

A decrease in U.S. – China trade hostilities helped U.S. equities rise as the Chinese government announced tariffs exemptions for some U.S. goods while promising to purchase more agricultural products. The two camps are expected to meet in October for high levels talks which are important going forward. Monetary policy also provided some support to U.S. equities as the Federal Reserve cut interest rates but gave mixed signals about its next move. Earnings seasons will be well underway in October and companies' guidance will be the center of investor focus. We remain cautious on U.S. equities due to expensive valuations and concerns around the trade-war escalation,

fading fiscal stimulus and yield curve inversion. European equities outperformed in September, ending the month significantly higher. Political risks from Italy subsided after the formation of a new government while optimism from some improvement in the U.S. – China trade rhetoric provided additional support. The ECB's decision to cut its deposit rate to a record low of -0.5 % and the resumption of its asset purchase program was the most important catalyst for the rise. We view European equities favorably due to the dovish shift by the central bank and expectations that current monetary policy conditions to stimulate growth will be preserved by future ECB head Lagarde.

### GLOBAL EQUITY BENCHMARK INDICES

|               | Last Price | MTD %  | YTD %  | Δ30D Vol |
|---------------|------------|--------|--------|----------|
| World         | 1272.2     | 1.90%  | 14.25% | -6.28%   |
| Developed     | 2180.02    | 1.94%  | 15.72% | -6.61%   |
| Emerging      | 1001       | 1.69%  | 3.65%  | -2.90%   |
| Frontier      | 2587.97    | -1.13% | 4.06%  | -8.08%   |
| Europe        | 132.51     | 3.67%  | 16.03% | -8.11%   |
| Latin America | 2666.97    | 2.54%  | 3.94%  | -8.62%   |
| Asia Pacific  | 156.39     | 2.13%  | 6.60%  | -3.30%   |

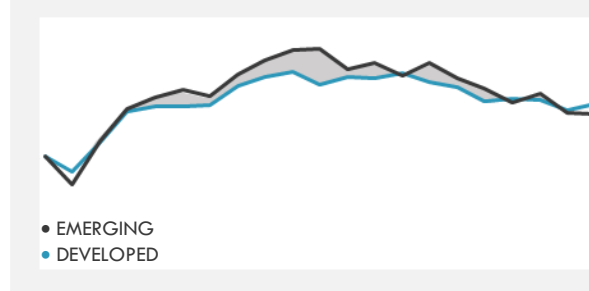
### INTERNATIONAL EQUITY INDICES

|              | Last Price | MTD % | YTD %  | Δ30D Vol |
|--------------|------------|-------|--------|----------|
| EuroStoxx 50 | 3569.45    | 4.16% | 18.93% | -9.37%   |
| FTSE 100     | 7408.21    | 2.79% | 10.11% | -6.53%   |
| CAC 40       | 5677.79    | 3.60% | 20.02% | -9.06%   |
| DAX          | 12428.08   | 4.09% | 17.70% | -10.11%  |
| Swiss SMI    | 10078.32   | 1.85% | 19.56% | -5.09%   |
| Nikkei 225   | 21755.84   | 5.08% | 8.70%  | -2.21%   |
| CSI 300      | 3814.53    | 0.39% | 26.70% | -2.96%   |

