

MONTHLY DRIVERS

The overall stock markets showed resilience to repetitive calls to profit-taking by observers. The higher-than-expected Q2 corporate figures as well as the continuous support provided by the Fed and the ECB have offered investors a new purchasing opportunity, mostly in the tech sector. R. Shiller, Nobel Prize in Economics, argues that the fear of the impact of automation and robotics on the future of our world is pushing investors to buy tech-industries. However, he warns that this technological anxiety is a bit irrational!

KEY INDICES

EQUITIES

- **S&P 500**
- **EuroStoxx 50**
- FTSE 100
- Nikkei 225

FOREIGN EXCHANGE

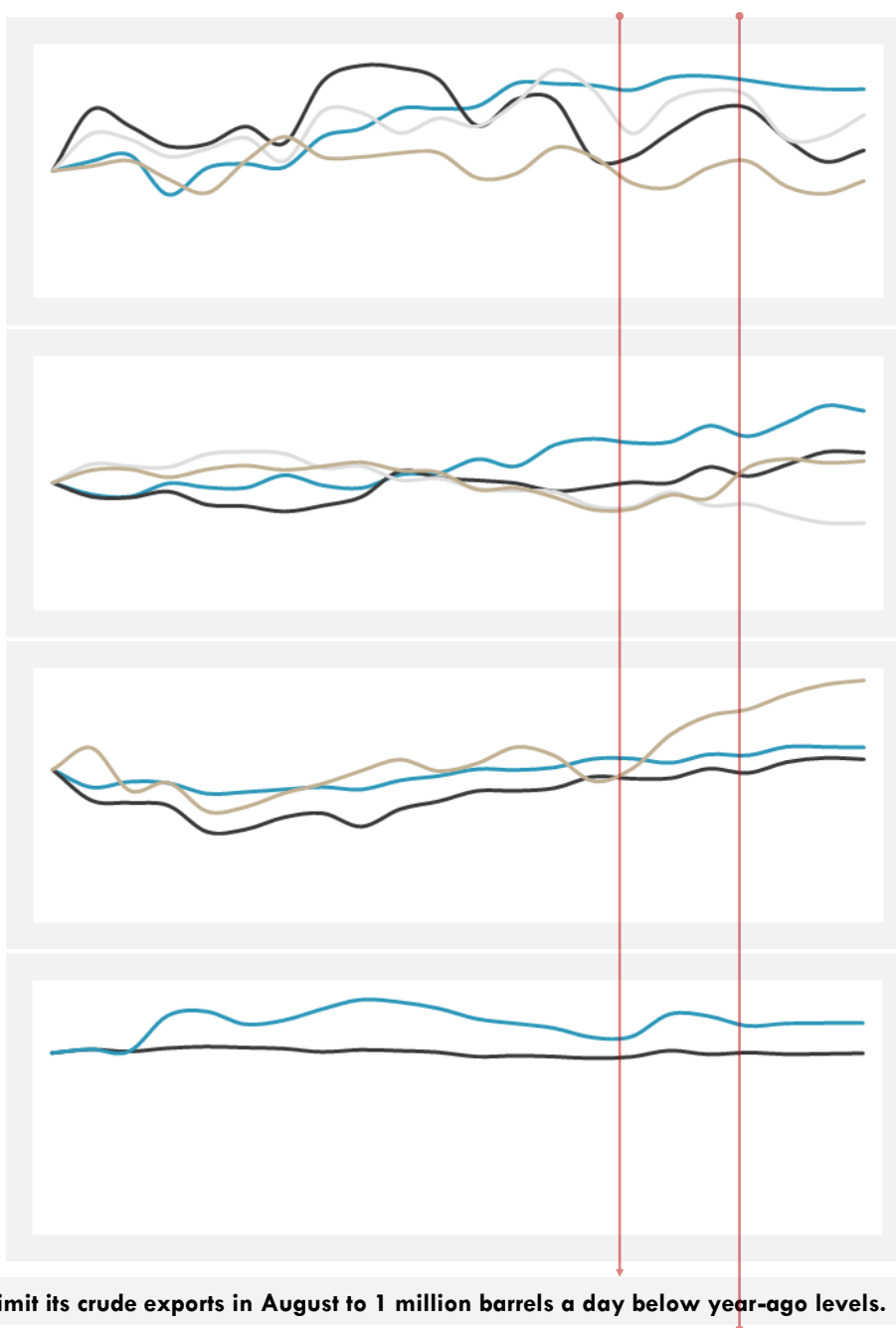
- **EUR/USD**
- **GBP/USD**
- USD/JPY
- **USD/CHF**

