

Global Overview: US equities ended the week lower with the Dow at -0.2%, the S&P at -0.4% and the Nasdaq at -0.8% weighed by energy and utilities as well as weaker than expected manufacturing data from China raising global growth concerns. Shares bounced back from likely oversold territory by end of week mainly supported by mixed US employment data with average hourly wages and unemployment rate in line with expectations while non-farm payroll and initial jobless claims largely missed estimates, discouraging expectations of a June rate hike even further (FF pricing a ~8% rate hike by June 2016 and ~53% by December 2016), although Fedspeak suggested that two hikes this year remain a "reasonable expectation" which supported the US Dollar index, closing higher for the week. As earnings season winds down with 437 S&P 500 companies reporting, corporate earnings are in line with previous quarters, taking into consideration downward revisions of expectations with 75%/54% topping earnings/sales so far. Oil closed slightly lower despite increasing midweek driven by concerns over supply shortage from Canada wildfires expected to cause production shutdowns over the next weeks. US Treasury yields retreated and Gold closed lower after nearing fifteen-month high midweek as investors digested soft macro data. European equities closed lower with the Stoxx 600 at -2.9% on weak earnings from financials and mining as well as disappointment from US macro data. Japanese stocks closed a holiday-shortened week sharply lower with the Nikkei 225 at -7.2% as the Yen neared its highest levels against the Dollar since October 2014. Chinese equities were flat for the week while macro data showed signs of moderating and contracting conditions in the services and manufacturing sectors respectively. Forex reserves exceeded expectations, rising for the second consecutive week likely on weaker dollar/steadying Yuan, while trade deficit in USD widened on higher imports. Important US macro data this week include labor market conditions index, JOLTS job openings, wholesale inventories, EIA crude oil change, initial jobless claims, import price index, retail sales, PPI, Reuters/Michigan consumer sentiment index and business inventories. Other macro data include EU industrial production, EU GDP, UK industrial production, UK NIESR GDP estimate, UK BoE interest rate decision, JPY leading economic index, CNY PPI and CNY CPI. Earnings season to slow with twenty S&P 500 companies due to report such as Walt Disney, Credit Suisse, Macy's, Petrobras among others.

Previous Week Macro Data

	Actual	Cons.
EU Markit composite PMI (Apr)	53.0	53.0
UK Construction PMI	52.0	54.0
EU Retail sales (YoY) (Mar)	2.1%	2.6%
US ADP employment change	156k	195K
US ISM non-manufacturing PMI (Apr)	55.7	54.8
US EIA crude oil Δ (Apr 29)	2.8M	1.4M
CNY Caixin China services PMI	51.8	52.6
US Initial jobless claims (Apr 22)	276K	260K
US Non-farm payroll (Apr)	160K	200K
US Unemployment rate (Apr)	5.0%	5.0%

Upcoming Week Macro Data

	Cons.	Prior
M US Labor market conditions index (Apr)	1.0	-2.1
T CNY PPI (YoY) (Apr)	-3.7%	-4.3%
T CNY CPI (YoY) (Apr)	2.3%	2.3%
T US JOLTS job openings (Mar)	5.40M	5.45M
T US Wholesale inventories (Mar)	-0.1%	-0.5%
W JPY Leading economic index (Mar)	96.3	96.8
W UK Industrial production (YoY) (Mar)	-0.4%	-0.5%
W UK NIESR GDP estimate (3M) (Apr)	-	0.3%
W US EIA crude oil Δ (May 6)	-	2.8M
Th EU Industrial production (YoY) (Mar)	1.1%	0.8%
Th UK BoE interest rate decision (May 12)	0.5%	0.5%
Th US Initial jobless claims (May 6)	270K	274K
Th US Import price index (YoY) (Apr)	-5.3%	-6.2%
F EU GDP (YoY) (Q1)	1.6%	1.6%
F US Retail sales (MoM) (Apr)	0.8%	-0.3%
F US PPI (YoY) (Apr)	0.2%	-0.1%
F US Reuters/Michigan cons. sent. index (Apr)	89.5	89.0
F US Business inventories (Mar)	0.2%	-0.1%

Upcoming Week Key Earnings

M Teva Pharmaceutical Industries, JD.com, Liberty Global
 T Walt Disney, Allergan, ING, Credit Suisse, Nokia, Sun Life
 W Toyota, NetEase, CA Technologies, Macy's
 Th Petrobras, Enbridge, NVIDIA, Aegon, Symantec
 F NTT, Honda, Sumitomo Mitsui, Mizuho

