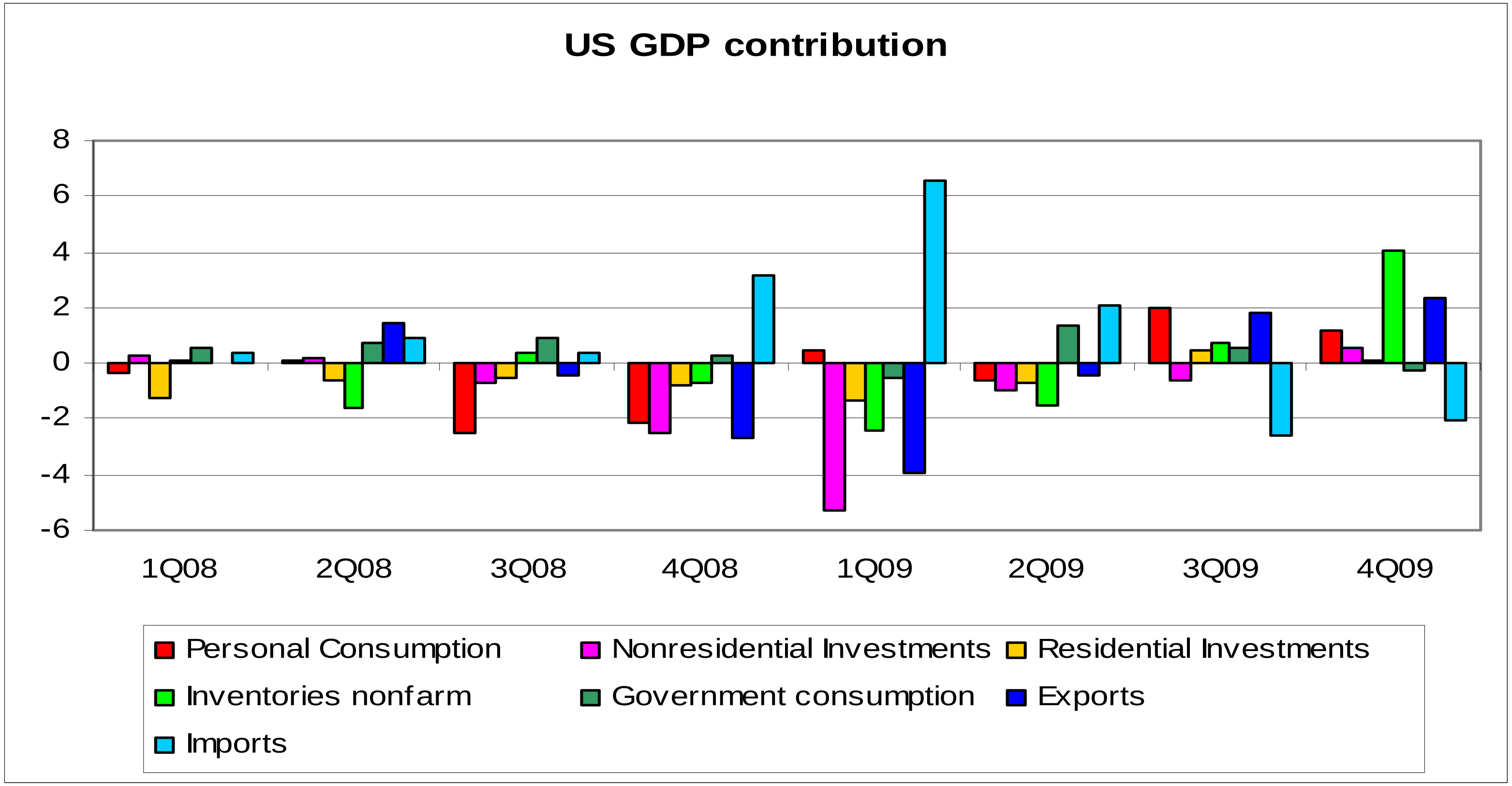
Bank Leumi (Switzerland)

