

US equities rose for the month of December. Sentiment was largely driven by renewed trade optimism, the persistently accommodating Fed and PBOC, the U.S labor market and consumer strength and stabilizing global growth. The U.S-China "phase one" deal remained in focus as President Trump said the trade deal would be signed at a White House ceremony on January 15. He also said that "phase two" negotiations should be held in Beijing. Also the Federal Reserve continues to offer loose monetary policy. Looking forward we are favorable U.S equities despite concerns over geopolitical tensions between Iran and the United States remained high following last Friday's

airstrike that killed a top Iranian military official. European equities also rose significantly supported by the fact that the U.S didn't impose tariffs on EU auto exports. Moreover, the large majority for the Conservative Party in the UK election in December removed the threat of nationalization for some utility companies. In addition, the election meant that the UK could pass a European Union withdrawal bill, activating a transition period during which little will change, until the end of 2020. Looking forward, we are favorable European equities.

GLOBAL EQUITY BENCHMARK INDICES

	Last Price	MTD %	YTD %	Δ30D Vol
World	1381.11	3.40%	0.00%	0.80%
Developed	2358.47	2.89%	0.00%	1.19%
Emerging	1114.66	7.17%	0.00%	-0.89%
Frontier	2752.56	4.44%	0.00%	-0.64%
Europe	139.6	2.00%	0.00%	4.04%
Latin America	2917.72	9.81%	0.00%	-4.53%
Asia Pacific	170.66	4.22%	0.00%	0.14%

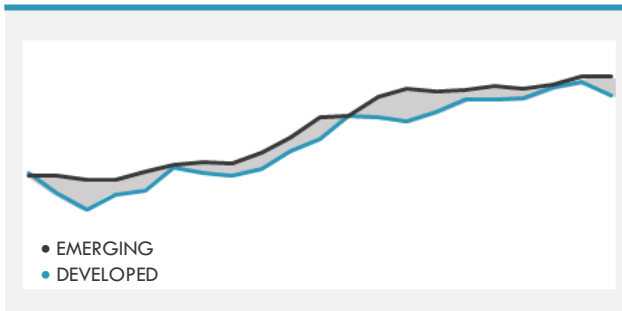
INTERNATIONAL EQUITY INDICES

	Last Price	MTD %	YTD %	Δ30D Vol
EuroStoxx 50	3745.15	1.12%	0.00%	5.38%
FTSE 100	7542.44	2.67%	0.00%	3.40%
CAC 40	5978.06	1.23%	0.00%	4.92%
DAX	13249.01	0.10%	0.00%	3.49%
Swiss SMI	10616.94	1.18%	0.00%	3.20%
Nikkei 225	23656.62	1.56%	0.00%	1.93%
CSI 300	4096.58	7.00%	0.00%	-0.29%

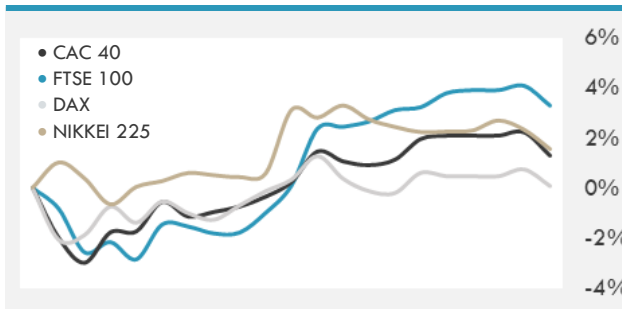
S&P 500 IN FOCUS

	Last Price	MTD %	YTD %	Δ30D Vol
S&P Indices				
S&P 500	3230.78	2.86%	0.00%	1.57%
S&P Value	1285.77	2.91%	0.00%	1.28%
S&P Growth	1952.62	2.82%	0.00%	1.02%
Sectors Indices				
Discretionary	986.2906	2.65%	0.00%	1.48%
Staples	646.97	2.03%	0.00%	-0.68%
Energy	456.46	5.82%	0.00%	-5.48%
Financials	511.39	2.49%	0.00%	2.21%
Healthcare	1188.2	3.44%	0.00%	-2.52%
Industrials	687.6	-0.16%	0.00%	-0.20%
IT	1611.17	4.42%	0.00%	-0.92%
Materials	385.85	2.83%	0.00%	0.38%
Telecom	181.64	1.91%	0.00%	-0.48%
Utilities	328.36	3.14%	0.00%	-2.82%
Real Estate	240.32	0.79%	0.00%	0.32%