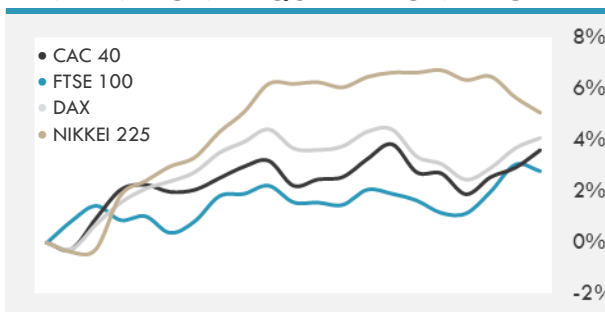
### S&P 500 IN FOCUS

|                        | Last Price | MTD %  | YTD %  | Δ30D Vol |
|------------------------|------------|--------|--------|----------|
| <b>S&amp;P Indices</b> |            |        |        |          |
| S&P 500                | 2976.74    | 1.72%  | 18.74% | -7.99%   |
| S&P Value              | 1176.92    | 3.54%  | 17.73% | -7.73%   |
| S&P Growth             | 1809.42    | 0.18%  | 19.67% | -7.60%   |
| <b>Sectors Indices</b> |            |        |        |          |
| Discretionary          | 947.2741   | 0.72%  | 21.21% | -6.24%   |
| Staples                | 629.38     | 1.31%  | 20.60% | -7.15%   |
| Energy                 | 437.13     | 3.56%  | 3.08%  | -5.02%   |
| Financials             | 465.54     | 4.46%  | 17.59% | -8.81%   |
| Healthcare             | 1043.38    | -0.32% | 4.22%  | -5.53%   |
| Industrials            | 654.89     | 2.93%  | 20.79% | -6.90%   |
| IT                     | 1413.36    | 1.44%  | 29.87% | -8.29%   |
| Materials              | 364.66     | 2.93%  | 15.17% | -6.63%   |
| Telecom                | 167.26     | 0.41%  | 20.52% | -8.01%   |
| Utilities              | 328.49     | 3.96%  | 22.29% | -1.03%   |
| Real Estate            | 243.6      | 0.48%  | 26.64% | -1.04%   |

### DEVELOPED VS EMERGING - MONTH TO DATE



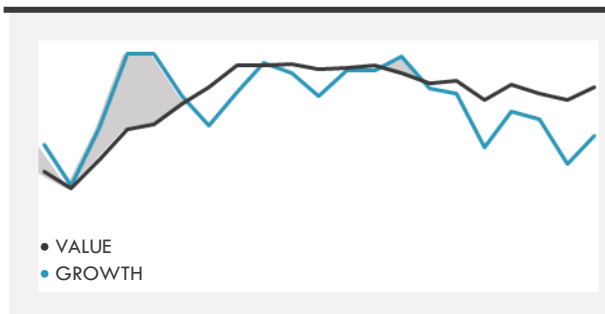
### INTERNATIONAL EQUITY - MONTH TO DATE



### S&P 500 SUPPORT & RESISTANCE



### S&P VALUE VS GROWTH





The U.S. dollar rose against its relative peers as it benefited from weakness in other currencies while simultaneously being supported by some safe-haven demand in the aftermath of the attack on Saudi Arabia's oil infrastructure. Looking forward, the U.S. dollar should remain within the current range in the near-to-medium term as uncertainty, both economic and political, remains high. In the absence of negative economic data from the U.S., there could be more room to run for the greenback. The euro fell against the U.S. dollar, pressured lower by a series of disappointing economic releases in both Germany and France and to a certain extent by the European Central Bank's decision,

to cut interest rates by 10 additional basis points. Focus remains on the macroeconomic conditions of the Eurozone, especially Germany. The British pound rose against the U.S. dollar, owing to a slew of political developments. Parliament passed a bill that could force PM Johnson to ask for the EU for another extension in order to avoid a no-deal Brexit. The Supreme Court of the UK also ruled that PM Johnson's suspension of Parliament was unlawful. Looking forward, the path ahead for sterling remains clouded as a number of outcomes are currently possible. We expect the British pound to remain under pressure as a result, especially should a vote of no-confidence take place.

