

Market Commentary

- ▶ **US Private Payrolls Surge:** US private payrolls surged by the most in seven months in April as companies rushed to boost production amid a surge in demand, suggesting the economy gained further momentum early in the second quarter, powered by massive government aid and rising COVID-19 vaccinations. Strengthening labor market conditions were reinforced by other data on Wednesday showing a measure of services industry employment increased last month by the most in more than 2-1/2 years. Private payrolls rose by 742,000 jobs last month, the largest gain since last September.
- ▶ **Fed Officials Reassure Markets:** Fed officials sought to reassure investors stimulus will stay. Vice Chair Richard Clarida and Boston's Eric Rosengren said it's too soon to talk tapering, diverging from Robert Kaplan's remarks a day earlier. Along with Cleveland's Loretta Mester, they said they're still not fretting over temporary spikes in inflation. Rosengren added, however, that "the mortgage market probably doesn't need as much support now," and he worries about an overheated housing market.
- ▶ **Biden Blocks Trump-Era Rule:** The Biden administration blocked a Trump-era rule that would have made it easier to classify gig workers who work for companies like Uber and Lyft as independent contractors instead of employees, signaling a potential policy shift toward greater worker protections. Shares of companies that employ gig labor such as Uber, Lyft and DoorDash immediately pared gains. Uber shares traded down 3.2%, Lyft was down 5.8% and DoorDash fell 5%.
- ▶ **China Suspends Dialogue with Australia:** China "indefinitely" suspended all activity under a China-Australia Strategic Economic Dialogue, the latest setback for their strained relations. Recently, some Australian Government officials launched a series of measures to disrupt the normal exchanges and cooperation between China and Australia. The Australian dollar fell sharply and was as low as 0.7701 to the U.S. dollar from Wednesday's \$0.7747. Bilateral ties were strained in 2018 when Australia became the first country to publicly ban Chinese tech giant Huawei from its 5G network. Relations worsened last year when Australia called for an independent investigation into the origins of the coronavirus.
- ▶ **Chinese Tensions Spill Over:** G-7 diplomats singled out China over a variety of subjects, including over alleged human-rights abuses, actions on Taiwan and incursions in cyberspace. It marks another increase in tensions with Beijing after the EU had signaled it would not ratify an investment deal with China as long as its officials are sanctioned. The Biden administration, meanwhile, plans to build off the deal reached with China under Donald Trump, while adding the removal of tariffs will depend on the outcome of upcoming conversations between US chief trade negotiator and counterparts.
- ▶ **Central Banks on Hold:** The BOE is expected to make a big upgrade to its growth forecast, but with the recovery fragile it's also likely to say there's a higher than usual bar for tightening, and that it's ready to loosen more if needed. Norway's central bank may update guidance on expected second-half hikes. Rising inflation and a promise to keep rates above price gains will keep Turkey's central bank from easing, despite political pressure.
- ▶ **Virus Update:** The US will support a proposal to waive IP protections for vaccines. India reported record new daily cases and also deaths. Local drugmakers warned a block on cargo flights from China could hurt vaccine making. UK workers are returning to the office as restrictions are gradually lifted. Canada may allow people to take two different vaccines. Tokyo may extend the virus state of emergency.
- ▶ **Yields on 10-year JGBs Fall:** Yields on benchmark 10-year Japanese government bonds fell, tracking overnight US Treasury yields lower, after investors marked moderately successful results of the Bank of Japan's bond-buying operation. The 10-year JGB yield fell 0.5 bps to 0.085%.
- ▶ **Gold Gains:** Gold prices edged higher as a dip in US treasury yields offset pressure from a stronger dollar, while investors awaited US non-farm payrolls data for April due later this week. Spot gold was up 0.2% at \$1,789.22. US gold futures rose 0.2% to \$1,788.20.
- ▶ **Saudi Cuts Oil Prices for Asia:** Saudi Arabia lowered oil prices for customers in its main market of Asia as a surge in coronavirus cases crimps demand in India, the world's third-largest crude importer. Aramco reduced pricing for June shipments to the continents by between 10 and 30 cents per barrel. That is the first reduction in official selling prices for the grade since December.

