

Optimism about trade has been a factor behind the rally in global equities in the past month. President Trump said that negotiators were in the "final throes" of talks. The next tariff deadline falls on Dec 15. U.S data pointed to a resilient domestic economy, therefore we expect the Fed to hold rates steady at its upcoming meeting on Dec. 10-11. Overall, U.S equity markets are moving cautiously upwards, while volatility continues to contract, therefore we adopt a neutral stance bearing in mind that trade updates will continue to be the market driver. In Europe, a temporary de-escalation in U.S.-China tensions and fading odds of the UK crashing out of the EU has sparked a relief rally

in European equities. Euro area flash PMIs pointed to a slower pace of deceleration in manufacturing, but services PMIs disappointed, raising concerns of spillover risks. The UK also avoided recession, but the economy grew at its slowest annual rate in about a decade, pressured by Brexit uncertainty. UK general election will be held on Dec.12 and there is expectations that the Conservative Party might win a majority. Looking forward we are neutral on European equities as geopolitical and Brexit development weigh on the market, however dovish shift by the European Central Bank should provide an offset.

### GLOBAL EQUITY BENCHMARK INDICES

	Last Price	MTD %	YTD %	Δ30D Vol
World	1305.77	2.64%	17.26%	1.14%
Developed	2233.53	2.45%	18.56%	1.42%
Emerging	1041.98	4.09%	7.89%	-3.42%
Frontier	2652.51	2.49%	6.65%	0.10%
Europe	133.47	0.72%	16.87%	5.43%
Latin America	2777.45	4.14%	8.24%	-2.25%
Asia Pacific	163.14	4.32%	11.20%	-2.52%

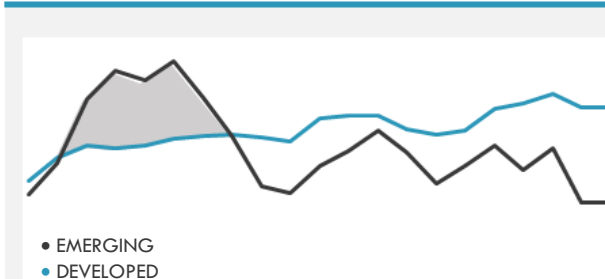
### INTERNATIONAL EQUITY INDICES

	Last Price	MTD %	YTD %	Δ30D Vol
EuroStoxx 50	3703.58	2.75%	23.39%	-9.30%
FTSE 100	7346.53	1.35%	9.19%	-4.08%
CAC 40	5905.17	3.06%	24.83%	-9.44%
DAX	13236.38	2.87%	25.36%	5.54%
Swiss SMI	10493.24	2.68%	24.49%	2.70%
Nikkei 225	22927.04	5.38%	14.55%	-0.55%
CSI 300	3886.75	1.89%	29.10%	-1.28%

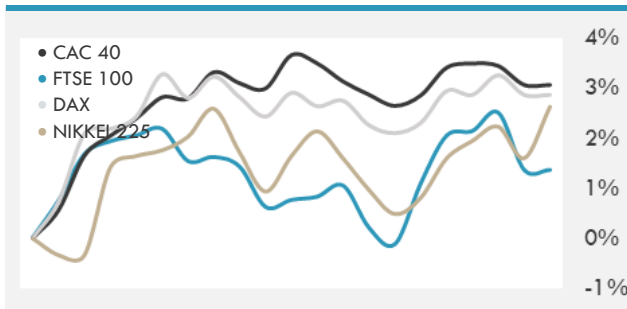
### S&P 500 IN FOCUS

	Last Price	MTD %	YTD %	Δ30D Vol
<b>S&amp;P Indices</b>				
S&P 500	3140.98	3.40%	25.30%	-6.72%
S&P Value	1249.44	3.58%	24.98%	-5.77%
S&P Growth	1899.10	3.25%	25.60%	-6.71%
<b>Sectors Indices</b>				
Discretionary	960.7933	1.14%	22.94%	-3.64%
Staples	634.09	1.08%	21.50%	-3.54%
Energy	431.37	1.10%	1.72%	1.33%
Financials	498.96	4.83%	26.03%	-7.69%
Healthcare	1148.69	4.85%	14.73%	-4.02%
Industrials	688.72	4.14%	27.03%	-5.38%
IT	1542.98	5.16%	41.78%	-6.49%
Materials	375.24	2.88%	18.51%	-5.75%
Telecom	178.24	3.74%	28.43%	-5.71%
Utilities	318.36	-2.30%	18.52%	0.17%
Real Estate	238.43	-1.97%	23.95%	2.63%