Handout

April 13, 2010

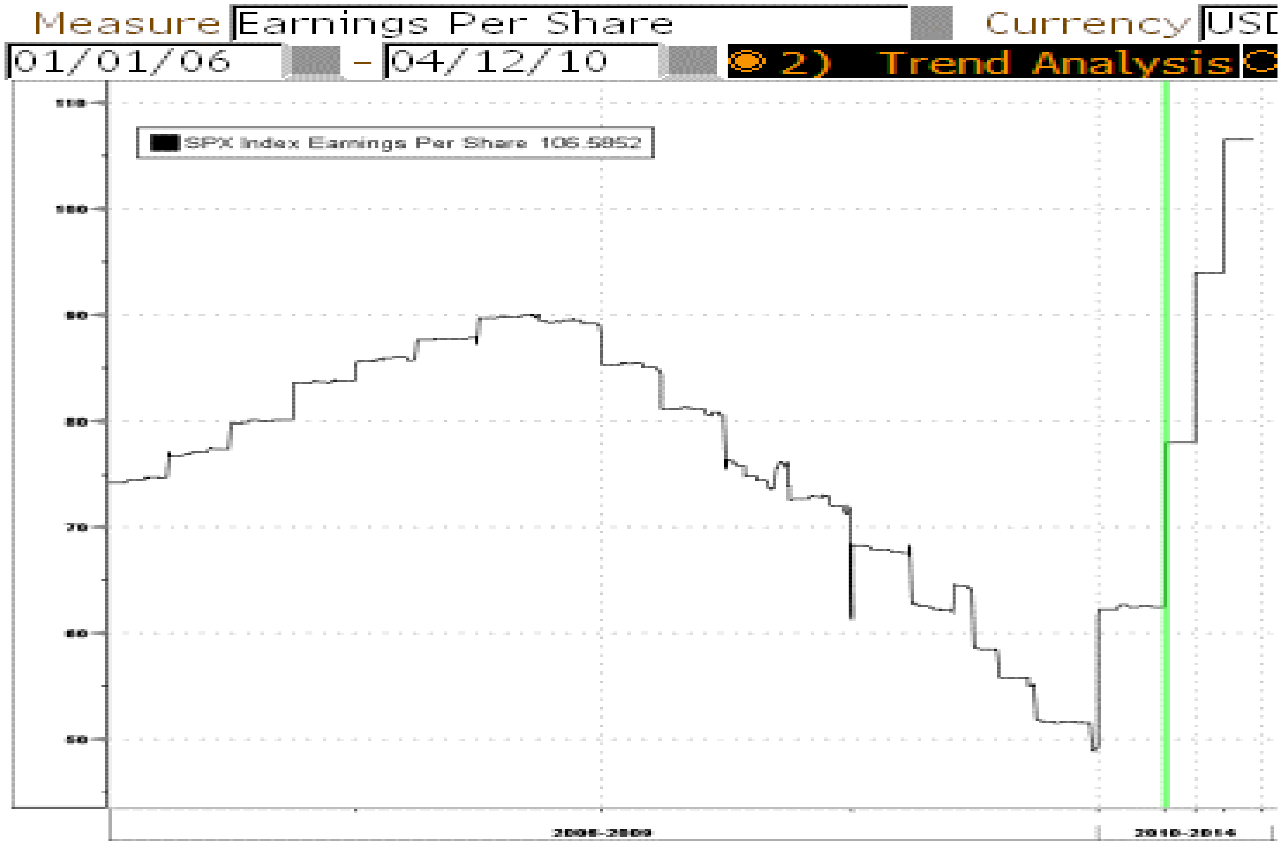
Bank Leumi (Switzerland)