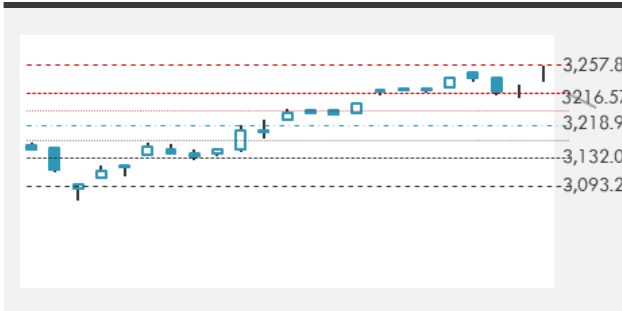
DEVELOPED VS EMERGING - MONTH TO DATE



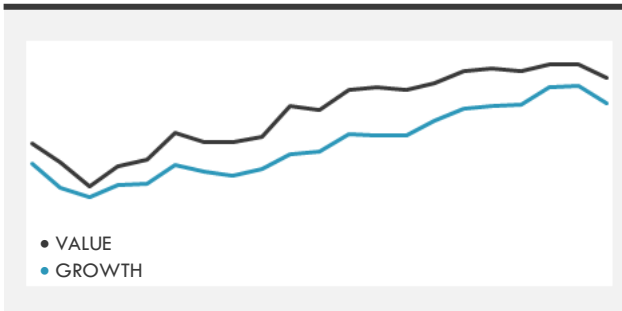
INTERNATIONAL EQUITY - MONTH TO DATE



S&P 500 SUPPORT & RESISTANCE



S&P VALUE VS GROWTH



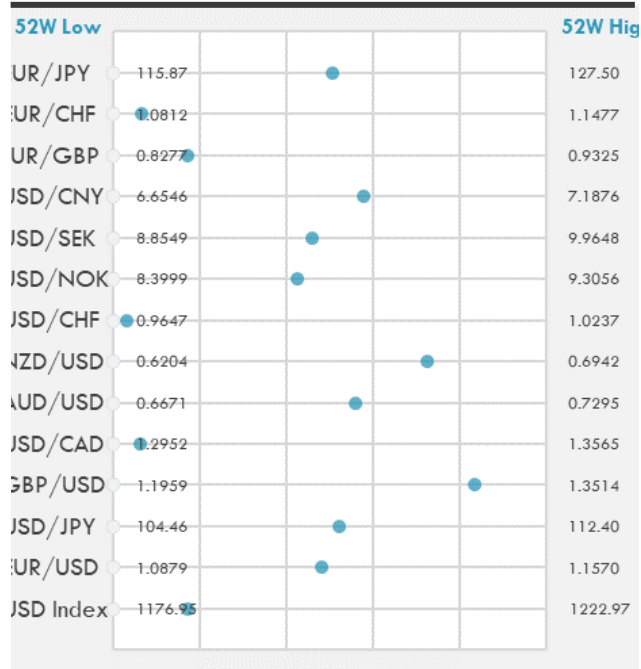
The U.S. Dollar has been under pressure against a basket of currencies since the U.S. and China announced Phase One of a trade deal on December 15. Therefore the U.S Dollar weakened as optimism around easing trade tensions between the two countries continued to reduce the greenback's appeal as a safe-haven assets. Moreover the Federal Reserve left interest rates unchanged as expected, but signaled it would not raise interest rates either in 2020. Looking forward, we remain bearish on the U.S dollar for the short to medium term. The Euro finished higher against the U.S. Dollar for the month of December as investors continued to express optimism in the growth pro-