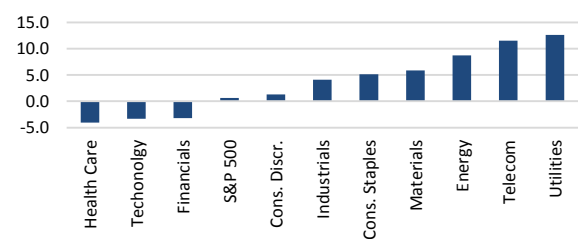
Upcoming Week Policy & Related Events

M US Fed Evans and Kashkari, EU Eurogroup meeting
 Th JPY BoJ Nakaso, UK BoE quarterly inflation report, UK BoE minutes, Fed Rosengren and George
 F JPY BoJ Kuroda, US Fed Williams

	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,057.1	▲ 0.32	▼ -0.40	0.6	18.4	2.2
Dow Jones	17,740.6	▲ 0.45	▼ -0.19	1.8	16.9	2.7
NASDAQ	4,736.2	▲ 0.40	▼ -0.82	-5.4	20.4	1.3
Russell 2000	1,114.7	▲ 0.61	▼ -1.43	-1.9	19.2	1.6
STOXX 600	331.7	▼ -0.36	▼ -2.87	-9.0	17.1	3.8
FTSE 100	6,125.7	▲ 0.14	▼ -1.86	-1.6	19.6	4.3
NIKKEI 225	16,106.7	▼ -6.85	▼ -7.24	-14.8	16.7	2.1
Shanghai Index	2,938.3	▼ -1.99	▬ 0.00	-20.0	13.4	2.2
S&P Pan Arab	645.7	▲ 0.18	▼ -1.45	-2.0	11.5	4.0
MSCI ACWI	1,639.2	▼ -3.19	▼ -3.19	-4.5	16.3	3.6
MSCI EM	805.3	▼ -4.15	▼ -4.15	1.4	11.5	2.9

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	474.9	1.34	7.41
Barclays Global Agg. – Corporate	241.32	2.54	5.98
Barclays Global High Yield	1,109.19	7.14	6.87
Markit CDX N.A. Investment Grade	85.25	NA	NA
Markit CDX N.A. High Yield	101.56	NA	NA
Markit iTraxx Europe	66.2	NA	NA
Markit iTraxx ITX Crossover	366.6	NA	NA

S&P 500 Sector YTD (%)



Rates	Value	Yield %
Treasuries 2-Yr	100.0	0.74
Treasuries 10-Yr	98.6	1.78
Treasuries 30-Yr	97.3	2.63
Gilts 10-Yr	105.1	1.42
Bunds 10-Yr	103.3	0.15
French 10-Yr	99.7	0.53
Italian 10-Yr	104.4	1.51
Spanish 10-Yr	103.1	1.61
Greek 10-Yr	69.3	8.30
JGBs 10-Yr	102.0	-0.10

Volatility	Value	YTD %
S&P 500 VIX	14.7	-19.2
Euro Stoxx 50 VIX	25.1	13.3
Crude Oil VIX	42.6	-8.0
Interest Rate VIX	84.8	3.6

Investment Style YTD (%)

	Value	Blend	Growth
Large	2.4	0.6	-1.0
Mid	6.0	3.9	1.7
Small	5.5	2.4	-0.4

Commodities	Value	YTD %
Oil-Brent	45.8	22.9
Oil-WTI	45.3	22.4
Natural Gas	2.1	-10.2
Gold	1,280.5	20.7
Silver	17.4	25.5
Copper	211.6	-0.9
S&P GSCI	350.6	12.5

Currencies	Value	YTD %
EUR-USD	1.1407	5.0
GBP-USD	1.4414	-2.2
USD-JPY	107.6300	-10.5
USD-CNY	6.5038	0.2
USD-CHF	0.9708	-3.1
AUD-USD	0.7365	1.1
USD-CAD	1.2921	-6.6
USD-SEK	8.1312	-3.7
DXY Index	93.9200	-4.8

FFA Equity Ideas

- ARM Holdings plc (ARM)
- Airbus (AIR)
- Suncor (SU)
- Siemens (SIE)
- Commercial International Bank (COMI)

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@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>