



## EQUITY

The Stoxx Europe 600 dropped to the lowest since March amid rising bond yields and persistent concerns over Italy's debt sustainability. Bad news also hit a range of sectors, with luxury brands facing a customs crackdown in China and chemical and semiconductor stocks seeing signs of weaker demand as LVMH's stock price declined by 7.14%. In the US, stocks declined sharply yesterday as a deep decline in tech shares and worries of rapidly rising rates sent the US stock market to its lowest level in eight months. The Dow closed 832 points lower as shares of Intel and Microsoft fell more than 3.5% each. Amazon declined by 6.2%, while Netflix weakened by 8.4%. Facebook and Apple also fell more than 4%. For the overall tech sector in the S&P 500, it was the worst day in seven years, dropping 4.8%, it fell below its 50-day and 100-day moving averages. On another note, in Asia, the sell-off that struck the U.S. overnight ripped through Asian stock markets Thursday, with indexes in Japan, Hong Kong and China tumbling at least 3%.

## FIXED INCOME

US government debt yields retreated in afternoon trading as investors fled a sharp equity sell-off in favor of safer assets such as Treasuries. On the back of the worst U.S. stock sell-off since February, Trump slammed the Federal Reserve as "crazy" for rate rises this year. That's the latest public critic from Trump, who declared in September he's "not happy" when the central bank raised rates for the third time this year. In other news, the cost of insuring Asia ex-Japan corporate and sovereign bonds from nonpayment rose about 3 bps, the most in three weeks, in early morning Asian trading on Thursday after a rout in U.S. equities spread to the region.

## FOREX/COMMODITIES

Gold holds advance amid risk-off sentiment in markets after a rout in U.S. equities extends to Asia. Oil headed for the biggest two-day drop since July, with fuels from diesel to gasoline also declining as fears over a worsening trade war rattled markets across the board. The dollar retreated against all its Group-of-10 peers to reach a one-week low after U.S. equity futures extended a slump. New Zealand's currency led the gains, helped by short-covering.

Source Bloomberg

Date	Event	Survey	Actual
10/10/2018	UK Industrial Production MoM	0.1%	0.1%
10/10/2018	UK Manufacturing Production YoY	1.1%	1.3%
10/11/2018	TU Current Account Balance	2.5b	2.59b
10/11/2018	BZ Retail Sales YoY	1.4b	--
10/11/2018	US CPI MoM	0.20%	--

	Value	Daily % chg	YTD
<b>AMERICAS</b>			
DOW JONES INDUS. AVG	25,598.74	-3.15%	3.56%
S&P 500 INDEX	2,785.68	-3.29%	4.19%
NASDAQ COMPOSITE INDEX	7,422.05	-4.08%	7.51%
BRAZIL IBOVESPA INDEX	83,679.11	-2.80%	9.52%
<b>EUROPE</b>			
Euro Stoxx 50 Pr	3,266.90	-1.65%	-6.77%
FTSE 100 INDEX	7,145.74	-1.27%	-7.05%
CAC 40 INDEX	5,206.22	-2.11%	-2.00%
DAX INDEX	11,712.50	-2.21%	-9.33%
ISE NATIONAL 100	94,440.69	-2.37%	-18.11%
SWISS MARKET INDEX	8,892.88	-0.79%	-5.21%
<b>ASIA</b>			
NIKKEI 225	22,590.86	-3.89%	-0.76%
HANG SENG INDEX	25,153.91	-3.97%	-15.93%
CSI 300 INDEX	3,107.24	-5.31%	-22.91%
S&P/ASX 200 INDEX	5,883.76	-2.60%	-2.99%
S&P BSE SENSEX INDEX	34,124.10	-1.83%	0.20%
<b>GCC</b>			
BLOM STOCK INDEX	980.81	--	-14.61%
AMMAN SE GENERAL INDEX	1,966.66	-0.40%	-7.53%
TADAWUL ALL SHARE INDEX	7,834.79	-0.88%	8.42%
QE Index	9,878.07	-0.87%	15.89%
ADX GENERAL INDEX	4,963.04	-1.03%	12.84%
KUWAIT SE PRICE INDEX	--	--	--
EGYPT HERMES INDEX	1,285.62	0.35%	-10.53%
<b>FX</b>			
EUR-USD X-RATE	1.1537	0.15%	-3.90%
USD-JPY X-RATE	112.2200	-0.04%	-0.42%
GBP-USD X-RATE	1.3194	-0.02%	-2.36%
USD-CHF X-RATE	0.9885	-0.16%	1.46%
EUR-CHF X-RATE	1.1404	-0.02%	-2.55%
<b>COMMODITY</b>			
GOLD SPOT \$/OZ	1194.25	-0.05%	-8.35%
SILVER SPOT \$/OZ	14.30	0.01%	-15.57%
WTI CRUDE FUTURE Sep18	72.34	-1.13%	23.91%
<b>INTEREST RATES</b>			
	Yesterday	T-5 days	12/31/2017
US Generic Govt 2 Year Yield	2.8421	2.8680	1.8830
US Generic Govt 5 Year Yield	3.0027	3.0450	2.2064
US Generic Govt 10 Year Yield	3.1629	3.1870	2.4054
German Gov. Bonds 5 Yr	-0.0450	-0.0480	-0.2020
German Gov. Bonds 10 Yr	0.5520	0.5310	0.4270



1<sup>st</sup> resistance \$1.1571    1<sup>st</sup> support \$1.1519  
2<sup>nd</sup> resistance \$1.1597    2<sup>nd</sup> support \$ 1.1493



1<sup>st</sup> resistance \$1200    1<sup>st</sup> support \$1193  
2<sup>nd</sup> resistance \$1203    2<sup>nd</sup> support \$1189

**DISCLAIMER:** The research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each idea covered in this report, all of the views expressed accurately reflect his or her personal views and were prepared in an independent manner, including with respect to Bank Audi Private Bank s.a.l. and no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.