US



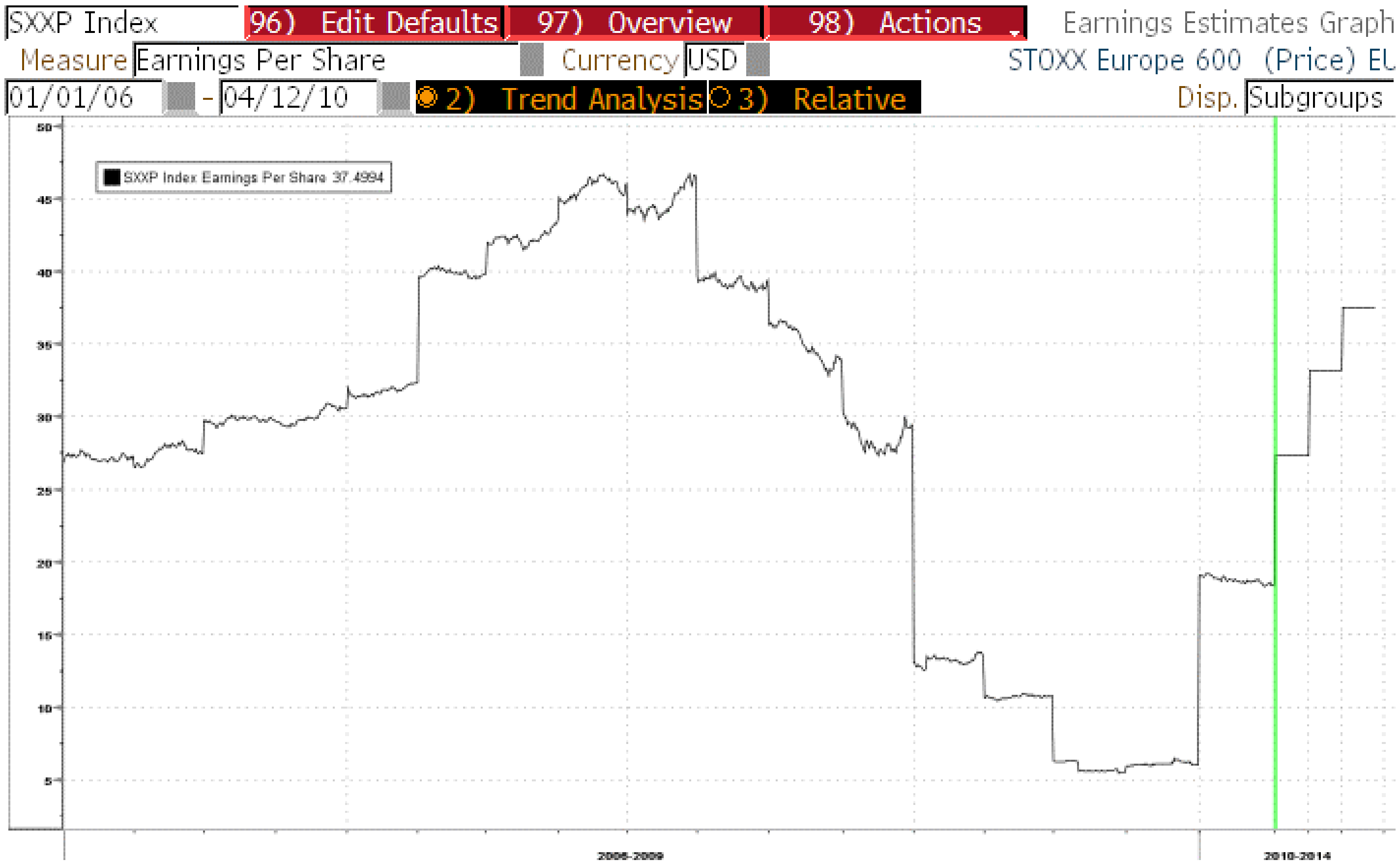
Bank Leumi (Switzerland)