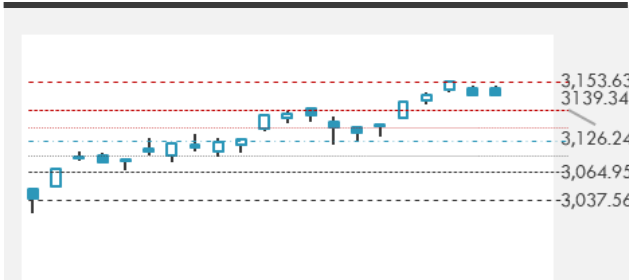
### DEVELOPED VS EMERGING - MONTH TO DATE



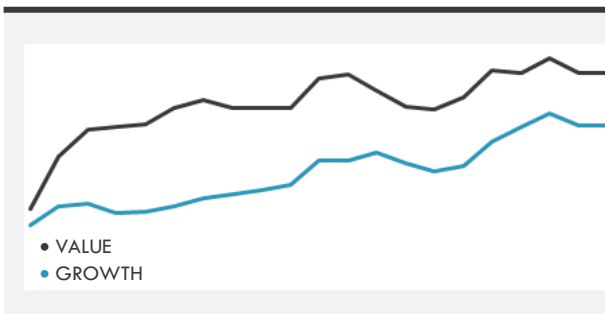
### INTERNATIONAL EQUITY - MONTH TO DATE



### S&P 500 SUPPORT & RESISTANCE



### S&P VALUE VS GROWTH



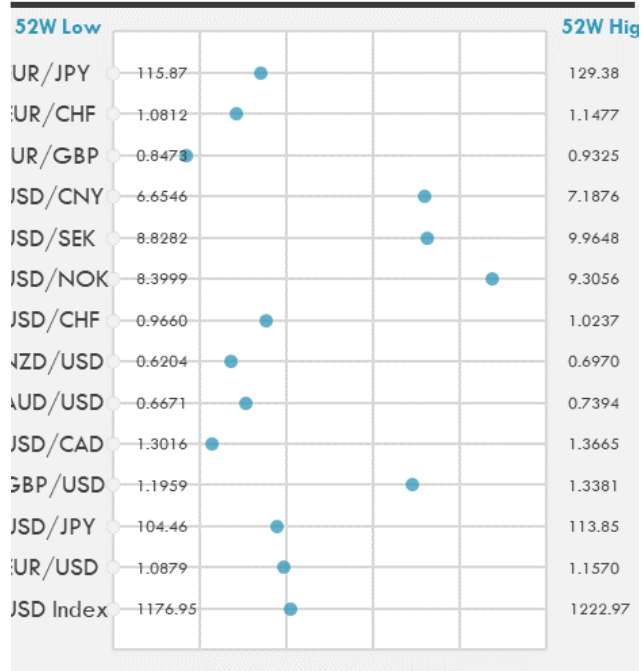
The U.S. Dollar traded lower against a basket of currencies due to optimism for the ongoing trade talks with China. However, the U.S. dollar was supported by the release of the FOMC meeting minutes; Fed officials still noted that downside risks to the U.S. economy remained significant and prominent in justifying their third 25-bcp cut. Looking forward, with the central bank pausing on further monetary policy easing, we believe the U.S. dollar will remain at current levels and will be influenced by trade developments and economic data from the U.S. As for the Euro currency, we believe prices will remain range bound with further room to the downside. The European Central Bank

is likely to continue to see a lot of loose monetary policy in the future, and that should weigh upon the currency in general. In the UK, the allure of a Brexit deal in January seems to be underpinning the exchange rate after a roughly 5% gain in October. But at the same time, the pair has struggled to move higher above 1.3, election uncertainty is preventing the British pound from picking a direction. The latest poll showed Johnson's Conservative party continuing to lead. A significant shift in opinion polls might be needed to push the pound out of recent ranges.

