

Market Commentary

- Stock Performances Mixed:** Asian stocks traded mixed Wednesday, paring earlier earnings-related gains. The MSCI Asia Pacific Index gained 0.4 percent over all. Shares in South Korea and Hong Kong led the region, with the Kospi rising 0.9 percent. Japanese shares were little changed with the Topix index advancing only 0.1 percent. Australian shares fell as the S&P/ASX 200 Index slid 0.4 percent. In Hong Kong the Hang Seng Index gained 0.6 percent. Earlier, the S&P 500 Index rose around 0.2 percent after profit at Walmart Inc. lifted retailers and home builders got a push from higher housing activity. Still, gains were modest as worries remained the trade truce will end March 1 without a deal, leading to fresh tariffs. Future on the S&P 500 futures fell 0.1 percent.
- Yuan Up While the Yen was Wightly Weaker:** The yuan climbed amid a report the U.S. is asking China to keep its currency stable as part of the negotiations. The offshore yuan rose 0.3 percent to 6.7251 per dollar. The yen slipped 0.1 percent to 110.78 per dollar after Japan's trade deficit came in wider than expected. Elsewhere, the pound held on to gains as U.K. and European officials work on a new legal text for the contentious Irish border backstop. The British pound and euro held steady at 1.3060 and 1.1345 respectively.
- Treasuries Stand Little Changed in the U.S:** Most maturities along the U.S. Treasury yield curve were little changed with the yield on 10-year bond falling 1.3 bps. The 1-year-30-year yield spread was at 44.9 BPS compared to the previous close at 45.1 bps. Australia's 10-year bond yield slid three basis points to 2.11 percent.
- WTI Sees Moderate Gains:** West Texas crude oil traded above \$56 a barrel with a gain of 0.9 percent on Tuesday closing at the highest level since November 19th of the previous year. WTI for April delivery is currently trading at \$56.43 while the equivalent ICE Brent contract is dropped 20 cents to trade at \$66.25. All in all, Brent traded at a \$9.81 premium to the WTI for the same month.
- Gold and Palladium on the rise:** Gold traded up 0.2 percent to \$1,343.46 per ounce, near the highest since May, amid increasing bullishness. Palladium surged above \$1,500 An ounce to a record high driven by an acute shortage of supply as car manufacturers struggle to get hold of supplies to meet emissions controls.
- Russia and Saudi Arabia Continue Oil Coordination:** Russian President Vladimir Putin and Saudi King Salman Bin Abdulaziz agreed to extend their joint cooperation on the global oil market, according to the Kremlin. In a phone conversation on Tuesday, both leaders exchanged opinions about the oil market and confirmed their "readiness to continue coordination," according to a statement on the Kremlin's website. Saudi Arabia told OPEC it's taken 390,000 barrels a day off the market compared with October. In January, Russian daily output was only 47,000 barrels a day below its October baseline, according to the Energy Ministry. That's lagging Moscow's targeted reduction of at least 50,000 barrels a day for the month, and well short of the 228,000 barrel-a-day reduction the nation initially said would be in place by the end of the first quarter.

Source: Bloomberg, Reuters

Currencies

EUR/USD	1.1338
GBP/USD	1.3052
USD/JPY	110.85
AUD/USD	0.7162
NZD/USD	0.6866
USD/CHF	1.0018
USD/CAD	1.3204

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	2.415	0.6975	-0.4464	2.3813	2.6875	2.833
1MO	2.48475	0.72925	-0.413	2.5888	2.77625	3.550
2MO	2.57813	0.782	-0.3731	-	-	3.667
3MO	2.64363	0.86875	-0.347	2.8853	2.93125	3.917
6MO	2.75538	0.988	-0.2881	3.0900	3.0525	4.033
12MO	2.90713	1.12575	-0.1663	3.5090	3.275	4.650

Commodities

Brent Crude	66.35
WTI	56.17
Gold	1341.85
Aluminum	1833.5
Copper	6319
Silver	16.02
Platinum	821.7
Palladium	1468.1

Indices

DJIA	25,891.3
S&P 500	2,779.8
DAX	11,309.2
NIKKEI 225	21,431.5
CAC 40	5,160.5
FTSE 100	7,179.2
DFM	2,579.0
TASI	8,516.6

Treasuries

US2Y	2.4913
US10Y	2.6411
EU2Y	-0.5660
EU10Y	0.1050
GB2Y	0.7390
GB10Y	1.1690
SAR2Y	3.0374
SAR10Y	3.9100

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	EU	Consumer Confidence (Feb)	-7.70	-7.90
	US	MBA Mortgage Applications (Feb)	--	-3.7%

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