COMMODITIES

- **Gold**
- **Silver**
- **Oil**

FIXED INCOME

- **US 10Y Yields**
- **EU 10Y Yields**



July 21: Saudi Arabia vowed to limit its crude exports in August to 1 million barrels a day below year-ago levels.

July 25: President Mario Draghi said the ECB would take a decision in the autumn on any change in its language

Global equities continued to benefit from supportive growth environment, gradual moves at central banks and easy financial conditions. The European Central Bank and Bank of Japan's decisions to leave their monetary policies unchanged comforted investor's sentiment and a weaker dollar has been advantageous for emerging market equities. In the U.S. Earnings momentum continues to be upbeat and markets have digested dwindling hopes for tax reforms. With more than half of the companies in

the S&P 500 having reported 2Q2017 results, earnings are up 9.1% YoY, kicking into high gear and meeting high market expectations. US equity volatility is holding exceptionally low levels, the lowest since 1993. However, continued positive earnings outlook is key to justify high markets valuations, especially as central banks are providing slightly less liquidity and several political issues come into play.

GLOBAL EQUITY BENCHMARK INDICES

	Last Price	MTD %	YTD %	Δ30D Vol
World	1167.34	2.68%	13.22%	-0.79%
Developed	1961.1	2.33%	11.98%	-0.79%
Emerging	1066.23	5.48%	23.65%	0.17%
Frontier	2757.63	2.11%	14.03%	-0.31%
Europe	127.54	-0.42%	4.12%	2.80%
Latin America	2751.96	8.17%	17.57%	-2.53%
Asia Pacific	160.35	3.73%	18.74%	-0.94%

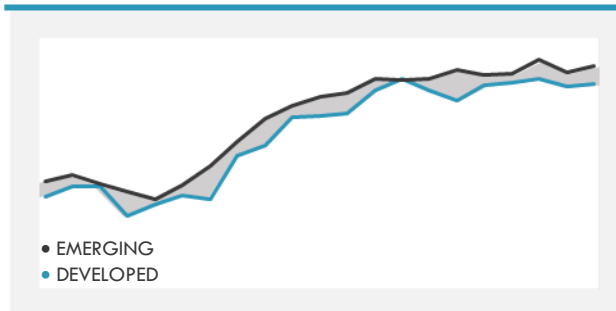
INTERNATIONAL EQUITY INDICES

	Last Price	MTD %	YTD %	Δ30D Vol
EuroStoxx 50	3449.36	0.22%	4.83%	1.76%
FTSE 100	7372	0.81%	3.21%	1.52%
CAC 40	5093.77	-0.53%	4.76%	2.56%
DAX	12118.25	-1.68%	5.55%	0.68%
Swiss SMI	9055	1.66%	10.16%	0.43%
Nikkei 225	19925.18	-0.54%	4.24%	-2.06%
CSI 300	3737.87	1.94%	12.92%	0.15%

