

TOP NEWS

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- U.K. has plan to halt Brexit cash if EU backslides on trade deal
- RBA sees inflation rising only gradually as economy strengthens
- EU choosing Spain's de Guindos for ECB vice-chair, paving way for German head
- Latvia seeking to block ECB member from post amid graft probe
- HSBC annual profit disappointing, plans up to \$7 billion capital raising
- Deutsche Bank is said to cut at least 250 banker jobs
- BHP rebuffing Elliott as first-half profit hits 3-year high
- Investment Corp of Dubai seeking \$1 billion refinancing: sources

Price % 1 D

EUR/\$	1.2358	-0.39%
GBP/\$	1.3946	-0.39%
AUD /\$	0.7911	-0.03%
NZD/\$	0.7353	-0.26%
\$/JPY	107.00	-0.38%
\$/CHF	0.9322	-0.29%
\$/CAD	1.2592	-0.25%
EUR/GBP	0.8861	0.02%
EUR/JPY	132.23	0.02%
EUR/CHF	1.1521	0.06%
GOLD \$	1338.14	-0.62%
SILVER \$	16.48	-1.19%
PLATINUM \$	1000.10	-0.63%
WTI \$	62.28	0.97%
BRENT \$	65.49	-0.27%

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FX & COMM

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- U.S. dollar inched higher, but outlook remained cloudy.
- Euro eased as investors cautiously watched political developments in Germany.
- Australian dollar barely reacted on RBA's minutes.
- Oil prices traded mixed today.

Price % 1 D

AMERICAS		
US DJIA	25219.38	0.08%
US S&P 500	2732.22	0.04%
US Nasdaq	7239.47	-0.23%
EUROPE		
UK FTSE 100	7247.66	-0.64%
FR CAC 40	5256.18	-0.48%
GE DAX	12385.60	-0.53%
ASIA/PACIFIC		
AU ASX200	5940.85	-0.01%
JN Nikkei	21925.10	-1.01%
CH CSI 300	3966.96	-
MENA		
KSA	7528.24	0.26%
Dubai	3298.07	0.18%
Qatar	9106.77	0.30%

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EQUITIES

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- U.S. stock markets were closed yesterday.
- Asian stocks slipped today as recovery stalled.
- Major Gulf stock markets ended slightly higher yesterday.

10-yr Yield 1 D Net

US	2.91	0.0421
GE	0.75	0.0230
UK	1.61	0.0210
FR	1.00	0.0240
SZ	0.18	0.0130
AU	2.90	0.0140
JN	0.07	0.0030

BONDS

- Global bonds fell, with investors driving the benchmark Treasury yield up to the highest levels in four years. All eyes will now turn to the U.S. Treasury, which opens its auction floodgates this week with sales totaling \$258 billion.
- Euro zone government bond yields rose across the board as market speculation swirled over the next European Central Bank chief at a time when monetary policy is the main threat for bond markets.

Price* % 1 D

BEIRUT S.E.		
SOLIDERE A	8.50	1.91%
SOLIDERE B	8.48	2.16%
BANK OF BEIRUT	18.80	-
BANK AUDI	5.90	-
BLOM BANK	11.80	-
BYBLOS BANK	1.60	-1.23%
BLC BANK	0.93	-
BEMO BANK	1.17	-

* previous session

CHART OF THE DAY

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U.K. Gilt spread over German Bunds at near 2-month high !!!

TOP NEWS

U.K. has plan to halt Brexit cash if EU backslides on trade deal

(Bloomberg) PM Theresa May's team is eyeing up a contingency plan to hold back billions of pounds in Brexit payments, if the European Union refuses to give the U.K. the trade deal it wants. Senior British officials have privately discussed the idea as a fall-back option that could be triggered if negotiations go wrong, three people familiar with the matter said. The plan is not the U.K.'s preferred outcome, but some in May's administration believe it could be necessary in case the EU tries to renege on a future commitment to a free-trade deal. The proposal comes at a sensitive time, with British ministers seeking in public to build mutual trust with the EU rather than stoke suspicions. The U.K. is trying to persuade the bloc to cooperate on plans for an ambitious trade agreement, which will come into force after the split.