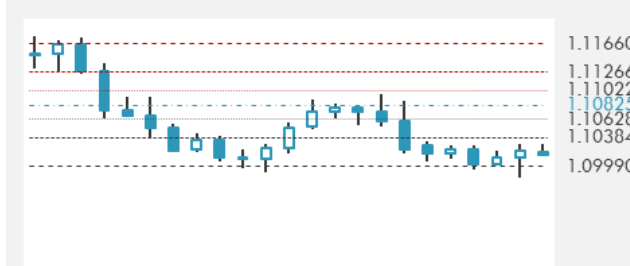
### FOREIGN EXCHANGE PERFORMANCE

	Last Price	MTD %	Δ30D	Vol 25	ΔRR
<b>Major Indices</b>					
USD Index	1209.03	1.11%	0.00%	-	
EUR/USD	1.1018	-1.20%	-0.05%	-0.050	
USD/JPY	109.49	1.35%	-0.02%	-0.318	
GBP/USD	1.2925	-0.13%	-0.40%	-0.050	
USD/CAD	1.3282	0.90%	0.00%	0.375	
AUD/USD	0.6763	-1.90%	0.03%	-0.303	
NZD/USD	0.6422	0.14%	0.15%	-0.150	
USD/CHF	1.0002	1.40%	-0.12%	-0.128	
USD/NOK	9.2248	0.35%	0.02%	0.230	
USD/SEK	9.5750	-0.80%	-0.01%	0.248	
USD/CNY	7.0325	-0.09%	-0.01%	0.025	
EUR/GBP	0.85193	-1.13%	-0.24%	0.020	
EUR/CHF	1.10187	0.16%	-0.03%	-0.195	
EUR/JPY	120.61	0.10%	-0.10%	-0.443	

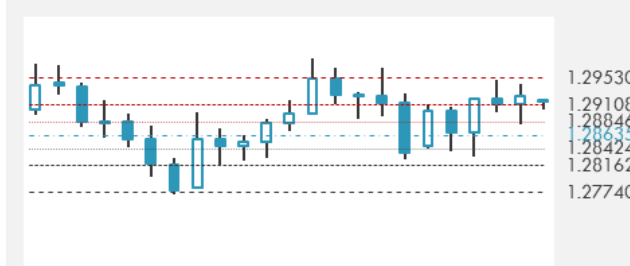
### DISTANCE FROM 52 WEEKS LOW/HIGH



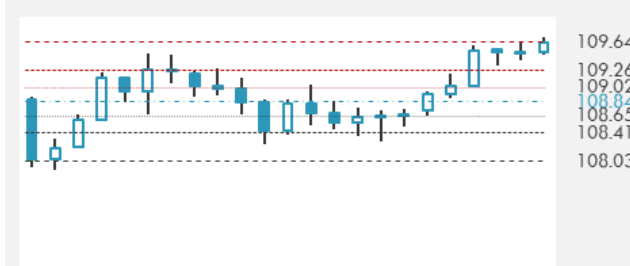
### EUR/USD 1 MONTH SUPPORT & RESISTANCE



