

Global Overview

• US equities ended the week higher with the S&P 500 at +0.8%, the Dow Jones at +1.0%, the Nasdaq at +1.2% and the Russell 2000 at +0.8%. Equities were helped by US President Trump comments regarding tax reforms with further details expected over the next two to three weeks. Earnings season continues as 71% of S&P 500 companies have reported their Q4/16 results with blended EPS growth estimated at 4.9% according to FactSet, slightly below estimates at 5.2%

• US Dollar Index strengthened on hopes for Trump tax reform, hawkish comments from Fed officials, Fed Tarullo resignation from US central bank suggesting Trump could choose a more hawkish replacement and weaker Euro from EU political uncertainty, which offset earlier weakness from possible impact on global economy of Trump’s protectionism and immigration policies. 2-year US Treasury yields closed roughly flat while 10-year and 30-year yields were lower amid uncertainty around promised fiscal spending and tax reform plans and solid auction demand for 30-year bonds although declines were capped by end of week optimism following Trump tax reform announcement. Gold was higher amid trade and currency war concerns and rise in investment inflows despite firmer US dollar and favorable US wholesale inventories and unemployment data

• Crude oil was roughly flat as OPEC compliance with output reduction deal and favorable Chinese trade data offset increase in US rig count and largely higher-than-expected US crude inventories. IEA reported compliance at 90% of agreed cuts as OPEC output declined by ~1 million bpd in January, and raised its forecast for global demand in 2017 citing recent improvement in global industrial activity

• European equities closed higher with the Stoxx 600 at +0.9% on solid Q4/16 earnings from key companies and favorable macro. Polls showing French far-right candidate Le Pen leading first round results led to growing uncertainty in Europe as EUR/USD weakened and periphery bonds yields rose. ECB Draghi highlighted the need to maintain ECB’s monetary stimulus despite some signs of improvement in the EU economy while warning against Trump’s plans for lighter banking regulations. UK equities closed higher with the FTSE 100 at +1.0% on better-than-expected UK industrial production and rally in base metal prices led by solid Chinese trade data

• Japanese equities closed higher with the Nikkei 225 at +2.4% helped by stronger USD/JPY following positive PM Abe meeting with US President Trump which did not include mention of currency policy or protectionist measures

• Chinese equities closed higher with the Shanghai Composite at +1.8% on better-than-expected trade data despite decline in FX reserves. Equities were helped by reduced uncertainty as Trump agreed to honor the “One-China” policy. Emerging markets closed higher with the MSCI EM at +1.2%

• MENA equities closed lower with the S&P Pan Arab Composite at -0.2% weighed by weakness in Saudi markets from lower oil mid-week although UAE equities ended the week higher

Previous Week Macro Data	Actual	Cons.
JPY Leading economic index (Dec)	105.2	105.6
US Trade balance (Dec)	\$-44.3B	\$-45.0B
US JOLTS job openings (Dec)	5.50M	5.57M
US IBD/TIPP economic optimism (MoM) (Feb)	56.4	-
CNY Trade balance USD (Jan)	\$51.3B	\$48.5B
US EIA crude oil stocks change (Feb 3)	13.8M	-
US Initial jobless claims (Feb 3)	234K	250K
US Wholesale inventories (Dec)	1.0%	1.0%
UK Trade balance (Dec)	£-3.3B	-
UK Industrial production (YoY) (Dec)	4.3%	3.2%
US Michigan consumer sentiment index (Feb)	95.7	97.8
UK NIESR GDP estimate (3M) (Jan)	0.7%	0.6%
US Baker Hughes oil rig count	591	-

Date	Upcoming Week Key Earnings
13-Feb	Reckitt Benckiser, Teva Pharmaceuticals, Southern Copper, Vornado Realty Trust, Noble Energy, HCP
14-Feb	AIG, T-Mobile, Express Scripts, Regeneron, Credit Suisse, Tata Motors, Incyte, Devon
15-Feb	Cisco, PepsiCo, Kraft, Heineken, Danone, Williams Partners, Applied Materials, NetEase, Marriott
16-Feb	Charter Communications, Duke Energy, Shire, Telstar, TransCanada, Pacific Gas and Electric, Waste Management
17-Feb	Allianz, Enbridge, Deere & Company, Spectra Energy