spects of the global economy amid the easing of tensions between the U.S and China. Furthermore, the Euro is being boosted by a bullish outlook for the Eurozone economy. Looking forward, the currency's reaction around 1.12 level is key to determine the euro's direction. Sterling's initial rally after the election result soon faded when it was announced that it would be made law that there would be no extension to the transition period beyond the end of 2020, giving the UK government a very short period of time to agree a free trade deal that avoids a hard Brexit. Looking forward, for the medium to long term we see sterling trading around 1.40.

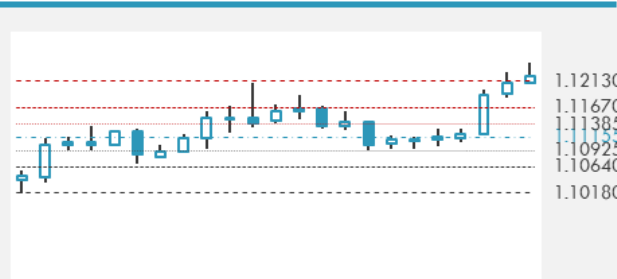
FOREIGN EXCHANGE PERFORMANCE

	Last Price	MTD %	Δ30D	Vol 25	ΔRR
Major Indices					
USD Index	1184.83	-2.00%	0.01%	-	
EUR/USD	1.1213	1.77%	0.01%	0.118	
USD/JPY	108.61	-0.80%	-0.26%	-0.900	
GBP/USD	1.3257	2.57%	-0.04%	0.090	
USD/CAD	1.299	-2.20%	0.02%	0.055	
AUD/USD	0.7021	3.81%	0.55%	-0.405	
NZD/USD	0.674	4.95%	0.23%	-0.270	
USD/CHF	0.9666	-3.36%	0.04%	-0.440	
USD/NOK	8.7855	-4.76%	0.05%	0.155	
USD/SEK	9.3650	-2.19%	0.05%	0.145	
USD/CNY	6.9632	-0.99%	0.31%	0.160	
EUR/GBP	0.84593	-0.70%	-0.19%	-0.035	
EUR/CHF	1.08559	-1.48%	0.02%	-0.280	
EUR/JPY	121.77	0.96%	0.00%	-0.563	

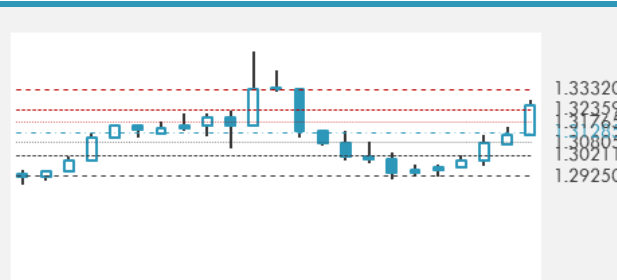
DISTANCE FROM 52 WEEKS LOW/HIGH



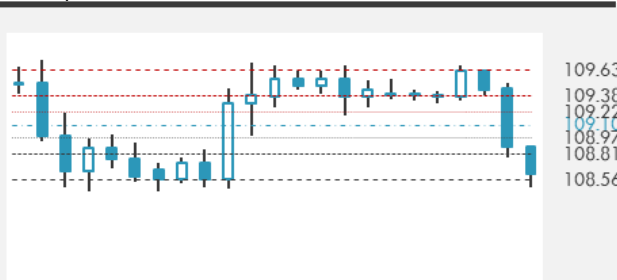
EUR/USD 1 MONTH SUPPORT & RESISTANCE



GBP/USD 1 MONTH SUPPORT & RESISTANCE



USD/JPY 1 MONTH SUPPORT & RESISTANCE



USD/CAD 1 MONTH SUPPORT & RESISTANCE



U.S. Treasury yields ended 2019 sharply lower overall, and declined modestly last week. The year finished with interest rates lower overall, led by short maturities. Declining Treasury yields are usually associated with a negative market tone, but last year's move was largely propelled by Fed policy cuts. In fact, market sentiment was mostly positive, as reflected by a steeper yield curve and out-sized returns from risk assets. However, the yield curve flattened modestly last week due to escalating U.S-Iran tensions. Looking forward, expectations for a Federal Reserve rate cut in 2020 rose to 66% on deteriorating risk sentiment, therefore yields will continue to weaken.