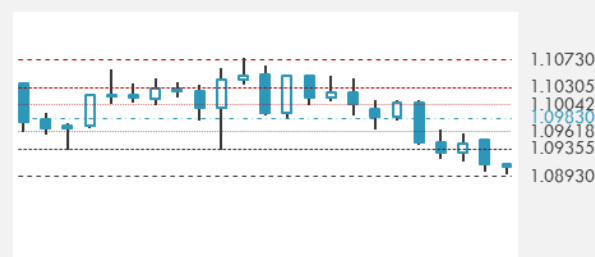
## FOREIGN EXCHANGE PERFORMANCE

|                             | Last Price | MTD %  | Δ30D   | Vol 25ΔRR |
|-----------------------------|------------|--------|--------|-----------|
| <b>Major Indices</b>        |            |        |        |           |
| USD Index                   | 1218.84    | 0.18%  | 0.00%  | -         |
| EUR/USD                     | 1.0899     | -0.76% | -0.01% | -0.278    |
| USD/JPY                     | 108.08     | 1.69%  | -0.06% | -0.905    |
| GBP/USD                     | 1.2289     | 1.09%  | -0.06% | -0.123    |
| USD/CAD                     | 1.3241     | -0.53% | -0.04% | 0.248     |
| AUD/USD                     | 0.675      | 0.25%  | 0.31%  | -0.460    |
| NZD/USD                     | 0.6263     | -1.03% | 0.08%  | -0.438    |
| USD/CHF                     | 0.9977     | 0.74%  | -0.08% | -0.503    |
| USD/NOK                     | 9.0967     | -0.31% | -0.11% | 0.388     |
| USD/SEK                     | 9.8403     | 0.00%  | -0.22% | 0.298     |
| USD/CNY                     | 7.1483     | -0.11% | 0.00%  | -0.003    |
| <b>Major EUR Cross Rate</b> |            |        |        |           |
| EUR/GBP                     | 0.88686    | -1.91% | -0.05% | 0.035     |
| EUR/CHF                     | 1.08753    | -0.12% | -0.11% | -0.345    |
| EUR/JPY                     | 117.8      | 0.83%  | -0.02% | -0.935    |

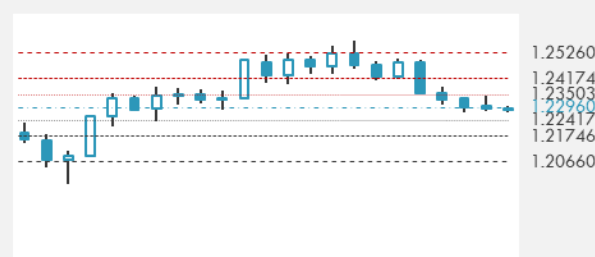
## DISTANCE FROM 52 WEEKS LOW/HIGH

|           | 52W Low | 52W High |
|-----------|---------|----------|
| EUR/JPY   | 111.87  | 132.00   |
| EUR/CHF   | 1.0812  | 1.1501   |
| EUR/GBP   | 0.8473  | 0.9325   |
| USD/CNY   | 6.6546  | 7.1876   |
| USD/SEK   | 8.8282  | 9.9126   |
| USD/NOK   | 8.1169  | 9.1645   |
| USD/CHF   | 0.9660  | 1.0237   |
| NZD/USD   | 0.6227  | 0.6970   |
| AUD/USD   | 0.677   | 0.7394   |
| USD/CAD   | 1.2800  | 1.3665   |
| GBP/USD   | 1.1959  | 1.3381   |
| USD/JPY   | 104.46  | 114.55   |
| EUR/USD   | 1.0879  | 1.1621   |
| USD Index | 1176.95 | 1222.41  |