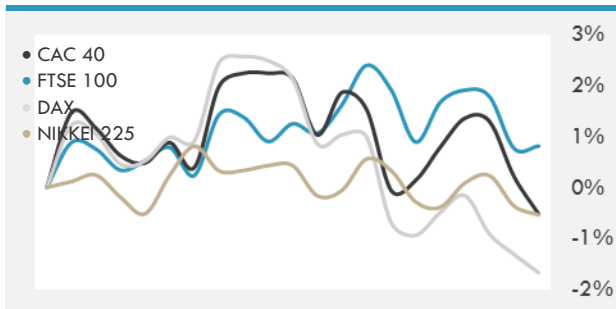
S&P 500 IN FOCUS

	Last Price	MTD %	YTD %	Δ30D Vol
S&P Indices				
S&P 500	2470.3	1.93%	10.34%	0.21%
S&P Value	1049.59	1.20%	4.84%	0.15%
S&P Growth	1409.15	2.53%	15.22%	-0.39%
Sectors Indices				
Discretionary	726.6456	1.76%	12.17%	-0.15%
Staples	569.04	0.39%	7.01%	-0.11%
Energy	489.57	2.44%	-11.71%	-2.57%
Financials	416.17	1.61%	7.67%	-1.32%
Healthcare	923.11	0.67%	15.84%	1.10%
Industrials	582.99	0.01%	8.35%	0.08%
IT	980.4	4.27%	21.34%	-2.13%
Materials	342.02	1.36%	9.57%	-0.21%
Telecom	161.84	5.07%	-8.36%	11.39%
Utilities	270.04	2.38%	9.40%	0.12%
Real Estate	201.24	1.12%	5.79%	4.12%

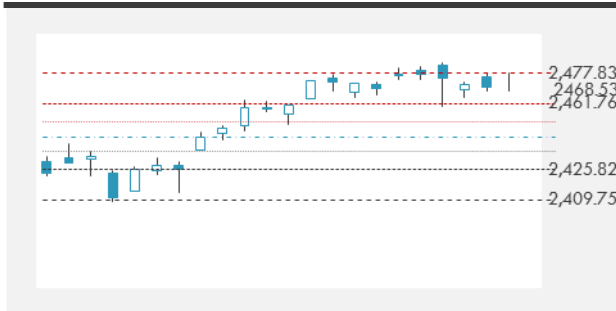
DEVELOPED VS EMERGING - MONTH TO DATE



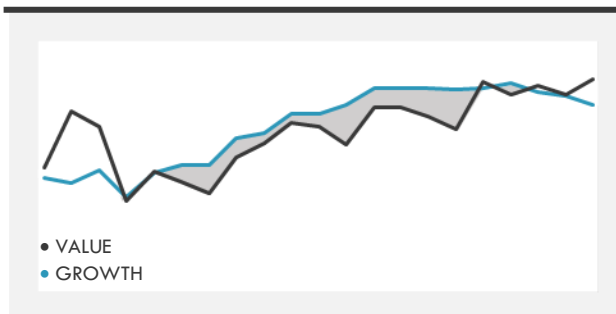
INTERNATIONAL EQUITY - MONTH TO DATE



S&P 500 SUPPORT & RESISTANCE



S&P VALUE VS GROWTH



A broadening of the economic expansion to Europe, EM and Japan, lack of policy action from the Trump Administration and stumbled health care reforms, have restrained the US dollar. The currency weakened against major currencies after a marginally dovish Fed as commentary indicated a careful approach to withdrawing stimulus. The ECB and BoJ kept policy unchanged. Expectations for the ECB to announce tapering in September cooled, and the BoJ pushed back the expected date for

reaching its inflation target. The Euro advanced, breaking above 1.18/USD, the highest level since 2015, reflecting positive GDP and inflation data. The Yen strengthened, but a gradual decline in the US Fed balance sheet versus expanding BoJ balance sheet is a likely positive for the US dollar. Despite recent hawkish BOE stance, no definitive plan for the Brexit negotiations may pressure the GBP.