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	0.08075	0.04338	-0.5764	0.1438	0.5800	1.033
1MO	0.10838	0.047	-0.57329	0.2000	0.63429	1.712
2MO	0.14725	0.06638	-0.5549	-	-	1.305
3MO	0.17538	0.08363	-0.54343	0.4185	0.79429	1.325
6MO	0.20663	0.1105	-0.5249	0.4650	0.84143	1.483
12MO	0.28288	0.16488	-0.49557	0.6125	0.91571	1.667

Country	Indicator	Cons.	Prev.
US	Initial Jobless Claims	538 k	553 k
US	Continuing Claims	3620 k	3660 k
UK	Bank of England Bank Rate	0.10%	0.10%

Sources: Reuters, Bloomberg

Daily Market Report

Thursday, May 6, 2021

	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
Currencies												
EURUSD	1.2027	↑	0.18%	0.0022	1.1993	1.2027	1.27%	1.2216	-1.5%	11.4%	1.0767	1.2349
GBPUSD	1.391	→	0.04%	0.0005	1.3886	1.3914	0.62%	1.367	1.8%	12.6%	1.2076	1.4237
AUDUSD	0.7754	↑	0.09%	0.0007	0.7701	0.7758	1.17%	0.7694	0.8%	21.2%	0.6379	0.8007
NZDUSD	0.7219	→	0.04%	0.0003	0.7185	0.7229	2.27%	0.7184	0.5%	20.2%	0.5921	0.7465
USDCHF	0.912	↓	-0.11%	-0.001	0.9119	0.9145	-2.03%	0.8852	3.0%	-6.5%	0.8758	0.9784
USDJPY	109.28	↑	0.06%	0.07	109.17	109.43	-0.43%	103.25	5.8%	3.0%	102.59	110.97
USDCAD	1.2252	↓	-0.12%	-0.0015	1.2252	1.2288	-2.50%	1.2725	-3.7%	-13.4%	1.2252	1.4173
USDCNY	6.4776	→	0.04%	0.0027	6.4763	6.4834	-1.15%	6.5272	-0.8%	-8.3%	6.4236	7.1778
USDKWD	0.3014	↑	0.10%	0.0003	0.3014	0.3014	-0.26%	0.30325	-0.6%	-2.4%	0.301	0.3064
Bitcoin	56784.5	↓	-0.20%	-110.97	56457	57633.9	-2.51%	28996.28	95.83%	513.83%	9852.96	64869.8
Commodities												
Brent	68.99	→	0.04%	0.03	68.34	69.23	11.58%	51.8	33.99%	83.19%	28.66	71.38
WTI	65.57	↓	-0.09%	-0.06	64.98	65.83	11.74%	48.52	34.83%	92.29%	22.58	67.98
Gold	1794.83	↑	0.45%	7.96	1782.07	1795.56	2.96%	1898.36	-5.45%	6.47%	1670.98	2075.47
Silver	26.7668	↑	1.05%	0.2773	26.1812	26.8072	6.38%	26.4023	1.38%	80.21%	14.7275	30.1003
Platinum	1235.43	↑	0.56%	6.9	1218.3	1236.46	1.89%	1072.12	15.23%	60.58%	750.1	1339.73
Palladium	2992.33	↑	0.63%	18.81	2967.86	2992.78	11.43%	2448.81	22.20%	65.88%	1773.36	3018.82
Rates												
US Gov 2YR	0.1546	↑	2.66%	0.004	0.1546	0.1566	-7.09%	0.1211	27.66%	-17.85%	0.0972	0.2339
US Gov 10YR	1.5732	↑	0.46%	0.0072	1.5696	1.5854	-7.48%	0.9132	72.27%	137.68%	0.5019	1.7742
US Swap 5YR	0.9007	↑	0.63%	0.0056	0.8948	0.92	-9.80%	0.43	109.47%	125.18%	0.2381	1.111