RBA sees inflation rising only gradually as economy strengthens

Australia's central bank reiterated that inflation is expected to "only gradually" accelerate as the economy strengthens and wage pressures increase, in minutes of this month's policy meeting. Synchronized nature of global growth upswing, to above-trend rates in many cases, has increased confidence that inflationary pressures would start to build. Private debt levels remain elevated and household balance sheets still warrant careful monitoring. Strong retail competition has exerted downward pressure on consumer goods and food for some time and was expected to persist "in the next few years". Business conditions remained at a relatively high level and prospects for non-mining investment "were more positive than they had been for some time". Low level of interest rates had aided progress in reducing unemployment and bringing inflation closer to target. Policy makers are watching and waiting with little sign they will pull the trigger on higher rates until the jobless rate falls further and inflation is nearer the middle of their 2% to 3% target.

EU choosing Spain's de Guindos for ECB vice-chair

(Reuters) Euro zone finance ministers on Monday chose Spanish Economy Minister Luis de Guindos to succeed European Central Bank Vice President Vitor Constancio in May, a move likely to boost the chances of a German becoming head of the ECB next year. The choice of a Southern European for vice president increases the likelihood that a northerner such as German Bundesbank governor Jens Weidmann could be elected to replace Mario Draghi as head of the ECB in 2019. This could influence the bank's ultra-loose monetary policy for the 19-country common currency area.

Latvia seek to block ECB member from post amid graft probe

Latvia will seek to prevent ECB Governing Council member Ilmars Rimsevics from returning to his post after he was caught up in a bribery probe that's rocked the Baltic nation, the country's prime minister said in an interview. Rimsevics, who's led the Latvian central bank since 2001, faces suspension from his job as a security measure following his detention, PM Maris Kucinskis said on Monday, even as protections guaranteeing the institution's independence may

shield him from removal. Rimsevics rejected the allegations and said he plans to hold a news conference Tuesday.

HSBC profit disappoint, plans up to \$7 bn capital raising

HSBC Holdings reported a jump in annual pre-tax profit that missed expectations and unveiled a plan to raise up to \$7 billion (5 billion pounds) over the next four months to bolster its capital base, as the bank prepares for growth under a new leadership. Europe's biggest lender by market capitalisation has undergone a painful restructuring under CEO Stuart Gulliver that has seen the bank cut thousands of jobs, shut branches and exit markets. The restructuring, coupled with a beneficial market environment, is now paying off for HSBC. Gulliver is stepping down on Tuesday after more than seven years at the helm and will be replaced by company veteran John Flint. HSBC reported on Tuesday a profit before tax of \$17.2 billion for 2017, compared with \$7.1 billion the year before but below estimates.

Deutsche Bank is said to cut at least 250 banker jobs

(Bloomberg) Deutsche Bank AG has started cutting at least 250 jobs globally at its corporate and investment bank as Germany's largest lender seeks to keep a lid on expenses amid a sustained slide in the securities unit, according to people with direct knowledge of the matter. The cuts are still taking place and could widen to more than 500, one person said. In the past two weeks, the bank trimmed senior and mid-level investment banking positions in locations including London and the US, the people said, declining to be identified as the details are private. They include Marc Benton, who oversaw European energy investment banking, and Evans Haji-Touma, who focused on sovereign wealth and public pension funds, according to the people.

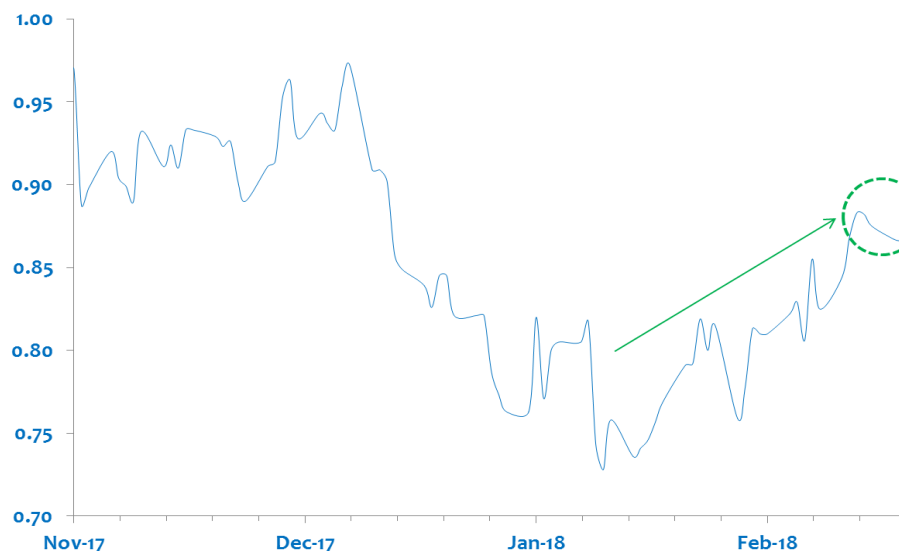
BHP rebuffing Elliott as first-half profit hits 3-year high