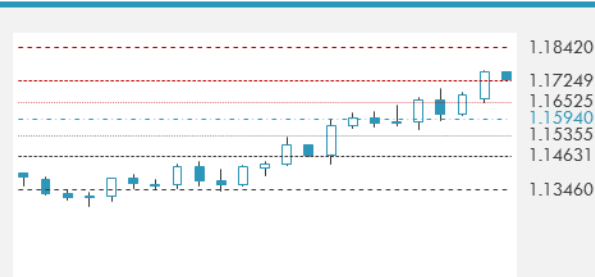
FOREIGN EXCHANGE PERFORMANCE

	Last Price	MTD %	Δ30D	Vol 25	ΔRR
Major Indices					
USD Index	1153.4	-2.57%	0.03%	-	-
EUR/USD	1.1842	3.64%	0.11%	0.410	
USD/JPY	110.26	-1.90%	0.00%	-1.070	
GBP/USD	1.3215	1.46%	0.00%	-0.120	
USD/CAD	1.248	-3.73%	-0.27%	0.035	
AUD/USD	0.8003	4.08%	-0.13%	-0.135	
NZD/USD	0.7512	2.44%	0.01%	-0.163	
USD/CHF	0.9669	0.94%	-0.03%	0.363	
USD/NOK	7.8638	-5.78%	0.17%	-0.015	
USD/SEK	8.0678	-4.32%	0.11%	-0.050	
USD/CNY	6.7266	-0.80%	0.00%	0.320	
Major EUR Cross Rate					
EUR/GBP	0.89608	2.16%	0.04%	0.253	
EUR/CHF	1.1449	4.55%	0.07%	1.348	
EUR/JPY	130.57	1.69%	0.10%	-0.328	

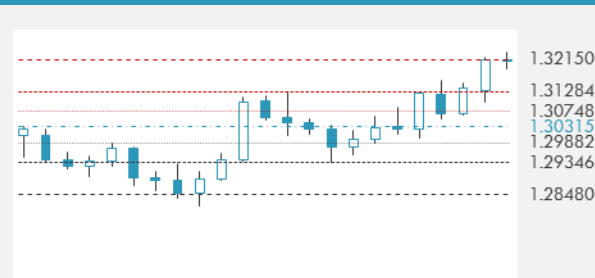
DISTANCE FROM 52 WEEKS LOW/HIGH

	52W Low	52W High
EUR/JPY	112.09	130.77
EUR/CHF	1.0632	1.1455
EUR/GBP	0.8305	0.9415
USD/CNY	6.6168	6.9649
USD/SEK	8.0577	9.4482
USD/NOK	7.8571	8.7584
USD/CHF	0.9439	1.0344
NZD/USD	0.6818	0.7558
AUD/USD	0.7160	0.8066
USD/CAD	1.2414	1.3793
GBP/USD	1.1841	1.3445
USD/JPY	99.54	118.66
EUR/USD	1.0341	1.1846
USD Index	1152.48	1280.78

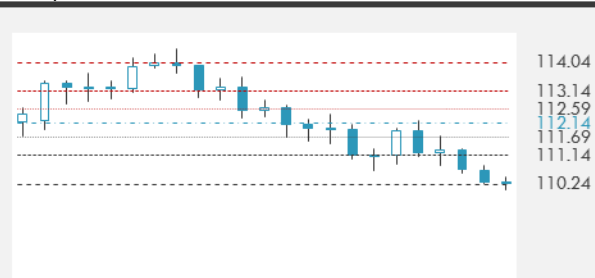
EUR/USD 1 MONTH SUPPORT & RESISTANCE



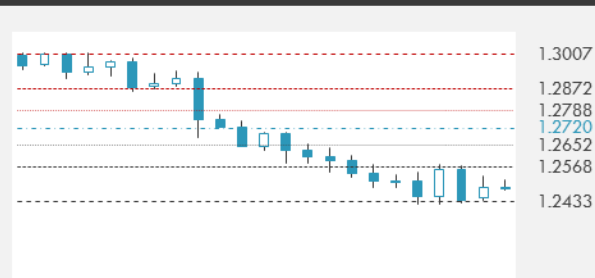
GBP/USD 1 MONTH SUPPORT & RESISTANCE



USD/JPY 1 MONTH SUPPORT & RESISTANCE



USD/CAD 1 MONTH SUPPORT & RESISTANCE



In its FOMC statement, the Fed indicated it is ready to begin implementing its balance sheet normalization, allowing some of its bond holdings to mature “relatively soon.” The Fed held rates steady while acknowledging that inflation is running below its 2% target. However, fading hopes of pro-growth legislations such as tax reforms and health care bill are likely to pressure yields. Investment Grade Credit spreads have trended lower, supported by a