Eurozone government bond yields were steady for the month of December. Recently yields edged up from around three-week lows as fears of an all-out conflict between the United States and Iran abated, reducing demand for safe-haven assets. With the European Central Bank maintaining an accommodative monetary policy to stimulate inflation, investors will keep a close eye on inflation data throughout 2020. The resumption of asset purchase by the ECB would support EU Bonds, therefore we continue to favor the peripherals.

GLOBAL BOND INDICES

	Yield	ΔYield (in Bps)
Benchmark Indices		
US 10 Years Benchmark	1.9175	0.142
EU 10 Years Benchmark	-0.185	0.175
UK 10 Years Benchmark	0.822	0.125
Sovereign Bonds		
US Treasury Bond	1.8	0.04
Eurozone Sovereign Bond	-0.001	0.086
U.K. Sovereign Bond	-0.113	0.053
Japan Sovereign Bond	0.601	0.088
Corporate Bonds		
US Investment Grade Bond	2.836	-0.034
US High Yield Bond	5.191	-0.395
EUR Investment Grade Bond	0.506	-0.002
EUR High Yield Bond	3.456	-0.229
USD Emerging Market IG & HY	4.861	-0.189

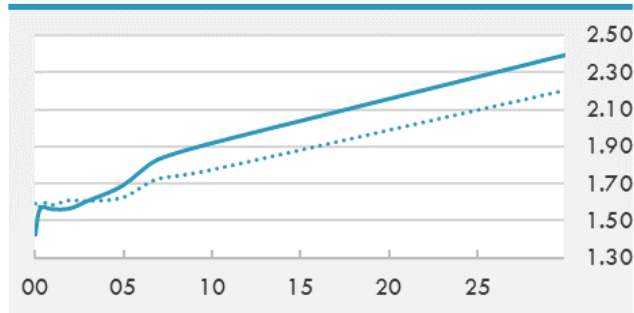
OVERNIGHT RATES - SWAPS

	Rate	ΔRate (in Bps)
3M USD LIBOR	1.90838	0.0029
3M EUR EURIBOR	-0.383	0.0180
3M GBP LIBOR	0.79163	-0.0015
3Y USD SWAP	1.689	0.1070
5Y USD SWAP	1.729	0.1430
10Y USD SWAP	1.895	0.1944
30Y USD SWAP	2.0914	0.2160

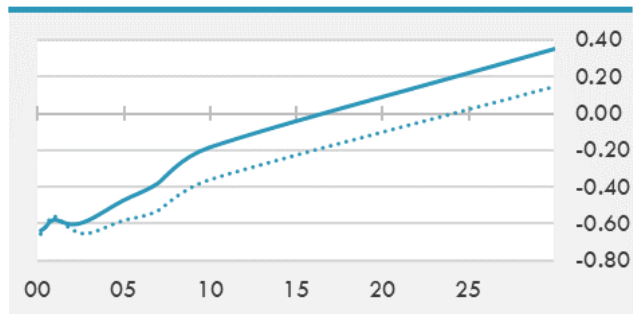
FIXED INCOME SPREADS

	Spread	ΔSpread (in Bps)
USD 3M vs 10Y Spread	0.36362	0.1704
USD 2Y vs 10Y Spread	0.34442	0.1845
USD IG Spread	1.25	(0.1300)
USD HY Spread	3.27	(0.5400)
EU vs US 10Y Spread	-2.0642	0.0715
EU vs US 2Y Spread	-2.1659	0.0731
EM vs Benchmark Spread	2.466	(0.1170)

