

Market Commentary

- ▶ **Powell Testifies.** Jerome Powell sought to allay concerns about rising prices, and emphasized the recovery has a long way to go. "Unemployment is high and the labor market is far from maximum employment," the Fed chair said in Day Two of his Congressional testimony. He noted some "elevated" asset prices, but said cars might be more expensive because of temporary supply-chain constraints, whereas "inflation is a process that repeats itself year over year over year."
- ▶ **Stimulus Plan.** Biden's stimulus plan has the support of more than 150 companies. Execs from David Solomon to Stephen Schwartzman and Sundar Pichai signed a letter urging Congress to pass relief. The House votes on Friday. Bernie Sanders said there may be a ruling on inclusion of a minimum-wage hike and Biden will order a supply chain review in a bid to address the chip shortage.
- ▶ **BOE Dismisses Talk of Inflation.** BOE officials also brushed aside suggestions of higher inflation. They were cautious on the strength of the recovery, telling lawmakers they expect a contraction in the first quarter and saying the crisis may scar the labor market. Governor Andrew Bailey also slammed the EU's demand that euro derivatives be settled by clearinghouses inside the bloc, saying such a move would be a "very serious escalation" in tensions.
- ▶ **Vaccine's Update.** The Pfizer-BioNTech vaccine cleared all hurdles in a recent study that found it to be highly effective at fighting the virus, so much so that outside experts said it may be possible to halt the pandemic. Moderna will study multiple approaches to vaccine booster shots that could protect against variants — just as the NYT reported a new variant is spreading rapidly in New York. South Africa found about 4,000 reinfections, possibly due to variants.
- ▶ **Oil Prices Hit 13-month Highs.** Oil prices rose to the highest levels in more than 13 months, underpinned by monetary easing policies and lower crude production in the US. Brent crude futures for April gained 0.3%, to \$67.23, while WTI crude for April was at \$63.30, up 0.1%. Both contracts touched their highest since January 2020. An assurance from the U.S. Federal Reserve that interest rates would stay low for a while boosted investors' risk appetite and global financial markets.
- ▶ **US-KSA Ties.** Joe Biden and Saudi Arabia's monarch are about to have an uncomfortable chat. The president said he'll talk with King Salman soon, as his administration works to re-evaluate ties with the kingdom. The call is expected to come ahead of the release of a U.S. intelligence report on the murder of Washington Post columnist Jamal Khashoggi. Biden said he's read the report.
- ▶ **KSA Raises EU1.5 Billion.** Saudi Arabia has raised EU1.5 billion from its second international Sukuk offering, finance ministry said in a statement. The yields were minus 0.057% for three-year debt in EU1 billion and 0.646% for nine-year in EU500 million, the cheapest borrowing costs it has achieved to date. The offering received orders of about 5 billion euro.
- ▶ **Dubai's Bourse Down Cap Limit.** The limit down for shares trading in the Dubai Financial Market will be reinstated at 10% starting Feb. 28, the exchange said in a statement. The cap was temporarily decreased to 5% in March 2020 as part of measures to contain fluctuation due to the pandemic, the bourse said.

Main Economic Indicators

Country	Indicator	Consensus	Previous
US	Initial Jobless Claims	825 k	861 k
US	GDP Annualized QoQ (4Q-S)	4.2%	4.0%
US	Durable Goods Orders (Jan - Pre)	1.1%	0.5%

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	0.09025	0.03825	-0.5749	0.1194	0.5900	1.050
1MO	0.11763	0.041	-0.5761	0.2100	0.645	1.762
2MO	0.15213	0.05113	-0.5554	-	-	1.842
3MO	0.1875	0.06138	-0.55	0.3650	0.8	1.975
6MO	0.20375	0.07813	-0.5274	0.5267	0.84625	2.092
12MO	0.28463	0.13013	-0.4914	0.4857	0.92125	2.408