BHP Billiton Ltd. rejected a new activist call for a corporate overhaul and joined rivals in boosting investor returns as first-half profit rose to a three-year high. The world's biggest miner raised interim dividend payments 38% to beat estimates as underlying earnings rose by 25% to \$4.1 billion, according to a Tuesday statement. Higher commodity prices lifted the results, CEO Andrew Mackenzie said in the statement. "We used this cash to further reduce net debt and increase returns to shareholders through higher dividends," he said.

Investment Corp of Dubai seeking \$1 bn refinancing: sources

(Bloomberg) Investment Corp. of Dubai is seeking to raise a \$1 billion loan to refinance existing debt, according to two people with knowledge of the plan. The emirate's main state-owned holding company is talking to banks to raise a five-year loan to partly repay a \$2.55 billion facility that matures in June, said the people, asking not to be identified because the information is private. ICD will use its own cash to repay the rest of the loan, they said. ICD owns stakes in some of Dubai's biggest companies including Emirates, the world's biggest carrier by international passengers, Emaar Properties PJSC, the developer of the world's tallest skyscraper and Emirates NBD PJSC, the emirate's biggest lender. ICD declined to comment.

CHART OF THE DAY

10-year spread: U.K. Gilt vs German Bund

The difference in yields between the U.K.'s government bonds and similar-dated debt in Germany is holding near 0.87%, the highest in more than two months as speculation mounts that the Bank of England will raise its policy rate soon.

BoB Research, Bloomberg

FX & COMM

The **US dollar** inched higher versus a basket of major currencies today, clinging above a 3-year low set last week, but its outlook was clouded by concerns that the ballooning US fiscal deficit could disrupt the economy. The dollar has been weakening in recent months, with the positive impetus from rising US interest rates offset by a barrage of bearish factors. Initially, the view that other central banks will catch up with the Fed in tightening policy this year was cited as a reason for the dollar's underperformance. Then came comments from US Treasury Secretary Steven Mnuchin, which stoked concerns the US could pursue a weaker dollar policy as its trade deficit rose to highest level in almost a decade. The dollar could come under pressure if this week's US government bond auctions were to show sluggish investor demand for US debt. The **euro** eased backing down from Friday's 3-year high of \$1.2556. Euro zone finance ministers on Monday chose Spanish EM Luis de Guindos to succeed ECB VP Vitor Constancio in May. The move is likely to boost the chances of German Bundesbank Governor Jens Weidmann becoming head of the ECB next year to succeed Mario Draghi in 2019, possibly giving the ECB's policy a more hawkish tilt. Expectations that the ECB will roll back its stimulus have been the major driving force behind the euro's rally since last year. Still, in the near term, investors may be cautious about buying the common currency given political uncertainty in the continent. German SPD start voting in a postal ballot on Tuesday on whether the center-left party should go ahead with the agreement its leaders clinched last week to renew their power-sharing alliance with the Chancellor Angela Merkel's conservatives. The results of the vote is due on March 4. Italy will also hold a general election on March 4, which is expected to result in a hung parliament.

Oil markets were split today, with U.S. crude pushed up by reduced flows from Canada while international Brent prices eased.