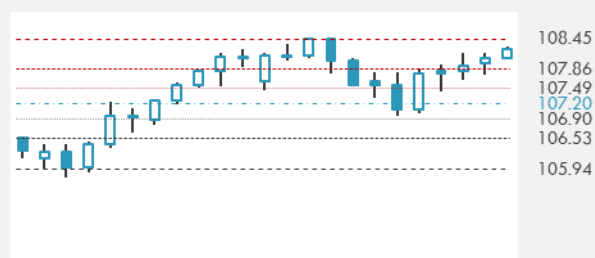
## EUR/USD 1 MONTH SUPPORT & RESISTANCE



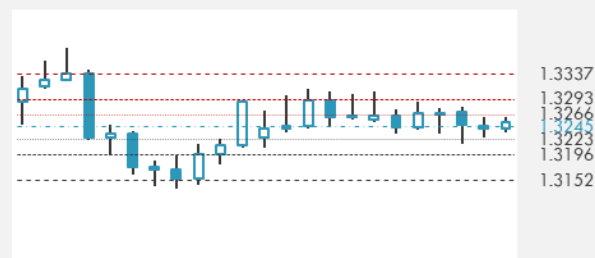
## GBP/USD 1 MONTH SUPPORT & RESISTANCE



## USD/JPY 1 MONTH SUPPORT & RESISTANCE



## USD/CAD 1 MONTH SUPPORT & RESISTANCE



U.S. Yields continued to drop, pressured by policy uncertainty, weak business investment and lackluster economic activity abroad. Yields were further pushed lower as the Fed cut interest rates by 25 bps. However, Chairman Jerome Powell emphasized that a few rate cuts should be seen as an insurance policy rather than the start of a big easing cycle. In the absence of a credible plan from the Fed, other than its rather vague promise to "tilt policy one way or another because of prominent risks", to address a number of geopolitical and macroeconomic risks, we expect market anxiety to persist and fuel more demand for U.S. sovereign debt in the near-term. Core Eurozone gov-

ernment bond yields continued their downwards trend as macroeconomic data continued to disappoint. The ECB met consensus expectations when it cut its deposit rate by 10 bps to -0.5 % while announcing the resumption of its asset purchase program until inflation converges towards their target of 2 %. European sovereign debt remains attractive, particularly peripherals where yields still have room to fall. The Bank of England kept interest rates on hold but did state that it may need to cut rates in the likely scenario that Brexit uncertainty persists with no signs of a clear outcome yet. The Bank of Japan kept rates on hold and voiced a willingness to act should adverse risks intensify.

### GLOBAL BOND INDICES

|                          | Yield  | ΔYield (in Bps) |
|--------------------------|--------|-----------------|
| <b>Benchmark Indices</b> |        |                 |
| US 10 Years Benchmark    | 1.6646 | 0.169           |
| EU 10 Years Benchmark    | -0.571 | 0.129           |
| UK 10 Years Benchmark    | 0.488  | 0.009           |
| <b>Sovereign Bonds</b>   |        |                 |
| US Treasury Bond         | 1.722  | 0.14            |
| Eurozone Sovereign Bond  | -0.323 | 0.051           |
| U.K. Sovereign Bond      | -0.32  | -0.024          |
| Japan Sovereign Bond     | 0.285  | -0.048          |

|                             |       |        |
|-----------------------------|-------|--------|
| <b>Corporate Bonds</b>      |       |        |
| US Investment Grade Bond    | 2.912 | 0.097  |
| US High Yield Bond          | 5.646 | -0.076 |
| EUR Investment Grade Bond   | 0.397 | 0.162  |
| EUR High Yield Bond         | 3.762 | -0.018 |
| USD Emerging Market IG & HY | 4.966 | 0.042  |

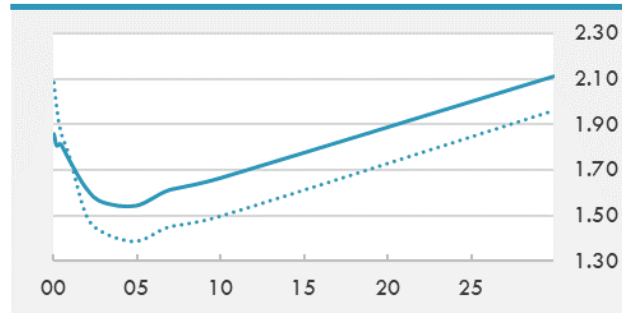
### OVERNIGHT RATES - SWAPS

|                | Rate   | ΔRate (in Bps) |
|----------------|--------|----------------|
| 3M USD LIBOR   | 2.099  | -0.039         |
| 3M EUR EURIBOR | -0.412 | 0.021          |
| 3M GBP LIBOR   | 0.761  | 0.002          |
| 3Y USD SWAP    | 1.551  | 0.156          |
| 5Y USD SWAP    | 1.502  | 0.183          |
| 10Y USD SWAP   | 1.564  | 0.182          |
| 30Y USD SWAP   | 1.714  | 0.170          |