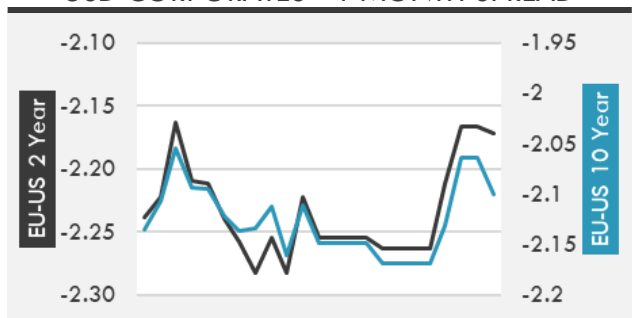
US TREASURIES YIELD CURVE - 1 MONTH



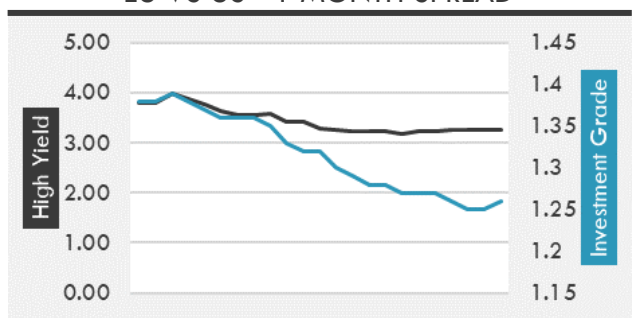
EUR GENERIC YIELD CURVE - 1 MONTH



USD CORPORATES - 1 MONTH SPREAD



EU VS US - 1 MONTH SPREAD



GLOBAL COMMODITIES MARKET

	Last Price	MTD %
Commodity Index	80.89	4.90%

Energy

WTI Crude Future	61.06	10.74%
Brent Crude Future	66	10.28%
NYMEX Gasoline	169.05	6.00%
NYMEX Heat Oil	202.28	7.82%
ICE Gasoil	614	7.39%
NYMEX Natural Gas	2.189	-3.23%

Precious Metals

Gold Spot \$/Oz	1517.27	3.64%
Silver Spot \$/Oz	17.8523	4.83%
Platinum Spot \$/Oz	966.58	7.87%
Palladium Spot \$/Oz	1945.62	5.64%
Gold Future	1523.1	3.42%
Silver Future	17.921	4.76%
Platinum Future	977.8	0.00%
Palladium Future	1909.3	0.00%

Base Metals

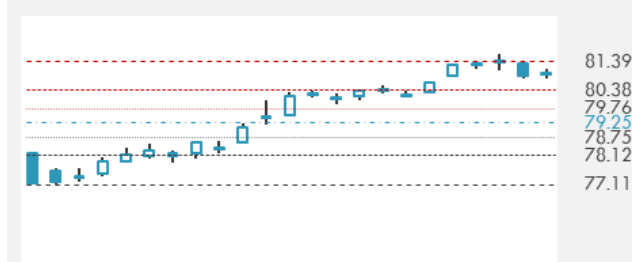
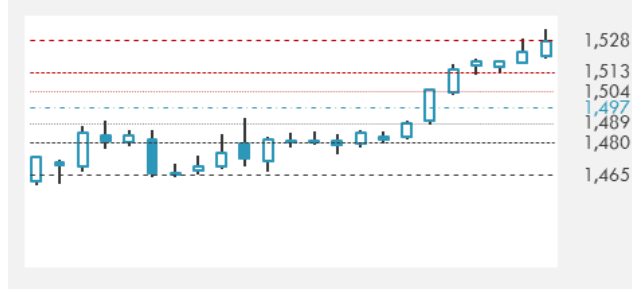
LME Aluminum	1810	2.26%
LME Copper	6174	5.29%
LME Zinc	2272	-0.07%
LME Nickel	14025	2.60%
LME Lead	1927	-0.49%
LME Tin	17175	4.12%