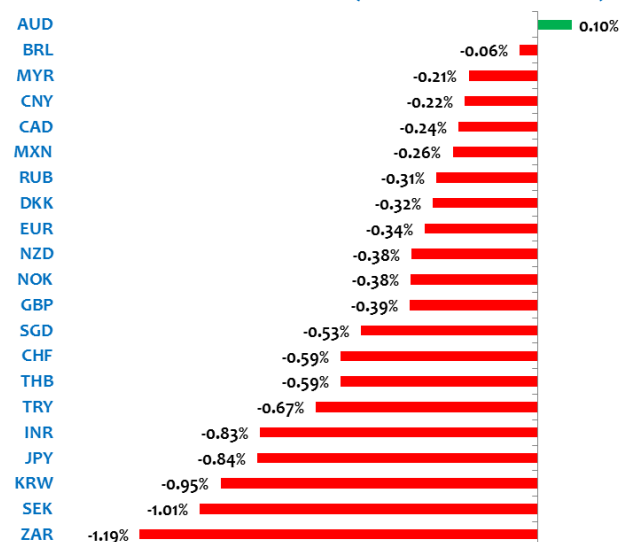
Quotes as at 10 am LT

	CURRENT SESSION				PREVIOUS SESSION	
	Price	% 1 D	High	Low	High	Low
CURRENCIES						
DXY	89.558	0.51%	89.635	89.217	89.442	88.955
EUR/\$	1.2358	-0.39%	1.2412	1.2346	1.2435	1.2369
GBP/\$	1.3946	-0.39%	1.4005	1.3932	1.4050	1.3959
AUD /\$	0.7911	-0.03%	0.7934	0.7890	0.7935	0.7898
NZD/\$	0.7353	-0.26%	0.7375	0.7343	0.7410	0.7354
\$/JPY	107.00	-0.38%	107.15	106.56	106.73	106.10
\$/CAD	1.2592	-0.25%	1.2598	1.2557	1.2592	1.2526
\$/CHF	0.9322	-0.29%	0.9340	0.9287	0.9320	0.9263
\$/SEK	8.0502	-0.82%	8.0565	7.9843	8.0055	7.9491
\$/NOK	7.8105	-0.39%	7.8301	7.7779	7.8109	7.7543
\$/DKK	6.0232	-0.35%	6.0322	6.0000	6.0207	5.9901
\$/TRY	3.7722	-0.36%	3.7731	3.7573	3.7628	3.7435
EUR/GBP	0.8861	0.02%	0.8870	0.8844	0.8869	0.8845
EUR/JPY	132.23	0.02%	132.51	132.15	132.38	131.81
EUR/CHF	1.1521	0.06%	1.1536	1.1519	1.1543	1.1504
COMMODITIES						
GOLD \$/oz	1338.14	-0.62%	1348.30	1336.68	1351.47	1345.90
SILVER \$/oz	16.4763	-1.19%	16.71	16.47	16.74	16.62
PLATINUM \$/oz	1000.10	-0.63%	1010.51	999.42	1014.22	1004.60
PALLADIUM \$/oz	1029.59	-0.55%	1036.84	1028.58	1051.55	1032.52
COPPER \$/lb	321.30	-1.70%	326.60	320.55	-	-
WTI \$/bbl	62.28	0.97%	62.74	61.63	-	-
BRENT \$/bbl	65.49	-0.27%	65.70	65.15	65.90	64.84

TECHNICAL INDICATORS (Daily)

	S1	S2	R1	R2
EUR/\$	1.2347	1.2317	1.2436	1.2465
GBP/\$	1.3908	1.3857	1.4000	1.4037
\$/JPY	106.67	106.40	107.21	107.68
GOLD \$/oz	1332.16	1315.90	1360.61	1365.02
WTI \$/bbl	61.97	61.41	62.46	62.61

PERFORMANCES vs USD (2-DAY movement)



BOB Research

ECONOMIC CALENDAR

o	CY	TIME (LT)	CNTRY	EVENT	PERIOD	ACTUAL	FORECAST	PRIOR
TODAY'S Session								
●	AUD	2:30	AU	RBA February Meeting Minutes				
●●	EUR	9:00	GE	PPI YoY	Jan	2.10%	1.80%	2.30%
●●●	EUR	12:00	GE	ZEW Survey Current Situation	Feb	--	94	95.2
●●●	EUR	12:00	GE	ZEW Survey Expectations	Feb	--	16	20.4
●●	EUR	12:00	EC	ZEW Survey Expectations	Feb	--	--	31.8
●	GBP	13:00	UK	CBI Trends Total Orders	Feb	--	11	14
●●	CAD	15:30	CA	Wholesale Trade Sales MoM	Dec	--	0.40%	0.70%
●●●	EUR	17:00	EC	Consumer Confidence	Feb A	--	1	1.3
PREVIOUS Session								
●●●	JPY	1:50	JN	Trade Balance	Jan	-¥943.4b	-¥1003.6b	¥359.0b
●●	GBP	2:01	UK	Rightmove House Prices MoM	Feb	0.80%	--	0.70%
●●	EUR	11:00	EC	ECB Current Account SA	Dec	29.9b	--	32.5b
●●	NZD	23:45	NZ	PPI Output QoQ	4Q	1.00%	--	1.00%
●●	NZD	23:45	NZ	PPI Input QoQ	4Q	0.90%	--	1.00%