US SPX earnings/estimates



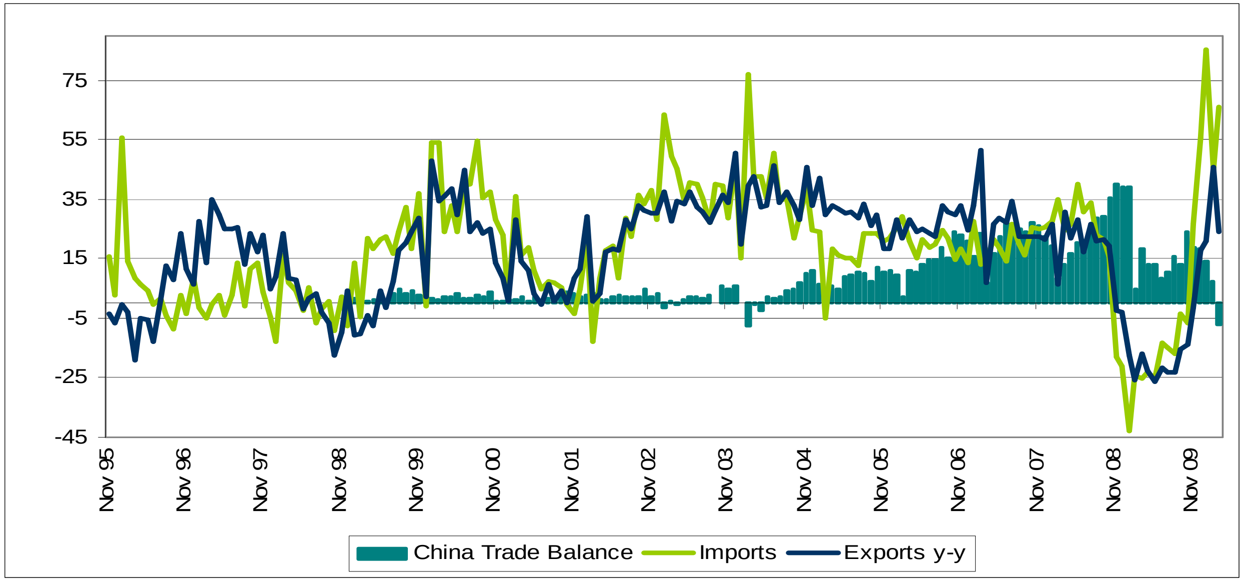
leumi
Bank Leumi (Switzerland)

Europe SXXP earnings/estimates



leumi
Bank Leumi (Switzerland)