### GBP/USD 1 MONTH SUPPORT & RESISTANCE



### USD/JPY 1 MONTH SUPPORT & RESISTANCE



### USD/CAD 1 MONTH SUPPORT & RESISTANCE



U.S. Treasury yields declined, as optimism faded over a potential U.S.-China trade deal. Market sentiment weakened after Trump did not announce a Phase One trade deal with China. Rates fell and the yield curve flattened in response, as markets reflected weaker future growth prospects. Chair Powell's testimony largely reinforced that the Fed viewed monetary policy as being appropriately positioned and it would take a material change in its outlook to alter that policy. As for economic data, U.S. consumer sentiment unexpectedly rose and U.S. manufacturing index rose more than expected. Looking forward, we believe that sound U.S. macro releases currently support the dollar,

reinforcing the belief that the Fed will take a pause in rate cuts, therefore yields will continue to weaken. Eurozone government bond yields fell as U.S. and China continue to struggle on Phase One deal and PMI releases showed economic stagnation. Eurozone data showed business growth almost ground to a halt and the services industry grew at a weaker pace than expected. The manufacturing sector has been under the waterline since Feb. The decline in production is often followed by a general economic downturn a few quarters later. However, 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)
<b>Benchmark Indices</b>		
US 10 Years Benchmark	1.7758	0.085
EU 10 Years Benchmark	-0.36	0.047
UK 10 Years Benchmark	0.697	0.068
<b>Sovereign Bonds</b>		
US Treasury Bond	1.76	0.087
Eurozone Sovereign Bond	-0.087	0.118
U.K. Sovereign Bond	-0.166	0.074
Japan Sovereign Bond	0.513	0.076
<b>Corporate Bonds</b>		
US Investment Grade Bond	2.871	0.029
US High Yield Bond	5.586	-0.113
EUR Investment Grade Bond	0.509	0.064
EUR High Yield Bond	3.685	-0.181
USD Emerging Market IG & HY	5.050	0.097

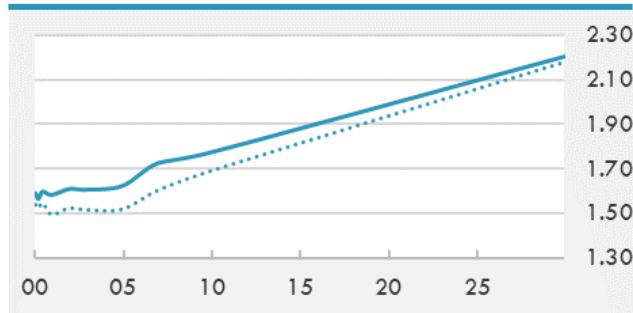
### OVERNIGHT RATES - SWAPS

	Rate	ΔRate (in Bps)
3M USD LIBOR	1.9055	0.0032
3M EUR EURIBOR	-0.401	-0.0070
3M GBP LIBOR	0.79313	-0.0161
3Y USD SWAP	1.582	0.0820
5Y USD SWAP	1.586	0.1010
10Y USD SWAP	1.7006	0.0986
30Y USD SWAP	1.8754	0.0853

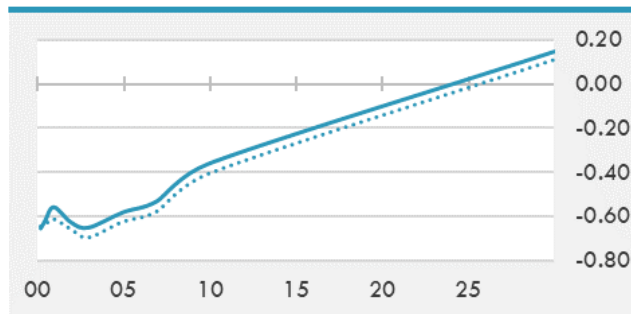
### FIXED INCOME SPREADS

	Spread	ΔSpread (in Bps)
USD 3M vs 10Y Spread	0.19321	0.0492
USD 2Y vs 10Y Spread	0.15988	(0.0032)
USD IG Spread	1.38	(0.0100)
USD HY Spread	3.81	(0.2000)
EU vs US 10Y Spread	-2.1357	0.0203
EU vs US 2Y Spread	-2.239	0.0311
EM vs Benchmark Spread	2.583	(0.0180)

