

Global Overview: US equities ended the week higher with the Dow at +0.3% and the S&P at +0.6% while the Nasdaq outperformed at +1.4% as better than expected corporate earnings (58%/36% topping earnings/sales estimates with ~25% having already reported) and expectations of central bank actions continue to support investors' confidence amid muted growth forecasts. Gold and 2-year Treasuries closed lower while the US Dollar traded higher on firmer US economic data showing improvement in employment and manufacturing, also helped by growing anticipation of a Fed interest rate hike before the end of the year (FF now pricing a ~24% rate hike by September 2016 and ~45% by December 2016) and stronger market positioning in US Dollar going into this week's FOMC meeting. Oil traded lower pressured by rising US gasoline inventories and rig counts, fears of additional supply from Iraq as well as stronger US Dollar and US crude inventories which remain above seasonal average despite ninth weekly drawdown. European equities closed higher with the Stoxx 600 at +0.7% as solid telecom earnings and encouraging Eurozone macro data offset concerns about the Italian banking sector and subdued growth expectations while it remains uncertain whether ECB's quantitative easing will be extended after its benchmark interest rate was kept unchanged. UK equities traded higher with the FTSE 100 at +0.9% likely on weaker Sterling while lower than expected manufacturing PMI and airline shares weighed. Japanese equities closed higher with the Nikkei 225 at +0.8% ahead upcoming BoJ meeting despite Kuroda ruling out helicopter money from monetary stimulus. Chinese equities closed higher with the Shanghai Composite Index at +3.4%. Earnings season to accelerate with 197 S&P 500 companies and 203 Stoxx 600 companies set to report.

Previous Week Macro Data

	Actual	Cons.
UK Core CPI (YoY) (Jun)	1.4%	1.3%
US EIA crude oil Δ (Jul 15)	-2.3M	-2.1M
UK Retail sales (YoY) (Jun)	3.9%	4.8%
EU ECB interest rate decision (Jul 21)	0%	0%
US Initial jobless claims (Jul 15)	253K	265K
US Existing home sales (MoM) (Jun)	1.1%	-0.9%
EU Markit PMI composite (Jul)	52.9	52.5
US Markit manufacturing PMI (Jul)	52.9	51.5

Upcoming Week Macro Data

	Cons.	Prior
T US Markit PMI composite (Jun)	-	51.2
T US Consumer confidence (Jul)	95.5	98.0
T US New home sales (MoM) (Jun)	0.56M	0.55M
W UK GDP (YoY) (Q2)	2.1%	2.0%
W US Durable goods orders (Jun)	-1.1%	-2.3%
W US EIA crude oil Δ (Jul 22)	-	-2.3M
W US Fed interest rate decision	0.5%	0.5%
Th EU Economic sentiment indicator (Jul)	103.5	104.4
Th US Initial jobless claims (Jul 22)	263K	253K
Th UK GfK consumer confidence (Jul)	-8.0	-1.0
Th JPY National CPI (YoY)	-0.4%	-0.4%
Th JPY Unemployment rate (Jun)	3.2%	3.2%
F JPY BoJ interest rate decision	-0.2%	-0.1%
F EU GDP (YoY) (Q2)	1.5%	1.7%
F EU Unemployment rate (Jun)	10.1%	10.1%
F EU Core CPI (YoY) (Jul)	0.8%	0.9%
F US GDP (Q2)	2.6%	1.1%
F US Core PCE (QoQ) (Q2)	1.7%	2.0%
F US Reuters/Michigan consumer sent. ind (Jul)	90.0	89.5

Upcoming Week Key Earnings

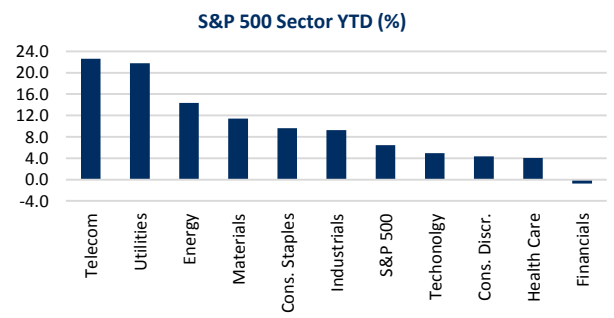
M Gilead Sciences, Texas Instruments, Danaher, Express Scripts, Canadian National Railway, Kimberly-Clark, Las Vegas Sands
 T Apple, Verizon, McDonald's, BP, 3M, Eli Lilly, United Tech., LVMH, Reynolds American, DuPont, Chubb, Caterpillar, Orange
 W Facebook, Coca-Cola, FEMSA, Comcast, Altria, Amgen, GSK, Boeing, Bayer, BASF, Mondelez, Simon Property, Banco Santander, NextEra, Statoil, McKesson
 Th Alphabet, Amazon, Shell, BMS, BAT, Total, L'Oreal, MasterCard, Celgene, Diageo, AstraZeneca, VW, Colgate-Palmolive, BNP, Dow, Ford, Lloyds, BT, ConocoPhillips, Danone, Credit Suisse
 F ExxonMobil, AB InBev, Chevron, Merck, Sanofi, AbbVie, NTT DOCOMO, UPS, Ambev, Reckitt Benckiser, Eni, UBS, Barclays

Upcoming Week Policy & Related Events

W US Fed monetary policy statement
 F JPY Monetary policy statement, JPY BoJ outlook report, JPY BoJ press conference, US Fed Williams and Kaplan