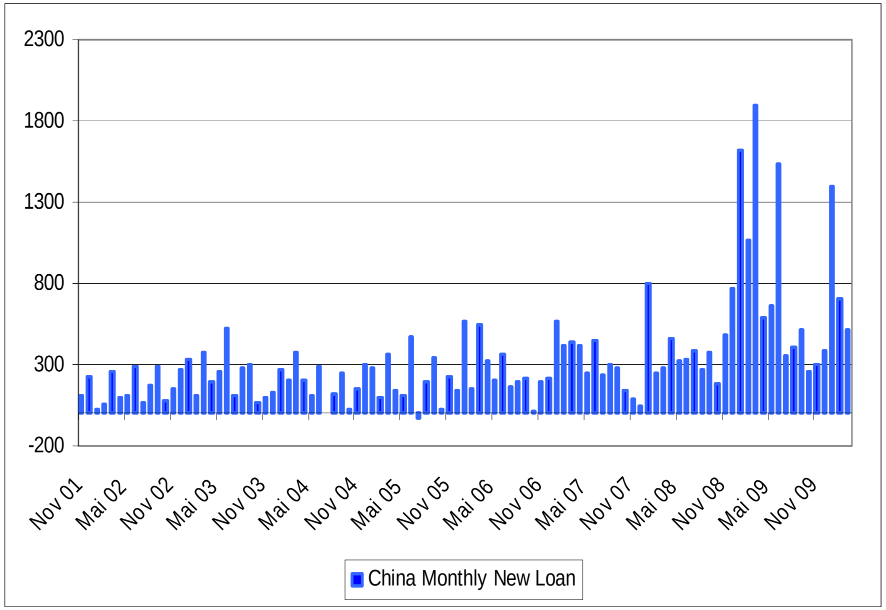
China

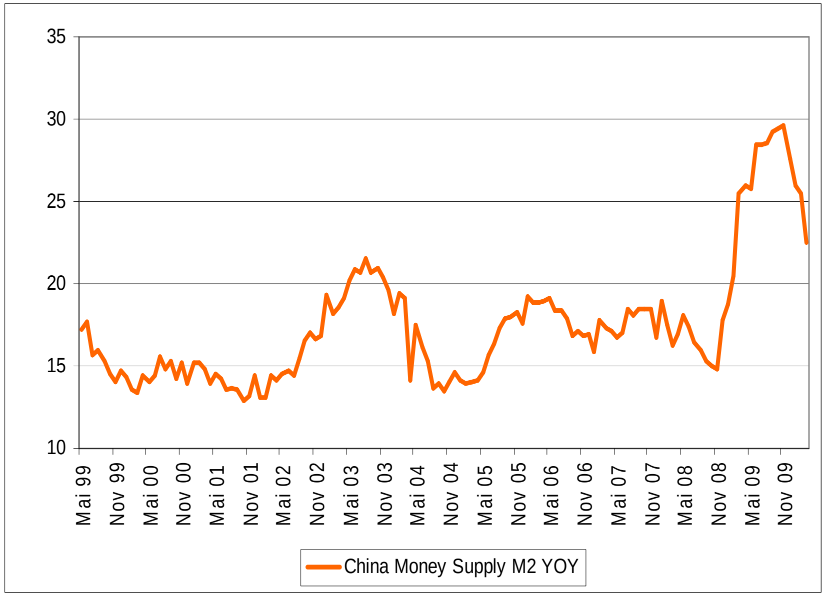


- posted its first deficit in six years
- China stated it was of temporary nature; it expects to maintain a trade surplus for the whole of 2010, although with considerable shrinkage
- in fact, the deficit is a result of very high growth of imports (66 %) and much lower expansion in exports (24.3 %); this can be explained by the time lag the processing companies need from importing to exporting the respective goods
- additionally, import prices have increased more drastically than export prices; growth in imports is likely to decline substantially as a result of falling y-y price comparisons

Bank Leumi (Switzerland)

China

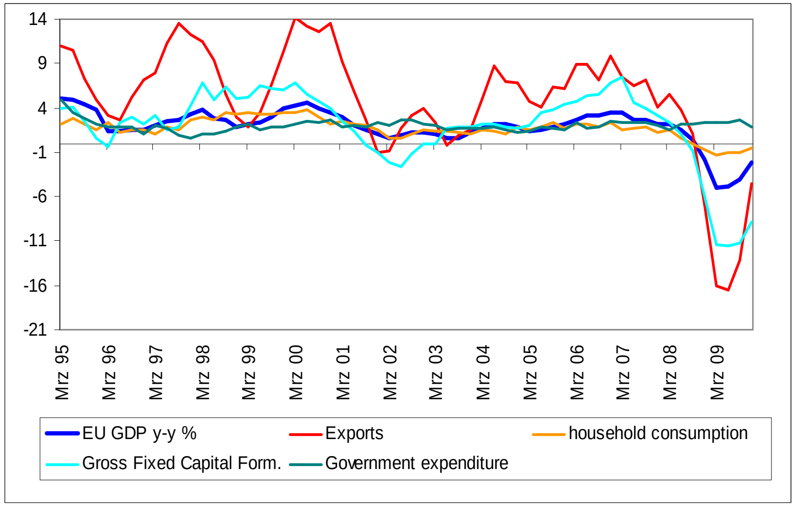




- The new directives of the central bank to pace credit growth and set aside larger reserves seem to show first signs of credit moderation
- The Chinese banking regulator stated over the weekend that lenders must report on their risk exposures by the end of June to help prevent a stimulus-lined credit boom from causing more bad loans
- M2 also shows a slowdown in still elevated growth rates, though

Bank Leumi (Switzerland)

EU



- GDP stagnating in 4Q
- Domestic demand particularly weak
- Strong rebound in exports
- Signs emerging that economic growth in 1Q robust
- Latest readings consistent with 1Q GDP growth of 0.4-0.5 %
- Additionally, growth may be better balanced