



# Global Market Review

Issued by the Capital Markets Division

September 14, 2012

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Equity Indices		14-Sep
Index	Previous Cls	%Change
DJIA	13,539.86	1.55%
S&P 500	1,459.99	1.63%
NASDAQ	3,155.83	1.33%
EURO Stoxx 50	2,543.22	-0.84%
FTSE 100	5,819.92	0.65%
Nikkei 225	9,159.39	1.83%
VXX	8.87	-7.41%

Forex Rates		14-Sep	
	Previous Cls	%Chg *	Hi-Lo 10am
EURUSD	1.2988	0.69%	1.3053-1.2981
GBPUSD	1.6152	0.29%	1.6204-145
USDJPY	77.48	-0.42%	77.67-47
USDCHF	0.9349	-0.23%	0.9356-12
AUDUSD	1.0541	0.73%	1.0588-32
USDCAD	0.9682	-0.80%	0.9694-51
NZDUSD	0.8307	1.33%	0.8352-01

\*% Chg is calculated from closing before last

Regional Markets		14-Sep
Index [closed]	Previous Cls	Chg in Pts
KSA	7,104.50	0.00%
Dubai	1,573.94	0.16%
Abu Dhabi	2,608.75	0.25%
Kuwait	5,792.71	-0.01%
Bahrain	1,071.45	-0.07%
Muscat	5,589.47	0.03%
Qatar Exch	8,563.19	-0.09%

Beirut Stock Exchange		14-Sep
Listed Shares [USD]	Prev Cls	% Change
Solidere A	12.86	-0.39%
Solidere B	12.87	-0.92%
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	15.31	0.00%

Key Economic Data						14-Sep
Event	Currency	Time [LB]	Forecast	Previous	Impact	
CPI y/y	EUR	12:00	2.60%	2.60%	MEDIUM	
CORE CPI y/y	EUR	12:00	1.70%	1.70%	MEDIUM	
EMPLOYMENT CHANGE q/q	EUR	12:00	-0.20%	-0.20%	LOW	
ECOFIN MEETINGS	EUR	ALL DAY	-	-	MEDIUM	
MANUFACTURING SALES m/m	CAD	15:30	0.40%	-0.40%	MEDIUM	
CORE CPI m/m	USD	15:30	0.20%	0.10%	HIGH	
CORE RETAIL SALES m/m	USD	15:30	0.70%	0.80%	HIGH	
RETAIL SALES m/m	USD	15:30	0.70%	0.80%	HIGH	
CPI m/m	USD	15:30	0.50%	0.00%	MEDIUM	
CAPACITY UTILIZATION RATE	USD	16:15	79.30%	79.30%	MEDIUM	
INDUSTRIAL PRODUCTION m/m	USD	16:15	0.10%	0.60%	MEDIUM	
PRELIM UoM CONSUMER SENTIMENT	USD	16:55	74.1	74.3	HIGH	
PRELIM UoM INFLATION EXPECTATIONS	USD	16:55	-	3.60%	LOW	
BUSINESS INVENTORIES m/m	USD	17:00	0.30%	0.10%	MEDIUM	
FOMC MEMBER LOCKHART SPEAKS	USD	20:00	-	-	LOW	
FOMC MEMBER RASKIN SPEAKS	USD	20:45	-	-	LOW	

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Critical Key Points for Future Contracts					14-Sep
Contract	Prv Cls/Trend	Swing Point	Resistance	Support	TRP
DEC GBP	16145 - up	162	16171, 162+/-	16082, 16033-14, 15887	158.87
DEC CAD	10302 - up	10	10340	10198-95, 10155-40	101.40
DEC EUR	13001 - up	13020	13020, 13089-13149	12896, 12818-12771, 12642	126.42
DEC JPY	12917 - up	129	12960, 13030-70	12845-36, 12797, 12746	127.46
DEC CHF	10710 - up	10750+	10730-36, 10815	10622, 10599-60, 10466	104.66
DEC AUD	10457 - up	10432	10493, 10520+/-, 10578	10409, 10380-76, 10366	103.27
DEC USD	79395 - down	7936-	8098-8104, 8072, 81335	7936-7925	81.335
DEC T-BONDS	14707 - sdwys/down	14618-	14730-14804, 14812, 14827	14609-00, 145	149.23
SEP MINI S&P	14725 - up	1460	1460+/-	1441, 1436, 1421	1421.00
SEP MINI DJ	13520 - up	13680	13585, 13680-13725	13404, 13355-13340	131.98
SEP MINI NASDAQ	282750 - up	285300	285500, 290500	280300, 279000-, 275700	2715.00
DEC COPPER	37300 - up	377	377, 381-383	36880, 36495, 35325	353.25
DEC GOLD	176940 - up	1769	178710, 1790+	1741	1705.10
DEC SILVER	3471 - up	3635	3525, 35905	3400+/-, 3341	3202.00
OCT CRUDE OIL	9809 - sdwys/up	9953	9823, 9955, 103	9579, 9441-9395	91.50

\*TRP: Trend Reversal Point

## Markets Summary

14-Sep

Asian stocks rose, with the regional benchmark index headed for the longest winning streak since January 2011, after the Fed said it will buy mortgage-backed securities to bolster economic growth; the MSCI Asia Pacific Index added 2.5% to 123.99 as of 3:39 p.m. in Tokyo, poised for a 7th day of advance and the highest close since May 4; more than 5 stocks climbed for each that fell on the measure, which has gained 4.1% this week and is heading for the biggest weekly increase since December; 9 of the 10 groups on the gauge advanced.