Major Upcoming

- **Tomorrow:** China Holiday, Eurozone Flash Manufacturing and Services PMI, UK Jobs Report, UK Inflation Report Hearings, US Existing Home Sales, US FOMC Meeting Minutes,
- **Thursday:** UK Second GDP Estimate, ECB Monetary Policy Sentiment, Canada Retail Sales, US Initial Jobless Claims, NZ Retail Sales
- **Friday:** German Final CPI, Eurozone Final CPI, Canada CPI, Fed Monetary Policy Report

EQUITIES

Asian stocks slipped today, their recent recovery stalling after European equities broke a winning streak, while the dollar edged further away from three-year lows. MSCI's broadest index of Asia-Pacific shares outside Japan shed 0.25%. Australian stocks were little changed, South Korea's KOSPI lost 1.2% and Hong Kong's Hang Seng dropped 0.4%. Japan's Nikkei retreated 1% after three successive days of gains.

Gulf stock markets were sluggish yesterday. In Abu Dhabi, major listed financial firm Waha Capital was pulled down by a dividend cut pulling. Egypt's index rose on the back of a gain by its biggest bank. Equities in the Gulf rallied along with oil late last year and Saudi Arabia saw its largest-ever inflow of equity funds last month. But Brent oil's retreat from above \$70 a barrel since late January has visibly reduced liquidity in many bourses.

U.S. markets were closed on Monday for a holiday, and the focus will be on whether Wall Street can maintain its recovery once trading resumes. The Dow gained 4.5% last week, winning back more than half of the territory lost during a sharp downturn earlier in the month.

GLOBAL INDICES




		LATEST TRADING SESSION					PREVIOUS SESSION	
		Price	As at	% 1 D	High	Low	High	Low
AMERICAS								
DOW JONES INDUS. AVG	US	25219.38	16-02	0.08%	-	-	25432.42	25149.26
S&P 500 INDEX	US	2732.22	16-02	0.04%	-	-	2754.42	2725.11
NASDAQ COMPOSITE INDEX	US	7239.46	16-02	-0.23%	-	-	7303.26	7226.38
S&P/TSX COMPOSITE INDEX	CA	15452.64	16-02	0.29%	-	-	15500.75	15404.20
EUROPE								
STXE 600 € Pr	EC	378.24	19-02	-0.63%	381.48	377.80	381.18	377.48
FTSE 100 INDEX	UK	7247.66	19-02	-0.64%	7306.21	7239.98	7307.97	7234.81
CAC 40 INDEX	FR	5256.18	19-02	-0.48%	5297.37	5249.89	5291.48	5245.80
DAX INDEX	GE	12385.60	19-02	-0.53%	12505.49	12361.86	12484.12	12368.71
ASIA/PACIFIC								
S&P/ASX 200 INDEX	AU	5940.85	20-02	-0.01%	5942.30	5912.70	5949.60	5890.20
NIKKEI 225	JN	21925.10	20-02	-1.01%	22063.87	21831.45	22152.85	21858.33
TOPIX INDEX	JN	1762.45	20-02	-0.72%	1768.28	1752.75	1775.15	1750.13
CSI 300 INDEX	CH	3966.96	14-02	-	-	-	-	-
MENA								
TADAWUL ALL SH INDEX	SA	7528.24	19-02	0.26%	7529.74	7496.01	7554.96	7498.42
ADX GENERAL INDEX	UA	4579.48	19-02	-0.07%	4587.08	4561.40	4594.64	4577.42
DFM GENERAL INDEX	UA	3298.07	19-02	0.18%	3300.98	3280.57	3335.94	3288.77
QE Index	QA	9106.77	19-02	0.30%	9115.46	9060.95	9082.21	9028.20
MSM30 Index	OM	5007.52	19-02	-0.14%	5018.37	5006.27	5021.12	5013.21
EGX 30 INDEX	EG	15158.12	19-02	0.75%	15170.43	15045.56	15161.13	14965.93
KUWAIT SE PRICE INDEX	KW	6711.04	19-02	-0.15%	6734.34	6701.83	6776.41	6711.01
BB ALL SHARE INDEX	BH	1332.73	19-02	0.02%	1335.83	1331.79	1341.63	1332.51
AMMAN SE GENERAL INDEX	JO	2247.20	19-02	-0.06%	2253.22	2239.12	2249.34	2225.65