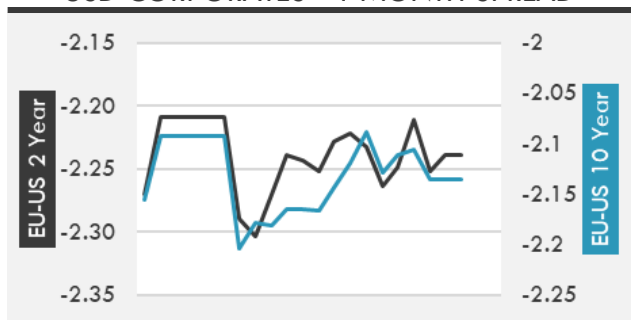
### US TREASURIES YIELD CURVE - 1 MONTH



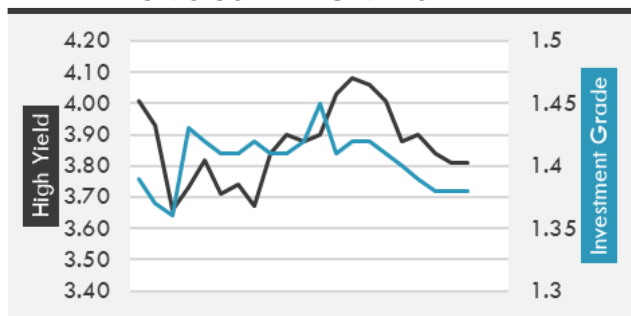
### EUR GENERIC YIELD CURVE - 1 MONTH



### USD CORPORATES - 1 MONTH SPREAD



### EU VS US - 1 MONTH SPREAD



**GLOBAL COMMODITIES MARKET**

	Last Price	MTD %
Commodity Index	77.11	-2.68%

**Energy**

WTI Crude Future	55.17	1.70%
Brent Crude Future	60.49	2.68%
NYMEX Gasoline	159.1	1.22%
NYMEX Heat Oil	187.85	0.55%
ICE Gasoil	572	1.51%
NYMEX Natural Gas	2.281	-16.51%

**Precious Metals**

Gold Spot \$/Oz	1463.98	-3.24%
Silver Spot \$/Oz	17.03	-5.95%
Platinum Spot \$/Oz	896.09	-3.93%
Palladium Spot \$/Oz	1841.67	2.45%
Gold Future	1472.7	-3.23%
Silver Future	17.106	-6.11%
Platinum Future	900.4	0.00%
Palladium Future	1810.1	0.00%

**Base Metals**

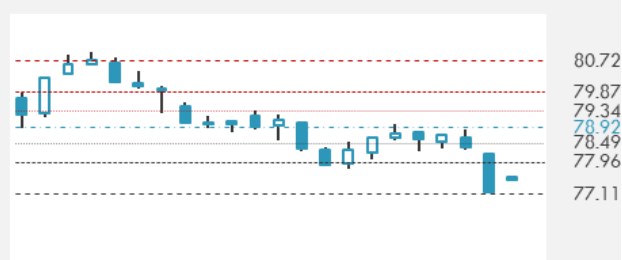
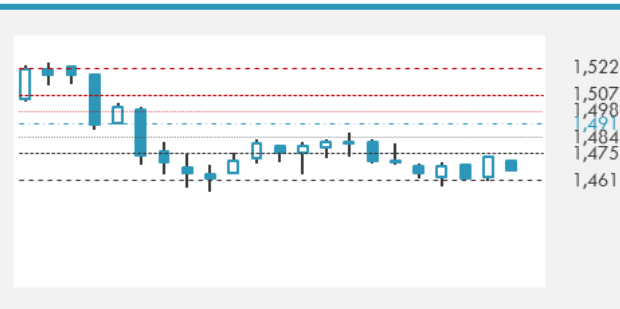
LME Aluminum	1770	0.85%
LME Copper	5864	1.16%
LME Zinc	2274	-8.42%
LME Nickel	13670	-17.87%
LME Lead	1937	-10.26%
LME Tin	16495	-0.18%