--"The Fed's statement made clear that this monetary easing will go on until employment growth is satisfactory," said Akio Yoshino, chief economist in Tokyo at Amundi Japan Ltd., whose global parent has \$897 billion of assets under management. "This time around we have a clear link between the economy and monetary policy, and that's a very big thing. It should give powerful support for markets to appreciate."

European stocks advanced to their highest level in 14 months after the Fed said it will buy mortgage-backed securities to encourage economic growth in the world's largest economy; U.S. index futures also climbed; the Stoxx Europe 600 Index advanced 1.2% to 275.58 at 8:04 a.m. in London, extending its rally from this year's low to 18; the gauge is headed for a weekly gain of 1.2; S&P's 500 Index futures added 0.2%.

--"With the Fed finally announcing the long anticipated third round of quantitative easing, traders got their wish list and more," said Jonathan Sudaria, a trader at Capital Spreads in London. "The Fed laid down an aggressive line in the sand to not only launch a third round but to effectively monetize an infinite amount of debt until the economy picks up, and markets are expected to pop higher on that extra treat."

Treasuries declined as inflation expectations surged and stocks rallied following the Fed decision to buy more debt as it strives to spur the U.S. economy; the difference between yields on 10-year notes and same-maturity Treasury Inflation Protected Securities, an indicator of trader expectations for consumer prices over the life of the debt, widened to as much as 2.54%; it was the most in 16 months and compares with the average of 2.16% over the past decade.

--"It's an open-ended purchase," said Bin Gao, an interest-rate strategist in Hong Kong at Bank of America Corp., whose Merrill Lynch unit is one of 21 primary dealers required to bid at government debt auctions. "It sends a signal that the Fed will tolerate higher inflation."

The USD slid to a 4-month low against the EUR on Fed Chairman Ben Bernanke's plan to conduct open-ended monetary easing, a process that tends to debase the U.S. currency; the EUR was set for the longest stretch of weekly gains against the JPY in 3 years as Asian stocks climbed to the highest level since May, boosting demand for riskier assets; the JPY retreated from a 7-month high against the greenback after comments by Japan's Finance Minister Jun Azumi signaled he's ready to intervene to weaken the currency.

--"Bernanke made a very strong case for engaging in quantitative easing," said Andrew Salter, a strategist in Sydney at Australia & New Zealand Banking Group Ltd. (ANZ) "We're going to see the shock-waves from this policy in the U.S. dollar for a foreseeable period of time."

Oil rose to the highest level in 4 months on speculation that economic stimulus in the U.S. will boost fuel demand; concern that unrest in the MENA will disrupt supplies also buoyed prices; futures advanced as much as 1.4%, erasing their decline for the year; Iran is raising tension by expanding its nuclear program, according to Robert Wood, the U.S. envoy to the International Atomic Energy Agency.

--"We always have initial optimism on stimulus programs -- the question is, how long it will last?" said Jonathan Barratt, the chief executive officer of Barratt's Bulletin, a commodity newsletter in Sydney. "Middle East geopolitical concerns should add a premium of about \$5 to \$6."

Source: Bloomberg News

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## Equity Highlights

HIGHLIGHTED EARNINGS RELEASES				
Company	Symbol	Period	EPS est	Prev Actual
Ocean Power Technologies Inc	OPTT	Q1 2013	-\$0.32	-\$0.49
Ossen Innovation Co Ltd	OSN	Q2 2012	n/a	n/a
Airesis SA	AIRE.S	HALF YR 2012	n/a	n/a
China Leason CBM & Shales Gas Group Co Ltd	8270.HK	FY 2012	n/a	n/a

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

14-Sep

- ✓ **S&P European MarketScope:** Noting slight growth in 3Q, but slowed by the sustained deterioration in the European tourist markets, Club Med reports quarterly consolidated revenue of EUR 332m, up 2.7% y/y. Year-to-date summer 2012 bookings are 1.1% ahead of the summer 2011 figure.
- ✓ **S&P European MarketScope:** Schindler says it is to build a new state-of-the-art escalator plant in India. The multi-million euro facility, located near Pune, is scheduled to go into operation in early 2014.
- ✓ **Reuters:** Xstrata's board is expected to recommend Glencore's revised USD 34 billion bid as early as next week, sources close to the deal say, although it may come with some qualification surrounding such issues as staff retention.
- ✓ **Reuters:** Even as it creates the world's biggest aerospace company, the proposed merger of Europe's defense and aviation giants may help U.S. rivals win defense contracts, at least in the short-term, experts said Thursday.
- ✓ **Reuters:** Mexico's Megacable has held talks with Time Warner Cable regarding a possible phone venture aimed at the Hispanic market in the United States, the company's Chief Executive Enrique Yamuni said.
- ✓ **Reuters:** State-backed Royal Bank of Scotland (RBS) confirmed it plans to push ahead with a flotation of its Direct Line insurance division in what could be the biggest listing on the London Stock Exchange for more than a year.