TOP MOVERS

AMERICAS								
CAN REAL ESTATE INVEST TRUST	CAD	15.96%		LIBERTY MEDIA COR-SIRIUSXM B	USD	-15.21%		
BOMBARDIER INC-B	CAD	11.25%		KINROSS GOLD CORP	CAD	-7.28%		
EQT CORP	USD	9.96%		LIBERTY GLOBAL PLC-A	USD	-6.69%		
EUROPE								
ACERINOX SA	EUR	5.50%		RECKITT BENCKISER GROUP PLC	Gbp	-7.51%		
SAAB AB-B	SEK	5.47%		STEINHOFF INTERNATIONAL H NV	EUR	-6.28%		
SSAB AB-A SHARES	EUR	4.66%		SOPHOS GROUP PLC	Gbp	-6.10%		
ASIA/PACIFIC								
YANGO GROUP CO LTD-A	CNY	6.29%		KINGENTA ECOLOGICAL ENGINE-A	CNY	-9.76%		
INSPUR ELECTRONIC INFORMAT-A	CNY	5.44%		LESHI INTERNET INFORMATION-A	CNY	-6.73%		
GUNGHO ONLINE ENTERTAINMENT	JPY	5.19%		JIANGSU BROADCASTING CABLE-A	CNY	-6.52%		
MENA								
MASHREQBANK	AED	6.67%		BUPA ARABIA FOR COOPERATIVE	SAR	-2.54%		
ETIHAD ETISALAT CO	SAR	4.23%		CO FOR COOPERATIVE INSURANCE	SAR	-2.10%		
NATIONAL PETROCHEMICAL CO	SAR	2.67%		ALDAR PROPERTIES PJSC	AED	-1.84%		

(This section covers thousands of stocks that are strictly components of the above indices. For a better market overview, stocks with a market cap above ~\$2 billion are only taken into consideration)

APPENDIX

ECONOMIC CALENDAR (page 2)	
INDICATORS	MEANING
	LOW impact
	MEDIUM impact
	HIGH impact
Green figure	BETTER than expected
Red figure	WORSE than expected
Black figures	AS expected
WORLD TIMING	
COUNTRY	TIME
LEBANON (LT)	Report Original Time
GMT	LT - 2 hrs
U.K.	LT - 2 hrs
GERMANY	LT - 1 hrs
CYPRUS	LT + 0 hrs
OMAN	LT + 2 hrs
U.A.E.	LT + 2 hrs
AUSTRALIA	LT + 9 hrs

COUNTRY CODES		
CODE	CURRENCY	COUNTRY
AU	AUD	AUSTRALIA
BH	BHD	BAHRAIN
BR	BRL	BRAZIL
CA	CAD	CANADA
CH	CNY	CHINA
SZ	CHF	SWITZERLAND
DK	DKK	DENMARK
EG	EGP	EGYPT
EU	EUR	EUROZONE
IN	INR	INDIA
JO	JOD	JORDAN
JP	JPY	JAPAN
KR	KRW	SOUTH KOREA
KW	KWd	KUWAIT
MX	MXN	MEXICO
MY	MYR	MALAYSIA
NO	NOK	NORWAY
NZ	NZD	NEW ZEALAND
OM	OMR	OMAN
QA	QAR	QATAR
RU	RUB	RUSSIA
SA	SAR	SAUDI ARABIA
SE	SEK	SWEDEN
SG	SGD	SINGAPORE
TH	THB	THAILAND
TR	TRY	TURKEY
UA	AED	UAE
UK	GBP	BRITAIN
US	USD	UNITED STATES
ZA	ZAR	SOUTH AFRICA

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