stable macro environment, ongoing search for yield and low market volatility. However, strong corporate earnings, firm investor demand are required to maintain tight spreads. In Europe, core and peripheral yields rose as markets saw higher-than-expected core inflation foreshadowing ECB tapering. European bonds continue to perform supportive by positive economic data, fading political risks and the ECB’s corporate sector purchases.

GLOBAL BOND INDICES

	Yield	ΔYield (in Bps)
Benchmark Indices		
US 10 Years Benchmark	2.2942	-0.010
EU 10 Years Benchmark	0.543	0.077
UK 10 Years Benchmark	1.23	-0.027
Sovereign Bonds		
US Treasury Bond	1.855	-0.033
Eurozone Sovereign Bond	0.653	-0.028
U.K. Sovereign Bond	1.168	-0.053
Japan Sovereign Bond	0.147	0.005
USD Emerging Sovereign Bond	4.603	-0.037
Corporate Bonds		
US Investment Grade Bond	3.121	-0.084
US High Yield Bond	5.543	-0.188
EUR Investment Grade Bond	0.675	-0.103
EUR High Yield Bond	1.988	-0.436
USD Emerging Market IG & HY	4.65	-0.127

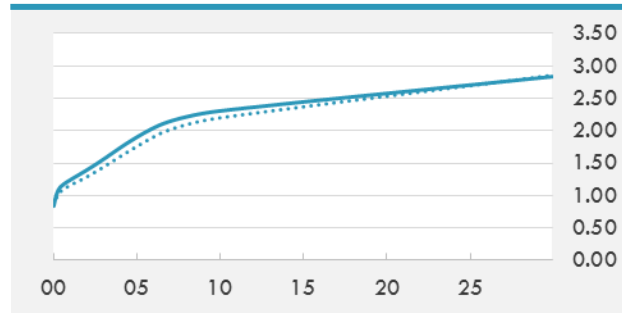
OVERNIGHT RATES - SWAPS

	Rate	ΔRate (in Bps)
3M USD LIBOR	1.31056	0.0114
3M EUR EURIBOR	-0.329	0.0020
3M GBP LIBOR	0.28588	-0.0208
3Y USD SWAP	1.715	-0.0359
5Y USD SWAP	1.9077	-0.0503
10Y USD SWAP	2.2483	-0.0327
30Y USD SWAP	2.5553	0.0158

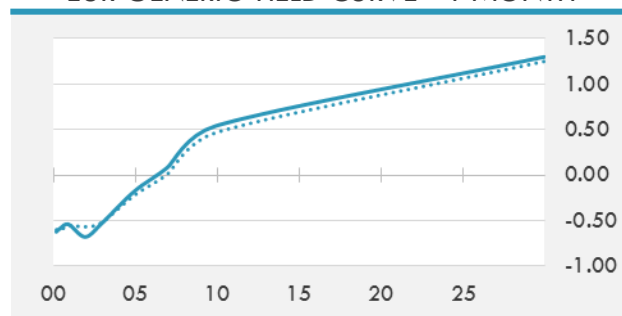
FIXED INCOME SPREADS

	Spread	ΔSpread (in Bps)
USD 3M vs 10Y Spread	1.21675	(0.0706)
USD 2Y vs 10Y Spread	0.9391	0.0211
USD IG Spread	1.35	(0.0600)
USD HY Spread	3.11	(0.2100)
EU vs US 10Y Spread	-1.7479	0.0893
EU vs US 2Y Spread	-2.0271	(0.0737)
EM vs Benchmark Spread	2.456	(0.0470)