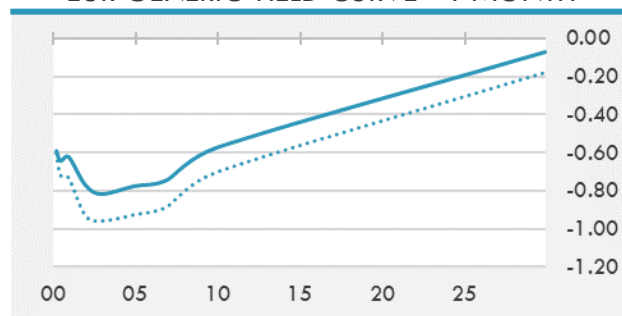
### FIXED INCOME SPREADS

|                        | Spread | ΔSpread (in Bps) |
|------------------------|--------|------------------|
| USD 3M vs 10Y Spread   | -0.161 | 0.333            |
| USD 2Y vs 10Y Spread   | 0.039  | 0.053            |
| USD IG Spread          | 1.470  | -0.010           |
| USD HY Spread          | 3.970  | -0.250           |
| EU vs US 10Y Spread    | -2.263 | -0.067           |
| EU vs US 2Y Spread     | -2.407 | 0.024            |
| EM vs Benchmark Spread | 2.678  | -0.155           |

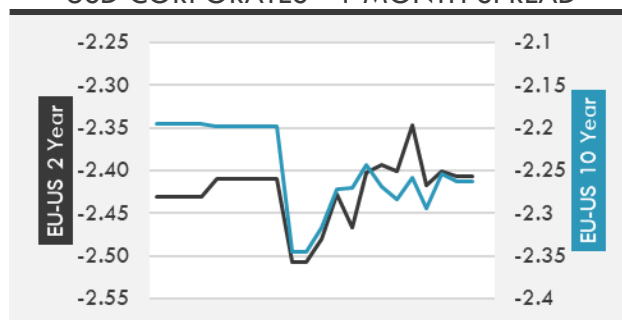
### US TREASURIES YIELD CURVE - 1 MONTH



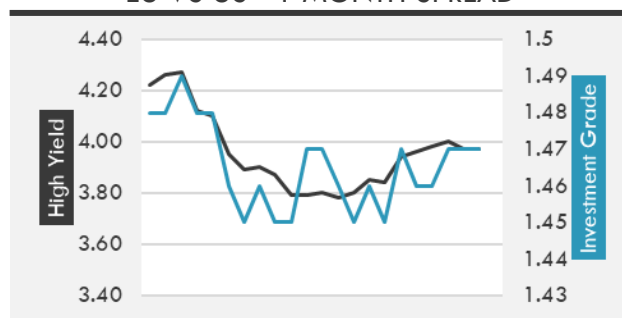
### EUR GENERIC YIELD CURVE - 1 MONTH



### USD CORPORATES - 1 MONTH SPREAD



### EU VS US - 1 MONTH SPREAD



**GLOBAL COMMODITIES MARKET**

|                 | <b>Last Price</b> | <b>MTD %</b> |
|-----------------|-------------------|--------------|
| Commodity Index | 77.78             | 1.01%        |

**Energy**

|                    |        |        |
|--------------------|--------|--------|
| WTI Crude Future   | 54.07  | -1.49% |
| Brent Crude Future | 59.25  | 1.35%  |
| NYMEX Gasoline     | 156.65 | 4.24%  |
| NYMEX Heat Oil     | 189.72 | 3.13%  |
| ICE Gasoil         | 590.25 | 4.98%  |
| NYMEX Natural Gas  | 2.33   | 0.26%  |

**Precious Metals**

|                      |         |        |
|----------------------|---------|--------|
| Gold Spot \$/Oz      | 1472.49 | -3.15% |
| Silver Spot \$/Oz    | 16.9958 | -7.51% |
| Platinum Spot \$/Oz  | 883.07  | -5.43% |
| Palladium Spot \$/Oz | 1675.81 | 9.28%  |
| Gold Future          | 1472.9  | -3.69% |
| Silver Future        | 16.998  | -7.33% |
| Platinum Future      | 889.2   | 0.00%  |
| Palladium Future     | 1647.5  | 0.00%  |

**Base Metals**

|              |       |        |
|--------------|-------|--------|
| LME Aluminum | 1722  | -1.80% |
| LME Copper   | 5725  | 1.29%  |
| LME Zinc     | 2378  | 7.85%  |
| LME Nickel   | 17050 | -4.75% |
| LME Lead     | 2135  | 5.85%  |
| LME Tin      | 15925 | -2.60% |

