	2,629.44	0.79%
Kuwait	5,783.77	-0.03%
Bahrain	1,074.53	0.29%
Muscat	5,625.32	0.08%
Qatar Exch	8,600.04	0.43%

Beirut Stock Exchange		17-Sep	
Listed Shares [USD]	Prev Cls	% Change	
Solidere A	12.84	-0.16%	
Solidere B	12.84	-0.23%	
Bank Audi	5.50	0.00%	
Bank of Beirut	19.00	0.00%	
BLOM Bank	7.40	0.00%	
Byblos Bank	1.50	0.67%	
Holcim Liban	15.31	0.00%	

Key Economic Data						17-Sep
Event	Currency	Time [LB]	Forecast	Previous	Impact	
BANK HOLIDAY	JPY	ALL DAY	-	-	-	
CURRENT ACCOUNT	EUR	11:00	10.9B	12.7B	MEDIUM	
ITALIAN TRADE BALANCE	EUR	11:00	1.97B	2.52B	LOW	
TRADE BALANCE	EUR	12:00	10.2B	10.5B	LOW	
FOREIGN SECURITIES PURCHASES	CAD	15:30	11.3B	-7.89B	MEDIUM	
EMPIRE STATE MANUFACTURING INDEX	USD	15:30	-1.9	-5.9	MEDIUM	

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Critical Key Points for Future Contracts					17-Sep
Contract	Prv Cls/Trend	Swing Point	Resistance	Support	TRP
DEC GBP	16222 - up	162	16298, 165+	16082, 16033-14, 15887	158.87
DEC CAD	10302 - up	10340	10296, 10340-59	10244-25, 10176	101.53
DEC EUR	13130 - up	13149	13149, 13300	13033, 12999, 12927	126.42
DEC JPY	12768 - sdwys/up	-	12798, 12840+/-, 12896	12746, 12688-80, 12615-	127.46
DEC CHF	10797 - up	10750+	10815, 10926, 10980+	10695, 10640, 10568	105.68
DEC AUD	10460 - up	-	10499-10537, 10578	10455, 10404, 10387	103.48
DEC USD	78965 - down	7812-	7971, 8000-80075, 8059	7812-	81.115
DEC T-BONDS	14431 - down	14227	14525-30, 14614, 14710	14318, 14227	149.02
DEC MINI S&P	1459 - up	1493	1465+/-, 147550, 1493	144175, 143725, 1430	1418.25
DEC MINI DJ	13518 - up	13717	13585, 13680-13725	13400-13394, 13313, 13222	131.51
DEC MINI NASDAQ	285050 - up	285050	285500, 290000+/-	281200, 279000-278325	2783.25
DEC COPPER	38325 - up	39195	38645, 395-39895	37725, 37725, 37570, 373-	367.35
DEC GOLD	177350 - up	1790+	178710, 1790+	176160, 1743	1707.10
DEC SILVER	34655 - up	3635	35005, 3525, 35905	3400+/-, 3345	3206.00
NOV CRUDE OIL	9940 - up	103	9968-75, 103	9815-00, 9755, 9567	95.67

\*TRP: Trend Reversal Point

## Markets Summary

17-Sep

Asian stocks outside Japan swung between gains and losses as increases by mining companies were offset by speculation that U.S. stimulus measures announced Sept. 13 may boost inflation concerns for Asian countries; the MSCI Asia Pacific Excluding Japan Index climbed 0.2% to 442.71 as of 4:27 p.m. in Sydney, headed for its highest closing level since May 2; Chinese shares fell as Citigroup Inc. cut its 2013 economic forecast for the country on weaker external demand; equity markets in Japan are closed for a public holiday.

--"Over the longer term we're still optimistic," Steve Brice, Singapore-based chief investment strategist at Standard Chartered Plc, said on Bloomberg Television. "Equity markets are the best asset class out there at the moment. But we do believe we're a little bit over-extended in the short term."

European stock-index futures declined as concern of a deepening economic slowdown in China offset optimism resulting from the Federal Reserve's third round of quantitative easing; U.S. futures were little changed; futures on the Euro Stoxx 50 Index, the Euro region benchmark, slipped 0.3% to 2,583 at 7:16 a.m. in London; contracts on the U.K.'s FTSE 100 Index dropped 0.3%, and S&P's 500 Index futures fell 0.2%.

--"Now that QE3 has been announced and the euphoric risk-on mentality of last week has subsided, traders are postulating about what an open-ended stimulative policy means and what, if anything, it will achieve," Jonathan Sudaria, a trader at Capital Spreads in London wrote in e-mailed comments. "Equity indices have packed on some hefty double-digit gains in anticipation of the central bank stimulus efforts. Now that that stimulus has been delivered though, questions of how much further upside remains will have to be answered."