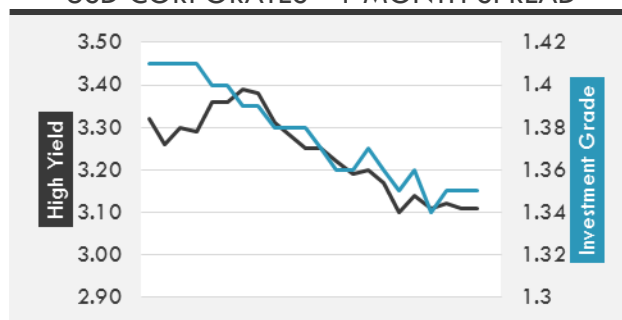
US TREASURIES YIELD CURVE - 1 MONTH



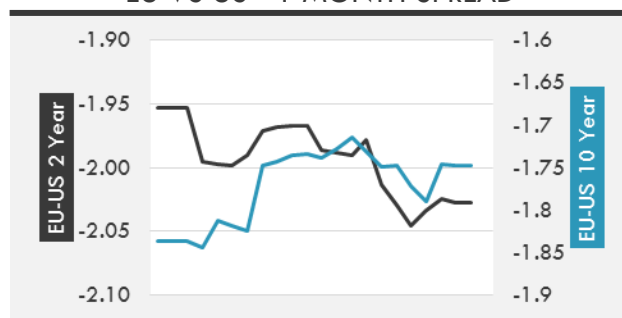
EUR GENERIC YIELD CURVE - 1 MONTH



USD CORPORATES - 1 MONTH SPREAD



EU VS US - 1 MONTH SPREAD



GLOBAL COMMODITIES MARKET

	Last Price	Daily %
Commodity Index	84.39	2.17%

Energy

WTI Crude Future	50.17	8.38%
Brent Crude Future	52.72	7.50%
NYMEX Gasoline	167.66	11.59%
NYMEX Heat Oil	166.74	11.85%
ICE Gasoil	487.5	11.56%
NYMEX Natural Gas	2.794	-7.82%

Precious Metals

Gold Spot \$/Oz	1269.44	2.24%
Silver Spot \$/Oz	16.8271	1.17%
Platinum Spot \$/Oz	940.6	1.59%
Palladium Spot \$/Oz	887.4	5.12%
Gold Future	1273.4	1.90%
Silver Future	16.786	0.96%
Platinum Future	940.7	0.00%
Palladium Future	885.4	0.00%

Base Metals

LME Aluminum	1918	-0.05%
LME Copper	6369	7.28%
LME Zinc	2795	1.34%
LME Nickel	10215	8.79%
LME Lead	2334	1.83%
LME Tin	20650	3.38%

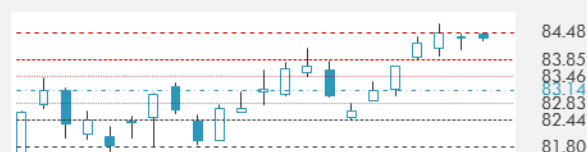
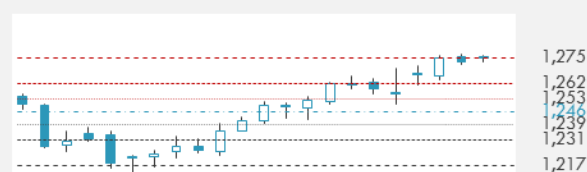
Agricultural

Corn CBT	384.75	-1.85%
Wheat CBT	474.5	-9.79%
Soybeans CBT	1007.25	5.50%
Bean Meal CBT	325.4	4.56%
Rough Rice CBT	12.26	3.77%
MDE Palm Oil	2675	8.78%
Soybean CBT	35.13	5.37%
Coffee ICE	139.25	10.78%
Sugar #11 ICE	14.91	7.97%
Cotton #2 ICE	68.86	0.39%
Cocoa ICE	2060	6.19%
Ethanol CME	1.549	2.04%
Lumber CME	378.3	6.23%
Orange Juice ICE	131.65	-0.68%
Live Cattle CME	111.95	-2.82%
Feeder Cattle CME	146.175	-1.18%
Lean Hogs CME	66.025	-6.28%

Oil prices registered a recovery as OPEC meeting review lifted hopes of better production cuts compliance and as Saudi pledged deeper export cuts in August.