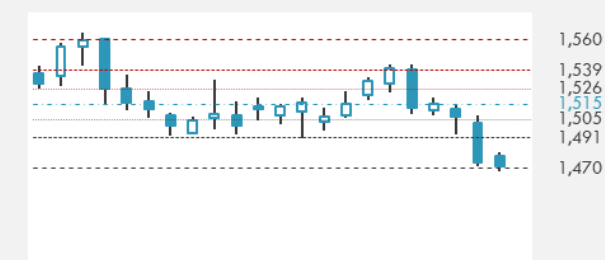
**Agricultural**

|                   |         |        |
|-------------------|---------|--------|
| Corn CBT          | 388     | 4.94%  |
| Wheat CBT         | 495.75  | 7.19%  |
| Soybeans CBT      | 906     | 4.26%  |
| Bean Meal CBT     | 301     | 1.93%  |
| Rough Rice CBT    | 12.015  | 0.50%  |
| MDE Palm Oil      | 2135    | -4.43% |
| Soybean CBT       | 29.08   | 0.94%  |
| Coffee ICE        | 101.15  | 4.44%  |
| Sugar #11 ICE     | 12.65   | 3.43%  |
| Cotton #2 ICE     | 60.83   | 3.40%  |
| Cocoa ICE         | 2442    | 9.90%  |
| Ethanol CME       | 1.484   | 9.36%  |
| Lumber CME        | 367.1   | -1.05% |
| Orange Juice ICE  | 99.75   | -3.86% |
| Live Cattle CME   | 110.3   | 6.39%  |
| Feeder Cattle CME | 141.925 | 8.90%  |
| Lean Hogs CME     | 72.6    | 14.56% |

Gold prices rose supported by the fall in global yields while simultaneously benefitting from safe-haven demand due to uncertainties related to domestic U.S. politics, Brexit, and geopolitical risks in the Gulf. Looking forward, we believe gold has some room to appreciate as a safe-haven. Trade talks between the U.S. and China are set to resume while investors remain skeptical that a long term deal can be reached before the U.S. presidential elections late next year. Britain's divorce from the E.U. shows no concrete signs of improvement and tensions in the Middle East are running high. Even if the previously mentioned geopolitical risks materialize, an increase in the value of the U.S. dollar will limit any large gains by bullion. As for monetary policy, we believe current expectations of additional easing are excessive, which would also limit gains for the precious metal.

Oil prices fell in what was one of the most volatile months for crude. Saudi Arabian authorities recovered lost oil output from recent attacks on its infrastructure while the U.S. deployed military equipment and forces to Saudi Arabia to act as a potential deterrent against any additional attacks. A ceasefire was also agreed in neighboring Yemen. Furthermore, any lost output from Saudi Arabia could potentially be offset by other oil exporting nations with the U.S.' output climbing in June and August to reach approximately 11 million barrels a day. U.S. crude supplies are also increasing according to reports by the American Petroleum Institute and the Energy Information Administration. As a result, we believe that crude will remain under pressure in the coming month as measures are increasingly taken to protect the global supply.

**COMMODITY INDEX SUPPORT & RESISTANCE**

**GOLD 1 MONTH SUPPORT & RESISTANCE**




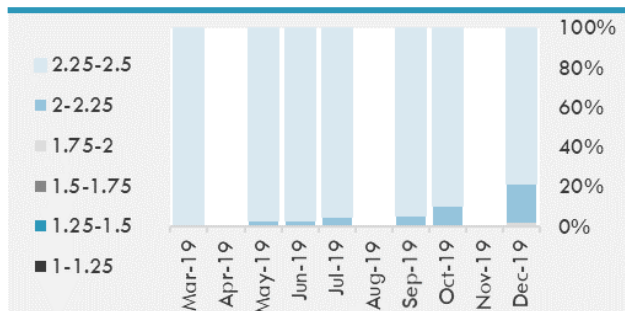
## KEY ASSETS TRENDS



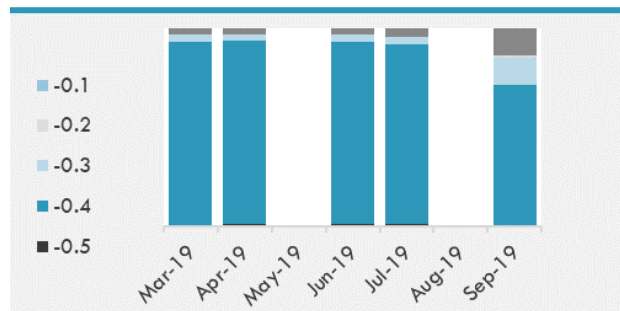
\* Monthly trends are calculated based on the last two-month period