Agricultural

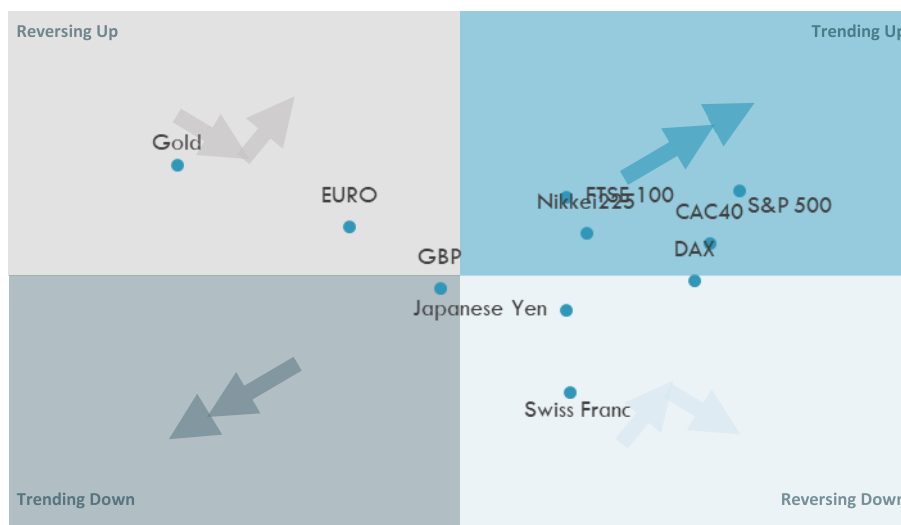
Corn CBT	387.75	1.70%
Wheat CBT	558.75	3.14%
Soybeans CBT	955.5	7.21%
Bean Meal CBT	304.7	2.56%
Rough Rice CBT	13.285	5.06%
MDE Palm Oil	3052	11.22%
Soybean CBT	34.77	12.71%
Coffee ICE	129.7	8.95%
Sugar #11 ICE	13.42	3.71%
Cotton #2 ICE	69.05	5.65%
Cocoa ICE	2540	-1.09%
Ethanol CME	1.393	-1.14%
Lumber CME	426.2	1.31%
Orange Juice ICE	99.75	-1.82%
Live Cattle CME	125.925	-0.22%
Feeder Cattle CME	144.225	0.84%
Lean Hogs CME	71.425	4.77%

The rise in Gold prices was mainly driven by a tariff war between the world's two largest economies, quantitative easing by major central banks and a weak dollar. With the Fed likely to hold rates steady in 2020 and the Reserve Banks of Australia and New Zealand expected to delay future rate cuts, gold gains may be limited over the near-term. However, after the U.S. airstrike killed the Iranian military leader, we believe that Gold prices have further room to the upside with rising Middle East tensions as everyone now awaits a possible retaliatory response by Iran.

Oil prices have been lifted by a combination of supply shortages and a falling dollar. OPEC December meeting was over with a typical agreement signed by all parties to cut down the oil extraction in the first quarter of 2020. The December agreement is expected to expire in March 2020, when the next meeting of OPEC+ is scheduled to take place. Furthermore, the U.S. airstrike on Baghdad have increased oil prices. Looking forward, the rising middle east tensions and Iran's retaliations could send oil prices even higher.