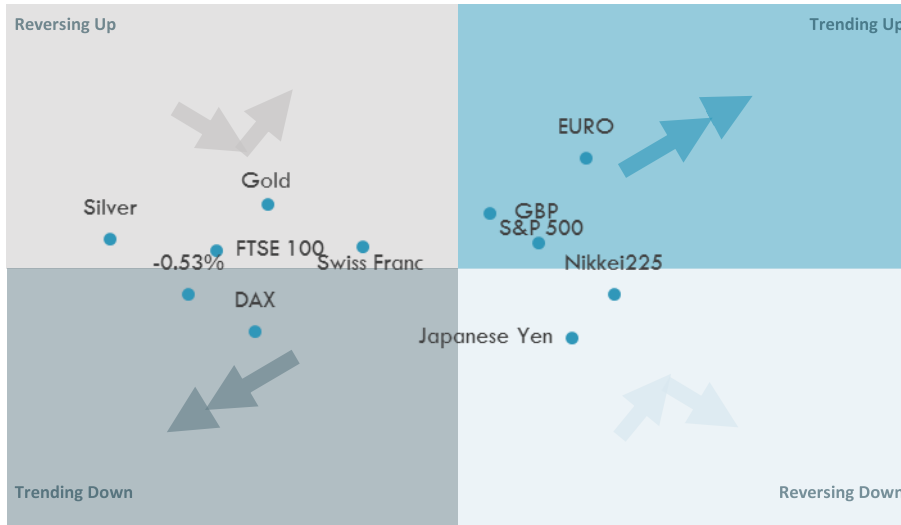
US inventories marked the largest decline this year reestablishing the balance for the commodity. Furthermore, Nigeria volunteered to stabilize its output at 1.8 Million Barrels per day further helping price recovery. However, shale production continues to increase and the EIA forecasts total oil output to reach a new record presenting a head-wind for oil prices.

Gold has experienced a bullish momentum during the month of July mainly driven by a weakness in the US Dollar as political uncertainty increased due to the Trump Administration's failure to pass the Healthcare bill, putting question marks over the President's ability to fulfill his campaign promises. If the White House proves its inability to pass legislation, especially with the upcoming Tax Reform hurdle, the dollar will continue its devaluation pushing gold further up. In addition, any increase in geopolitical tension might drive the bullion higher, as Ballistic Missile Testing in North Korea continues and instability in the Middle East increases.

COMMODITY INDEX SUPPORT & RESISTANCE

GOLD 1 MONTH SUPPORT & RESISTANCE




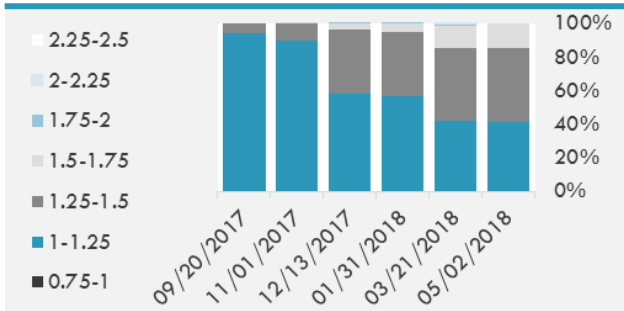
KEY ASSETS TRENDS



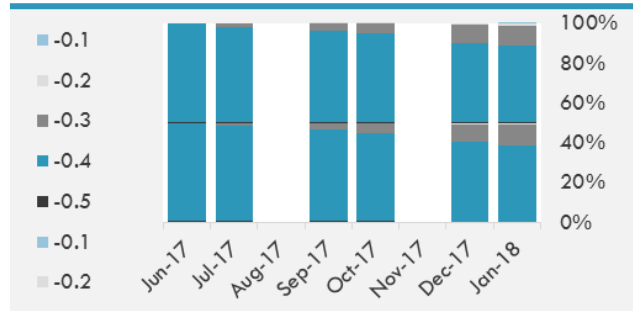
* Monthly trends are calculated based on the last two-month period