**Agricultural**

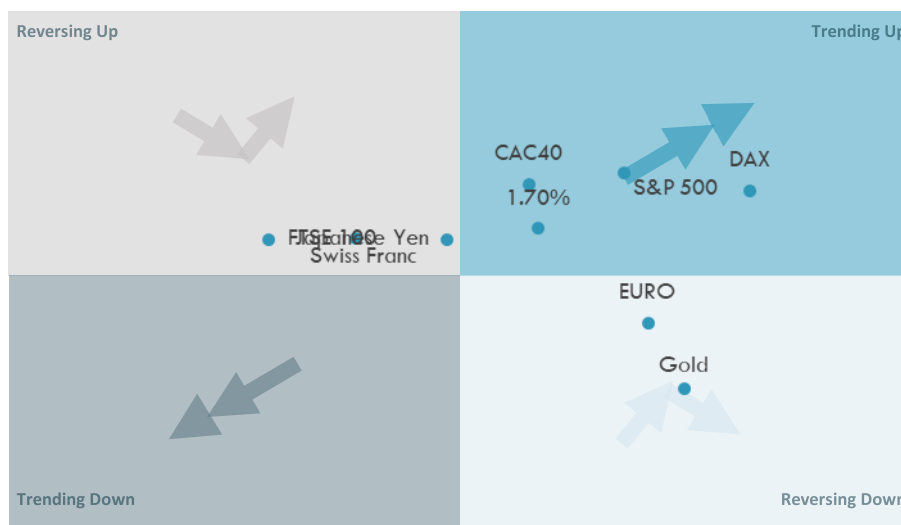
Corn CBT	381.25	-4.39%
Wheat CBT	541.75	5.25%
Soybeans CBT	876.75	-5.95%
Bean Meal CBT	293.1	-4.50%
Rough Rice CBT	12.485	3.87%
MDE Palm Oil	2744	10.42%
Soybean CBT	30.58	-1.26%
Coffee ICE	119.05	12.90%
Sugar #11 ICE	12.94	3.69%
Cotton #2 ICE	65.36	-0.79%
Cocoa ICE	2568	4.99%
Ethanol CME	1.412	-0.56%
Lumber CME	416.6	2.66%
Orange Juice ICE	98.6	-0.25%
Live Cattle CME	126.2	3.15%
Feeder Cattle CME	142.275	-1.66%
Lean Hogs CME	68.175	-7.02%

Optimism over a possible trade deal drove up demand for higher-risk assets, putting pressure on gold prices. The optimism was fueled by constructive trade talks between the U.S and Chinese president and the fact that they were getting close to a trade deal. However, economic fears, uncertainty on stock markets, geopolitical risk, and low interest rates by major central banks could generate rallies. In the short term, there is some weakness, but the long-term trend still appears positive. In other words, as long as the price remains above \$1,450, we are only seeing a consolidation phase and not yet an inversion.

Oil prices continue to be driven mainly US-China trade news flow, which remains hugely encouraging even more so after President Trump sounded extremely optimistic hinting that a deal was just around the corner. A phase one deal is thought to be needed before December 1 to avoid the possible imposition of 15% tariffs on \$160 bn of Chinese imports scheduled for December 15. So, until we get some clarity on the venue and date along with the exact measure of tariff rollbacks, US-China trade talk optimism will continue to be supportive for oil market. Moreover, Oil prices are being underpinned by deeper production cuts by OPEC and its allies. OPEC expects demand for oil to fall in 2020 and is expected to discuss output policy at a meeting on December 5-6 in Vienna.