Date	Upcoming Week Macro Data	Cons.	Prior
14-Feb	CNY CPI (YoY) (Jan)	2.4%	2.1%
14-Feb	JPY Industrial production (YoY) (Dec)	-	3.0%
14-Feb	UK Core CPI (YoY) (Jan)	1.7%	1.6%
14-Feb	EU GDP (YoY) (Q4)	1.8%	1.8%
14-Feb	EU Industrial production (YoY) (Dec)	1.7%	3.2%
14-Feb	EU ZEW survey economic sentiment (Feb)	-	23.2
14-Feb	US NFIB business optimism index (Jan)	104.9	105.8
15-Feb	UK ILO unemployment rate (3M) (Dec)	4.8%	4.8%
15-Feb	EU Trade balance (Dec)	€22.0B	€22.7B
15-Feb	US Retail sales (MoM) (Jan)	0.1%	0.6%
15-Feb	US Core CPI (YoY) (Jan)	2.1%	2.2%
15-Feb	US Industrial production (MoM) (Jan)	0.0%	0.8%
15-Feb	UK CB Leading economic index (Jan)	-	0.0%
15-Feb	US Business inventories (Dec)	0.4%	0.7%
15-Feb	US EIA crude oil stocks change (Feb 10)	-	13.8M
16-Feb	US Housing starts (MoM) (Jan)	1.23M	1.23M
16-Feb	US Building permits (MoM) (Jan)	1.23M	1.21M
16-Feb	US Initial jobless claims (Feb 10)	244K	234K
17-Feb	UK Retail sales (YoY) (Jan)	3.4%	4.3%
17-Feb	US CB leading indicator (MoM) (Jan)	0.5%	0.5%
17-Feb	US Baker Hughes oil rig count	-	591

Date	Upcoming Policy & Related Events
14-Feb	EU European Commission economic growth forecasts, US Fed Yellen, Lockhart, Lacker & Kaplan
15-Feb	EU ECB non-monetary policy meeting, US Fed Yellen, Rosengren & Harker
16-Feb	EU ECB Cœuré, EU ECB monetary policy meeting accounts

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,316.10	▲ 0.36	▲ 0.81	3.45	20.32	2.11
Dow Jones	20,269.37	▲ 0.48	▲ 0.99	2.56	18.75	2.51
NASDAQ	5,734.13	▲ 0.33	▲ 1.19	6.52	23.93	1.22
Russell 2000	1,388.84	▲ 0.75	▲ 0.80	2.34	22.15	1.48
STOXX 600	367.39	▲ 0.16	▲ 0.91	1.65	19.14	3.58
FTSE 100	7,258.75	▲ 0.40	▲ 0.98	1.62	27.09	4.18
Nikkei 225	19,378.93	▲ 2.49	▲ 2.44	1.80	20.83	1.73
Shanghai Comp.	3,196.70	▲ 0.42	▲ 1.80	3.65	15.94	1.97
S&P Pan Arab	690.15	▼ -0.28	▼ -0.21	1.39	13.07	5.35
MSCI ACWI	1,741.28	▲ 0.41	▼ -0.03	3.40	17.58	3.31
MSCI EM	930.16	▲ 0.50	▲ 1.23	7.87	14.26	2.67

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	454.72	▼ -0.29	0.75	1.64
Barclays Global Agg. – Corporate	239.39	▲ 0.08	0.82	2.68
Barclays Global High Yield	1,212.96	▲ 0.01	2.27	5.51
Markit CDX N.A. Investment Grade	64.50	▲ 1.07	NA	NA
Markit CDX N.A. High Yield (price)	107.45	▼ -0.01	NA	NA
Markit CDX EM (price)	94.74	▲ 0.15	NA	NA
Markit iTraxx ITX Crossover	212.46	▲ 0.17	NA	NA
Markit iTraxx Europe	45.94	▲ 6.64	NA	NA