Daily Market Report

Thursday, February 25, 2021

	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
Currencies												
EURUSD	1.2176	↑	0.08%	0.001	1.2156	1.2183	0.30%	1.2216	-0.3%	11.9%	1.0636	1.2349
GBPUSD	1.4159	↑	0.13%	0.0018	1.4127	1.417	3.54%	1.367	3.6%	8.9%	1.1412	1.4237
AUDUSD	0.7973	↑	0.06%	0.0005	0.7953	0.7979	3.37%	0.7694	3.6%	20.7%	0.551	0.7979
NZDUSD	0.7435	→	-0.01%	-0.0001	0.742	0.7449	3.24%	0.7184	3.5%	17.6%	0.547	0.7455
USDCHF	0.9059	↓	-0.07%	-0.0006	0.9058	0.9075	1.96%	0.8852	2.3%	-7.2%	0.8758	0.9902
USDJPY	105.92	→	0.05%	0.05	105.85	106.14	2.09%	103.25	2.6%	-3.9%	101.19	111.71
USDCAD	1.2503	↓	-0.08%	-0.001	1.2497	1.2522	-1.86%	1.2725	-1.7%	-5.8%	1.2497	1.4668
USDCNY	6.4531	↓	-0.06%	-0.004	6.4501	6.457	-0.42%	6.5272	-1.1%	-8.2%	6.4236	7.1778
USDKWD	0.30185	→	0.00%	0	0.30185	0.30185	-0.28%	0.30325	-0.5%	-1.2%	0.30185	0.3079
Bitcoin	50493.2	↑	3.56%	1734.63	48088	50881.3	54.41%	28996.28	74.14%	438.08%	3914.7	58350.4
Commodities												
Brent	67.16	↑	0.18%	0.12	67.03	67.49	21.56%	51.8	29.60%	20.47%	15.98	67.49
WTI	63.29	↑	0.11%	0.07	63.06	63.67	21.27%	48.52	29.99%	23.32%	-40.32	63.67
Gold	1796.04	↓	-0.50%	-9.02	1793.94	1805.74	-3.23%	1898.36	-5.39%	9.84%	1451.55	2075.47
Silver	27.966	→	0.05%	0.0132	27.8128	28.2053	10.33%	26.4023	5.92%	55.36%	11.6418	30.1003
Platinum	1261.81	↓	-0.63%	-8.03	1256.78	1271.92	14.62%	1072.12	17.69%	36.01%	564	1339.73
Palladium	2434.08	↓	-0.35%	-8.49	2428.92	2447.61	3.92%	2448.81	-0.60%	-10.33%	1495	2883.89
Rates												
US Gov 2YR	0.1289	↑	4.80%	0.0059	0.1211	0.1289	6.62%	0.1211	6.44%	-89.67%	0.0972	1.2947
US Gov 10YR	1.4013	↑	1.87%	0.0257	1.3722	1.4183	29.09%	0.9132	53.45%	2.25%	0.3137	1.4337
US Swap 5YR	0.736	↑	2.82%	0.0202	0.714	0.7468	46.96%	0.43	71.16%	-37.73%	0.2381	1.175
US Swap 10YR	1.4631	↑	1.85%	0.0266	1.4327	1.4805	37.69%	0.9253	58.12%	13.54%	0.4377	1.509
UK Gilts 2YR	0.032	↓	-23.81%	-0.01	0.013	0.062	125.60%	-0.16	120.00%	-93.82%	-0.183	0.486
UK Gilts 10YR	0.732	↑	1.81%	0.013	0.7	0.804	137.66%	0.197	271.57%	27.71%	0.063	1.06
EU Gov 2YR	-0.682	→	0.00%	0	-0.692	-0.678	3.54%	-0.7	2.57%	-6.96%	-1.033	-0.571
EU Gov 10YR	-0.304	↑	3.49%	0.011	-0.333	-0.274	40.63%	-0.569	46.57%	29.52%	-0.907	-0.14
SAR Swap 2YR	0.9136	↑	0.18%	0.0016	0.9099	1.0055	-7.25%	1.0221	-10.62%	-46.88%	0.8835	1.7045
SAR Swap 10YR	2.846	↑	0.92%	0.026	2.815	2.865	6.99%	2.695	5.60%	13.48%	2.035	2.8924
SAIBOR 3M	0.8	↓	-0.16%	-0.00125	0.8	0.8	-2.14%	0.8175	-2.14%	-62.39%	0.8	2.10429
EIBOR 3M	0.365	↑	13.62%	0.04375	0.365	0.365	5.42%	0.5125	-28.78%	-80.66%	0.28264	1.88958
BHIBOR 3M	1.975	↓	-2.87%	-0.0583	1.975	1.975	-11.57%	2.25	-12.22%	-23.05%	1.68	2.5667
Indices												
DJIA	31961.9	↑	1.35%	424.51	31421.3	32009.6	3.11%	30606.48	4.43%	10.24%	18213.7	32009.6
S&P 500	3925.43	↑	1.14%	44.06	3859.6	3928.65	1.82%	3756.07	4.51%	25.48%	2191.86	3950.43
NASDAQ	13598	↑	0.99%	132.767	13286.6	13607.4	0.41%	12888.28	5.51%	41.99%	6631.42	14175.1
DAX	13976	↑	0.80%	111.19	13855.9	13998.3	0.74%	13718.78	1.87%	2.92%	8255.65	14169.5
Nikkei 225	30180.7	↑	1.72%	508.96	30044.4	30213.3	4.71%	27444.17	9.97%	33.51%	16358.2	30714.5
CAC 40	5797.98	↑	0.31%	18.14	5758.3	5804.14	5.95%	5551.41	4.44%	0.11%	3632.06	5828.46
FTSE 100	6658.97	↑	0.50%	33.03	6572.28	6669.86	0.30%	6460.52	3.07%	-6.96%	4898.79	7198.23
Shanghai Compos	3586.24	↑	0.62%	22.159	3568.47	3608.56	-1.05%	3473.069	3.26%	19.02%	2646.81	3731.69
EURO STOXX 50	3705.99	↑	0.46%	16.89	3681.66	3712.66	4.30%	3552.64	4.32%	1.59%	2302.84	3742.53
DFMGI	2515.27	↑	0.30%	7.47	2508.56	2520.41	-7.64%	2491.97	0.94%	-5.90%	1663.7	2807.41
Abu Dhabi	5643.36	↑	0.25%	13.82	5631.02	5643.36	0.45%	5045.32	11.85%	14.32%	3304.36	5713.38
Tadawul	9115.76	↓	-0.39%	-35.95	9078.54	9217.03	3.04%	8689.53	4.91%	17.67%	5959.69	9217.03
Qatar Exchange	9952.86	↓	-0.67%	-67.18	9950.54	10043.6	-6.73%	10435.96	-4.63%	1.87%	7997.05	10969.2
Bursa Kuwait	5649.16	↓	-0.14%	-7.68	5640.85	5671.05	-1.41%	5546.04	1.86%	-6.96%	4339.58	6171.11
Bahrain Bourse	1462.97	↑	0.17%	2.51	1460.04	1463.19	0.04%	1489.78	-1.80%	-11.89%	1226.91	1664.02
Muscat Securities 30	3587.79	↓	-0.07%	-2.49	3587.79	3587.79	-2.99%	3658.77	-1.94%	-13.10%	3367.32	4156.82

Daily Market Report

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