**COMMODITY INDEX SUPPORT & RESISTANCE**

**GOLD 1 MONTH SUPPORT & RESISTANCE**


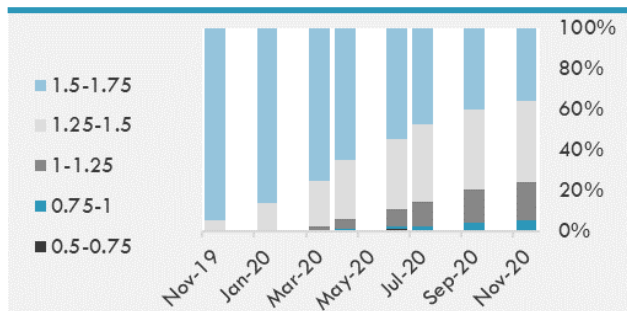
KEY ASSETS TRENDS



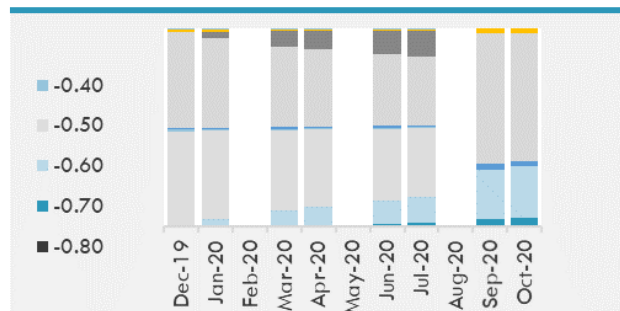
\* Monthly trends are calculated based on the last two-month period

CENTRAL BANKS WATCH - IMPLIED RATES PROBABILITIES

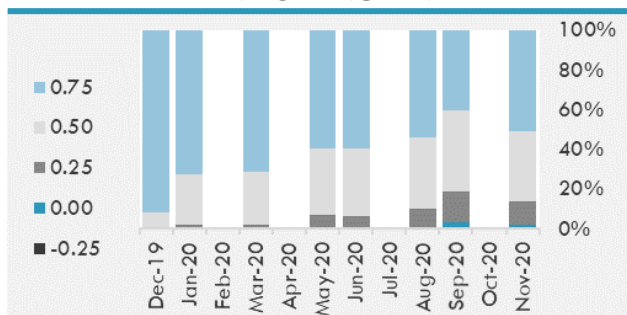
FEDERAL RESERVE



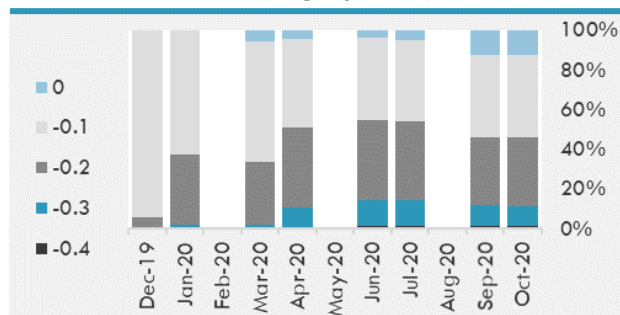
EUROPEAN CENTRAL BANK



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	CPI Core- Common YoY%	12/18/19 15:30
Canada	CPI Core- Trim YoY%	12/18/19 15:30
Canada	CPI Core- Median YoY%	12/18/19 15:30
China	Composite PMI	12/31/19 03:00
China	Aggregate Financing CNY	12/09/19-12/15/19
China	FX Net Settlement - Clients CNY	12/20/19
China	New Home Prices MoM	12/16/19 03:30
China	Surveyed Jobless Rate	12/16/19 04:00
China	Property Investment YTD YoY	12/16/19 04:00
France	Total Payrolls	12/10/2019 8:30
Japan	BOJ 10-Yr Yield Target	12/19/19
Japan	Tokyo CPI Ex-Fresh Food, Energy YoY	12/27/19 01:30
Japan	Eco Watchers Survey Current SA	12/09/2019
Japan	Eco Watchers Survey Outlook SA	12/09/2019
Qatar	Trade Balance Month	12/26/19-12/29/19
Qatar	QCB Int'l Reserves & Foreign Currency Liquidity	12/31/19
Russia	GDP YoY	12/12/2019 15:00
Russia	GDP YoY	12/30/19 15:00
Saudi Arabia	M3 Money Supply YoY	12/29/19
UAE	Abu Dhabi CPI YoY	12/15/19-12/21/19
United Kingdom	CPIH YoY	12/18/19 11:30
United States	Export Price Index MoM	12/13/19 15:30
United States	Export Price Index YoY	12/13/19 15:30
United States	ISM Employment	12/02/2019 17:00
United States	Real Avg Hourly Earning YoY	12/11/2019 15:30

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