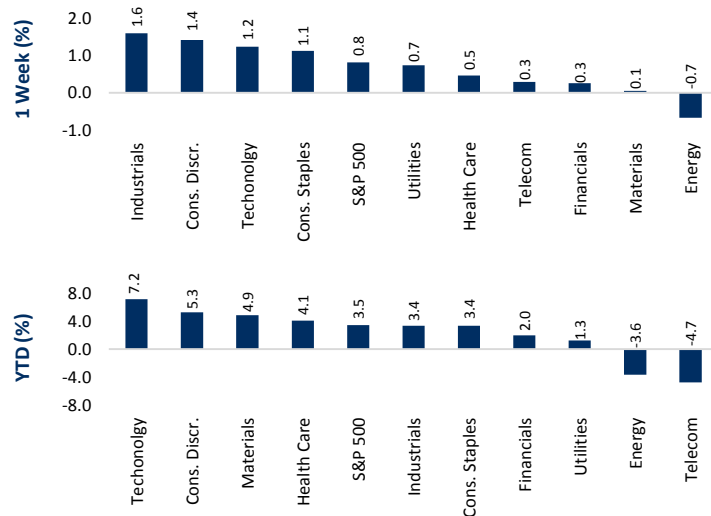
Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	99.87	▲ 0.02	-0.25	1.20
Treasuries 10-Yr	98.60	▲ 2.73	2.58	2.42
Treasuries 30-Yr	99.88	▲ 4.24	3.73	3.01
Gilts 10-Yr	102.18	▲ 0.85	-0.19	1.25
Bunds 10-Yr	99.34	▲ 0.92	1.30	0.33
French 10-Yr	92.60	▲ 0.27	-3.43	1.06
Italian 10-Yr	91.25	▼ -0.03	-3.95	2.28
Spanish 10-Yr	96.52	▼ -0.16	-2.77	1.71
Greek 10-Yr	75.48	▲ 1.43	-0.66	7.26
JGBs 10-Yr	100.16	▲ 0.11	-0.43	0.09

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	10.85	▼ -1.09	-22.72
Stoxx 50 VIX	15.11	▼ -0.14	-16.61
EM VIX	16.25	▼ -1.22	-27.23
Interest rate VIX	87.41	▲ 0.90	-1.70
Deutsche Bank FX VIX	10.59	▲ 8.39	-3.99
Crude Oil VIX	26.59	▼ -6.24	-9.83

Commodities	Value	1 Week %	YTD %
Oil-Brent	56.70	▼ -0.19	-0.21
Oil-WTI	53.86	▲ 0.06	0.26
Natural Gas	3.03	▼ -0.95	-18.53
Gold	1,235.90	▲ 1.24	7.31
Silver	17.93	▲ 2.60	12.16
Copper	276.80	▲ 5.81	10.48
S&P GSCI	407.83	▲ 1.86	2.42

Currencies	Value	1 Week %	YTD %
EUR-USD	1.0643	▼ -1.30	1.20
GBP-USD	1.2491	▲ 0.06	1.22
USD-JPY	113.2200	▲ 0.54	-3.20
USD-CNY	6.8785	▲ 0.16	-0.96
USD-CHF	1.0024	▲ 0.95	-1.63
AUD-USD	0.7674	▼ -0.08	6.47
USD-CAD	1.3083	▲ 0.46	-2.66
USD-SEK	8.9190	▲ 1.76	-2.05
DXY Index	100.8000	▲ 0.93	-1.38

S&P 500 Sector



Investment Style

	Value	Blend	Growth
1 Week (%)			
Large	0.6	0.8	1.0
Mid	0.5	0.8	1.1
Small	0.9	1.0	1.0
YTD (%)			
Large	1.9	3.5	4.8
Mid	3.1	3.6	4.1
Small	0.7	1.4	2.0

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For fixed income ideas or price quotes, please contact our fixed income desk

Source: Reuters, Bloomberg, Barclays, Morningstar, WSI, CNBC, Briefing, FXStreet.

Contacts

Head of Research: Nadim Kabbara, CFA

n.kabbara@ffaprivatebank.com +961 1 985195

Analyst: Anna Maria Chaaraoui

a.chaaraoui@ffaprivatebank.com +961 1 985195

Analyst: Nadine Mezher

n.mezher@ffaprivatebank.com +961 1 985195

Sales and Trading, FFA Private Bank (Beirut)

+961 1 985225

Sales and Trading, FFA Dubai Ltd (DIFC)

+971 4 3230300

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FFA Private Bank s.a.l.

One FFA Gate - Marfaa 128 - Foch Street
Beirut Central District
PO Box 90-1283 - Beirut - Lebanon
Tel: +961.1.985 195
Fax: +961.1.985 193
<http://www.ffaprivatebank.com>

FFA Dubai Ltd

Building 5 – Office 410
Gate Precinct
Dubai International Financial Centre (DIFC)
PO Box 506567 - Dubai - UAE
Tel: +971.4.363 74 70
Fax: +971.4.363 74 71
<http://www.ffadubai.com>