## CENTRAL BANKS WATCH - IMPLIED RATES PROBABILITIES

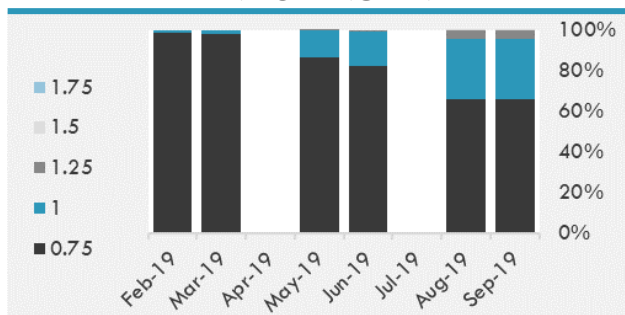
### FEDERAL RESERVE



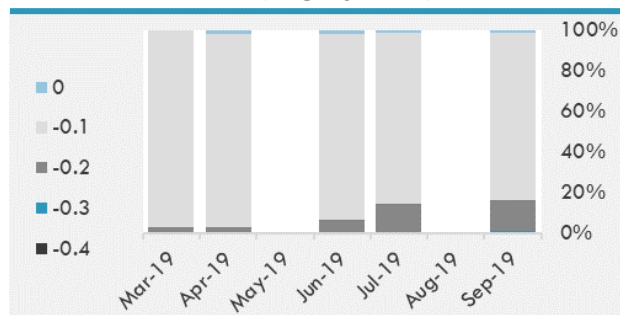
### EUROPEAN CENTRAL BANK



### 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     | 10/30/19 16:00   |
| China         | CPI YoY                          | 10/15/19 04:30   |
| Eurozone      | ECB Main Refinancing Rate        | 10/24/19 14:45   |
| France        | Markit France Manufacturing PMI  | 10/01/2019 10:50 |
| France        | Markit France Manufacturing PMI  | 10/24/19 10:15   |
| Germany       | IFO Business Climate             | 10/25/19 11:00   |
| Germany       | ZEW Survey Expectations          | 10/15/19 12:00   |
| Italy         | Manufacturing Confidence         | 10/30/19 11:00   |
| Japan         | Industrial Production MoM        | 10/15/19 07:30   |
| Japan         | Industrial Production MoM        | 10/31/19 01:50   |
| Japan         | Jobless Rate                     | 10/01/2019 2:30  |
| United States | Change in Nonfarm Payrolls       | 10/04/2019 15:30 |
| United States | Initial Jobless Claims           | 10/03/2019 15:30 |
| United States | Initial Jobless Claims           | 10/10/2019 15:30 |
| United States | Initial Jobless Claims           | 10/17/19 15:30   |
| United States | Initial Jobless Claims           | 10/24/19 15:30   |
| United States | Initial Jobless Claims           | 10/31/19 14:30   |
| United States | FOMC Rate Decision (Upper Bound) | 10/30/19 20:00   |
| United States | GDP Annualized QoQ               | 10/30/19 14:30   |
| United States | CPI MoM                          | 10/10/2019 15:30 |
| United States | DOE U.S. Crude Oil Inventories   | 10/02/2019 17:30 |
| United States | DOE U.S. Crude Oil Inventories   | 10/09/2019 17:30 |
| United States | DOE U.S. Crude Oil Inventories   | 10/17/19 18:00   |
| United States | DOE U.S. Crude Oil Inventories   | 10/23/19 17:30   |
| United States | DOE U.S. Crude Oil Inventories   | 10/30/19 16:30   |

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