ECB President Mario Draghi, embracing policies dismissed by his predecessor, is forcing EUR bears to capitulate; since July 26, when Draghi said he would do "whatever it takes" to save the 17-nation euro, the currency has appreciated versus each of its 16 major counterparts tracked by Bloomberg; the cost to protect against a default on government debt in western Europe tumbled to a 15-month low and confidence in the region's banking system is improving, with bank stocks rallying 33% since June 1, exceeding the 18% gain in the Stoxx Europe 600 Index; while former ECB President Jean-Claude Trichet kept the central bank from propping up debt-laden governments by limiting purchases of their securities as the crisis deepened, Draghi has done the opposite since he took over in November; his decisions are placing everyone from former IMF Chief Economist Kenneth Rogoff to fund manager Axel Merk on the wrong side of the market.

--"It has been a game changer, and Draghi has done the heavy lifting," Merk, president and founder of Merk Investments LLC in Palo Alto, California, said in a Sept. 13 telephone interview. His \$526 million Merk Hard Currency Fund has jumped 3.38 percent in the past month, beating 92 percent of its peers, according to data compiled by Bloomberg.

Oil traded near the highest price in 4 months before reports forecast to show a strengthening economy in the U.S., the world's biggest consumer of crude; futures were little changed in New York after surging as high as \$100.42 a barrel on Sept. 14 as the Fed pledged to start buying U.S. mortgage securities; new home construction and sales of previously owned houses rose in August, economists said before U.S. data due Sept. 19; current crude prices aren't a threat to the world economy, said Mohammad Ali Khatibi, Iran's governor to OPEC, according to the Oil Ministry's news website.

--"We've seen an ongoing and relatively positive reaction to the Fed's easing plan," said Ric Spooner, a chief market analyst at CMC Markets in Sydney. "That reflects the relatively open-ended nature of the proposed easing."

Source: Bloomberg News

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## Equity Highlights

HIGHLIGHTED EARNINGS RELEASES				
Company	Symbol	Period	EPS est	Prev Actual
LDK Solar Co Ltd	LDK	Q2 2012	-\$1.43	-\$0.62
7days Music Entertainment AG	7DM1.F	Q2 2012	n/a	n/a
Acteos SA	EOS.PA	Q2 2012	n/a	n/a
Allergy Therapeutics PLC	AGY.L	PRELIM 2012	n/a	n/a
Asahi Co Ltd	3333.T	Q2 2013	n/a	n/a
Askul Corp	2678.T	Q1 2013	n/a	n/a

HIGHLIGHTED DIVIDENDS [Ex-Date Today]				
Company	Symbol	Amount	Payable	Declaration
Kraft Foods Inc	KFT	\$0.290	15-Oct	14-Aug
International Flavors & Fragrances Inc	IFF.BA	\$0.170	3-Oct	26-Jul
International Flavors & Fragrances Inc	IFF.BA	\$0.340	3-Oct	24-Jul
Cincinnati Financial Corp	CINF	\$0.408	15-Oct	17-Aug
Allegheny Technologies Inc	ATI	\$0.180	28-Sep	7-Sep
Blackrock Kelso Capital Corp	BKCC	\$0.260	3-Oct	2-Aug

## Equity News

17-Sep

- ✓ **S&P European MarketScope:** Italian banking group Intesa Sanpaolo confirms plans to shut 1,000 branches by 2015, as part of its plan to cut costs for around EUR 200 million in 3 years; this is more than double the closure of 400 branches, which was originally announced by the bank in its 2011-2013 business plan.
- ✓ **S&P European MarketScope:** The UK Ministry of Defence is demanding safeguards over the Trident nuclear weapons programme as a condition of the GBP 30 billion merger between British arms manufacturer BAE Systems and Airbus maker EADS, The Sunday Times writes; the paper adds that the French are also likely to raise concerns about military secrets; EADS produces missiles for France's nuclear weapons programme.
- ✓ **S&P European MarketScope:** Deutsche Post has requested a price hike for delivering standard letters in Germany to EUR 0.58 from EUR 0.55 starting 1 January, 2013; this would be the first rate increase for that size of letter in 15 years.
- ✓ **S&P European MarketScope:** Anglo American, one of the world's largest mining and natural resource groups, has completed the onward sale of a 4.1% shareholding in Anglo American Sur to a Codelco and Mitsui joint venture company controlled by Codelco following clearance of the transaction by competition authorities in Brazil; under the terms of the 23 August agreement, Anglo American has completed the sale for USD 890 million in cash.
- ✓ **Reuters:** Sberbank, Russia's top lender majority-owned by the state, started a long-awaited 7.6% stake sale on Monday as part of a broad privatization move, with a price range set at between 91 roubles (USD 2.99) and the market price at the time of closing of the books as early as tomorrow.
- ✓ **Reuters:** General Electric Co has hired Morgan Stanley to review its 33% stake in Thailand's Bank of Ayudhya Pcl, which could potentially lead to a sale by the U.S. conglomerate of its near USD 2.2 billion holding, sources familiar with the matter said.
- ✓ **Reuters:** Sony Corp is in the final stages of talks to invest JPY 50 billion yen in cash-strapped, scandal-ridden Olympus Corp, with an agreement expected by the end of September, state broadcaster NHK reported.
- ✓ **Reuters:** Australian surfwear company Rip Curl said it has received unsolicited approaches from several international companies wanting to invest in the privately held firm, in a deal that could fetch up to AUD 480 million.