	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,175.03	▲ 0.46	▲ 0.61	6.4	19.5	2.1
Dow Jones	18,570.85	▲ 0.29	▲ 0.29	6.6	17.8	2.6
NASDAQ	5,100.16	▲ 0.52	▲ 1.40	1.9	22.2	1.2
Russell 2000	1,212.89	▲ 0.75	▲ 0.63	6.8	19.5	1.4
STOXX 600	340.33	▼ -0.07	▲ 0.71	-7.0	17.6	3.7
FTSE 100	6,730.48	▲ 0.46	▲ 0.92	7.8	21.2	4.0
NIKKEI 225	1,6627.25	▼ -1.09	▲ 0.78	-12.7	17.6	2.0
Shanghai Index	3,012.82	▲ 2.61	▲ 3.41	-15.0	14.3	2.1
S&P Pan Arab	647.26	▼ -0.33	▼ -0.17	-1.7	11.6	3.9
MSCI ACWI	1,650.20	▼ -0.42	▬ 0.00	-3.9	16.6	3.4
MSCI EM	869.30	▼ -0.21	▲ 0.17	9.5	12.8	2.6

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	477.1	1.2	7.9
Barclays Global Agg. – Corporate	244.8	2.3	7.5
Barclays Global High Yield	1,155.7	6.2	11.4
Markit CDX N.A. Investment Grade	70.6	NA	NA
Markit CDX N.A. High Yield (Price)	104.8	NA	NA
Markit iTraxx Europe	50.4	NA	NA
Markit iTraxx ITX Crossover	366.6	NA	NA



Rates	Value	Yield %
Treasuries 2-Yr	99.84	0.71
Treasuries 10-Yr	100.53	1.57
Treasuries 30-Yr	104.70	2.28
Gilts 10-Yr	110.57	0.80
Bunds 10-Yr	100.38	-0.04
French 10-Yr	102.95	0.20
Italian 10-Yr	103.44	1.23
Spanish 10-Yr	107.73	1.11
Greek 10-Yr	72.04	7.90
JGBs 10-Yr	103.48	-0.24

Volatility	Value	YTD %
S&P 500 VIX	12.02	-34.0%
Euro Stoxx 50 VIX	19.12	-13.8%
Crude Oil VIX	39.04	-15.6%
Interest Rate VIX	83.68	2.3%

Commodities	Value	YTD %
Oil-Brent	45.53	22.1%
Oil-WTI	44.07	19.0%
Natural Gas	2.80	19.7%
Gold	1,317.15	24.1%
Silver	19.50	40.8%
Copper	223.90	4.9%
S&P GSCI CME	349.03	12.0%

Currencies	Value	YTD %
EUR-USD	1.0967	1.0%
GBP-USD	1.3126	-10.9%
USD-JPY	106.1600	-11.7%
USD-CNY	6.6787	2.8%
USD-CHF	0.9888	-1.3%
AUD-USD	0.7481	2.7%
USD-CAD	1.3152	-5.0%
USD-SEK	8.6566	2.6%
DXY Index	97.3730	-1.3%

Investment Style YTD (%)

	Value	Blend	Growth
Large	8.1	6.4	4.8
Mid	12.9	11.0	9.2
Small	13.1	10.4	8.1

FFA Equity Ideas

For equity ideas or price quotes, please contact us

FFA Fixed Income Ideas

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

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

Contacts

Head of Research: Nadim Kabbara, CFA

n.kabbara@ffapivatebank.com +961 1 985195

Analyst: Anna Maria Chaaraoui

a.chaaraoui@ffapivatebank.com +961 1 985195

Analyst: Nadine Mezher

n.mezher@ffapivatebank.com +961 1 985195

Sales and Trading, FFA Private Bank (Beirut)

+961 1 985225

Sales and Trading, FFA Dubai Ltd (DIFC)

+971 4 3230300

Disclaimer

This document has been issued by FFA Private Bank ("FFA") for informational purposes only. It does not constitute an offer or a solicitation to buy or sell the securities mentioned or to participate in any particular trading or investment strategy. Although the information herein is believed to be reliable and has been obtained from sources believed to be reliable, FFA makes no guarantee or warranty to the accuracy and thoroughness of the information mentioned and accepts no responsibility or liability for damages incurred as a result of opinions formed and decisions made based on information or opinions presented in this document. FFA makes reasonable efforts to provide accurate information and projections. However, certain statements in this document may constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements. These forward-looking statements involve, and are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance (financial or operating) or achievements to differ from the future results, performance (financial or operating) or achievements expressed or implied by such forward-looking statements. Therefore, FFA accepts no responsibility or liability for damages incurred as a result of opinions formed and decisions made based on these forward-looking statements, estimates and projections. The financial instruments discussed in this document may not be suitable for all investors and this document does not take into account particular investment objectives, financial situation or specific needs. Therefore, investors must make their own informed investment decisions. Investment transactions can lead to losses as a result of price fluctuations and other factors. One should therefore consider the appropriateness of the information provided herein in light of his own objectives, financial situation or needs before acting on the information. Opinions, estimates and projections expressed herein constitute the current judgment of the author as of the date of this document. They are subject to change without prior notice. FFA has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof if any opinion, forecast, projection or estimate contained herein changes or subsequently becomes inaccurate.



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.ffapivatebank.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>