CENTRAL BANKS WATCH - IMPLIED RATES PROBABILITIES

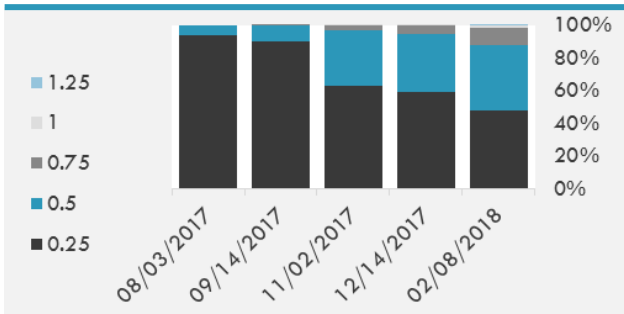
FEDERAL RESERVES



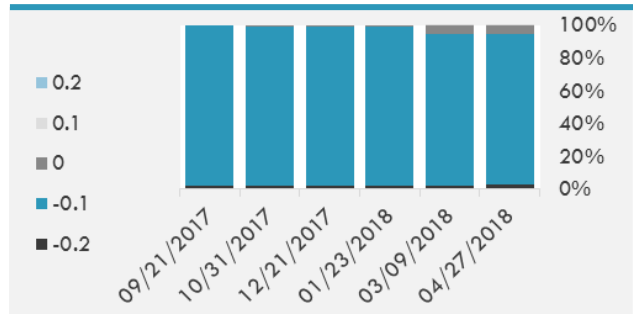
EUROPEAN CENTRAL BANK



BANK OF ENGLAND



BANK OF JAPAN



FEAR BAROMETERS



LOW FEAR HIGH FEAR

The CS Fear Barometer measures investor sentiment for 3-month investment horizons by pricing a zero-cost collar. The higher the level, the greater the fear.



LOW VOLATILITY HIGH VOLATILITY

The Chicago Board Options Exchange Volatility Index reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes.

KEY ECONOMIC INDICATORS

Country	Event	Date
United States	Change in Nonfarm Payrolls	08/04/2017 15:30
Japan	Industrial Production MoM	08/15/17 07:30
United Kingdom	Bank of England Bank Rate	08/03/2017 14:00
United States	Initial Jobless Claims	08/03/2017 15:30
Germany	IFO Business Climate	08/25/17 11:00
Japan	Jobless Rate	08/29/17 02:30
United Kingdom	GDP QoQ	08/24/17 11:30
Italy	Manufacturing Confidence	08/28/17 11:00
France	Industrial Production MoM	08/10/2017 9:45
China	CPI YoY	08/09/2017 4:30
United States	GDP Annualized QoQ	08/30/17 15:30
Japan	GDP SA QoQ	08/14/17 02:50
Germany	ZEW Survey Expectations	08/22/17 12:00
United Kingdom	GDP YoY	08/24/17 11:30
United States	CPI MoM	08/11/2017 15:30
Japan	BoP Current Account Balance	08/08/2017 2:50
Canada	CPI YoY	08/18/17 15:30
United States	ISM Manufacturing	08/01/2017 17:00
Eurozone	CPI YoY	08/17/17 12:00
United Kingdom	CPI YoY	08/15/17 11:30
Germany	ZEW Survey Current Situation	08/22/17 12:00
Italy	CPI EU Harmonized YoY	08/11/2017 11:00
United States	Conf. Board Consumer Confidence	08/29/17 17:00
Japan	GDP Annualized SA QoQ	08/14/17 02:50

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