COMMODITY INDEX SUPPORT & RESISTANCE

GOLD 1 MONTH SUPPORT & RESISTANCE


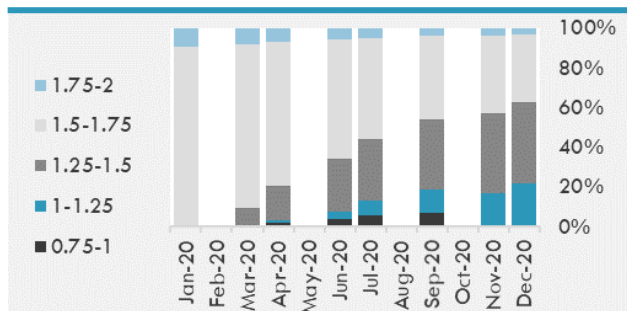
KEY ASSETS TRENDS



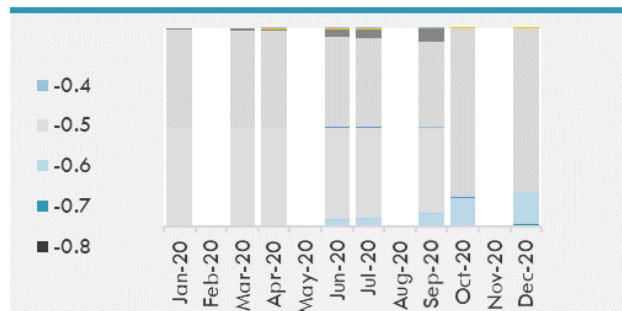
* Monthly trends are calculated based on the last two-month period

CENTRAL BANKS WATCH - IMPLIED RATES PROBABILITIES

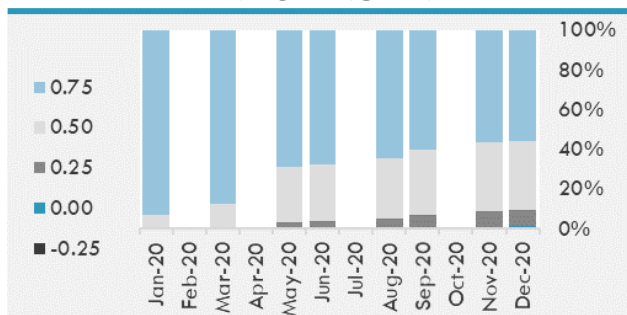
FEDERAL RESERVE



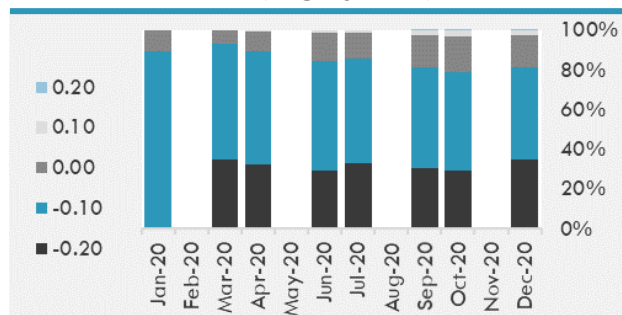
EUROPEAN CENTRAL BANK



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
Canada	Bank of Canada Rate Decision	01/22/20 17:00
China	CPI YoY	01/09/2020 3:30
Eurozone	ECB Main Refinancing Rate	01/23/20 14:45
France	Markit France Manufacturing PMI	01/24/20 10:15
France	Markit France Manufacturing PMI	02/03/2020 10:50
Germany	IFO Business Climate	01/27/20 11:00
Germany	ZEW Survey Expectations	01/21/20 12:00
Italy	Manufacturing Confidence	01/29/20 11:00
Japan	Industrial Production MoM	01/20/20 06:30
Japan	Industrial Production MoM	01/31/20 01:50
Japan	Jobless Rate	01/31/20 01:30
United Kingdom	Bank of England Bank Rate	01/30/20 14:00
United Kingdom	CPI YoY	01/15/20 11:30
United States	Change in Nonfarm Payrolls	01/10/2020 15:30
United States	Change in Nonfarm Payrolls	02/07/2020 15:30
United States	Initial Jobless Claims	01/09/2020 15:30
United States	Initial Jobless Claims	01/16/20 15:30
United States	Initial Jobless Claims	01/23/20 15:30
United States	Initial Jobless Claims	01/30/20 15:30
United States	Initial Jobless Claims	02/06/2020 15:30
United States	FOMC Rate Decision (Upper Bound)	01/29/20 21:00
United States	GDP Annualized QoQ	01/30/20 15:30
United States	CPI MoM	01/14/20 15:30
United States	DOE U.S. Crude Oil Inventories	01/08/2020 17:30

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