US Swap 10YR	1.5682	↑	0.46%	0.0072	1.5598	1.5808	-7.40%	0.9253	69.48%	135.22%	0.5002	1.7976
UK Gilts 2YR	0.045	↓	-16.67%	-0.009	0.044	0.055	-40.79%	-0.16	128.13%	309.09%	-0.183	0.187
UK Gilts 10YR	0.803	↓	-1.95%	-0.016	0.798	0.809	1.01%	0.197	307.61%	289.81%	0.063	0.909
EU Gov 2YR	-0.695	→	0.00%	0	-0.699	-0.693	1.84%	-0.7	0.71%	12.14%	-0.813	-0.586
EU Gov 10YR	-0.232	↓	-1.75%	-0.004	-0.241	-0.228	29.27%	-0.569	59.23%	59.86%	-0.67	-0.163
SAR Swap 2YR	0.9458	↑	0.12%	0.0011	0.9299	0.9495	-3.49%	1.0221	-7.47%	-19.23%	0.5975	1.183
SAR Swap 10YR	2.622	↑	0.24%	0.0063	2.614	2.6299	-11.72%	2.695	-2.71%	7.02%	2.035	3.045
SAIBOR 3M	0.79429	→	0.00%	0	0.79429	0.79429	-0.36%	0.8175	-2.84%	-34.12%	0.79429	1.18429
EIBOR 3M	0.41848	↑	1.45%	0.00598	0.41848	0.41848	26.13%	0.5125	-18.35%	-65.49%	0.26604	1.2599
BHIBOR 3M	1.325	→	0.00%	0	1.325	1.325	7.44%	2.25	-41.11%	-37.89%	1.2333	2.3
Indices												
DJIA	34230.3	↑	0.29%	97.31	34039.7	34331.2	2.10%	30606.48	11.84%	44.13%	22789.6	34331.2
S&P 500	4167.59	↑	0.07%	2.93	4160.94	4187.72	2.30%	3756.07	10.96%	46.31%	2766.64	4218.78
NASDAQ	13582.4	↓	-0.37%	-51.07	13553.9	13753.1	-0.90%	12888.28	5.39%	55.93%	8705.25	14211.6
DAX	15170.8	↑	2.12%	314.3	14963.8	15170.8	0.42%	13718.78	10.58%	44.94%	10160.9	15501.8
Nikkei 225	29331.4	↑	1.80%	518.74	28966.5	29430.2	-1.75%	27444.17	6.88%	49.50%	19448.9	30714.5
CAC 40	6339.47	↑	1.40%	87.72	6275.14	6339.47	3.39%	5551.41	14.20%	41.41%	4194.58	6355.87
FTSE 100	7039.3	↑	1.68%	116.13	6923.17	7047.75	3.16%	6460.52	8.96%	20.34%	5525.52	7047.75
Shanghai Compos	3440.14	↓	-0.20%	-6.72	3426.85	3471.24	-1.27%	3473.069	-0.95%	20.28%	2802.47	3731.69
EURO STOXX 50	4002.79	↑	1.99%	77.99	3927.29	4003.09	0.82%	3552.64	12.67%	39.18%	2708.07	4040.88
DFMGI	2648.36	↓	-0.07%	-1.82	2641.92	2651.43	2.89%	2491.97	6.28%	38.00%	1854.31	2807.41
Abu Dhabi	6143.26	↑	0.45%	27.32	6110.93	6146.35	1.03%	5045.32	21.76%	52.76%	4015.11	6205.31
Tadawul	10252.2	↓	-0.65%	-66.79	10252.2	10332.4	2.63%	8689.53	17.98%	52.78%	6448.66	10540.2
Qatar Exchange	10895.5	→	-0.01%	-1.36	10888.5	10906.3	4.82%	10435.96	4.40%	24.39%	8652.76	10976.3
Boursa Kuwait	6232.97	↑	0.80%	49.34	6186.6	6245.84	6.54%	5546.04	12.39%	27.32%	4668.63	6245.84
Bahrain Bourse	1513.99	↑	0.87%	13.06	1500.21	1513.99	3.95%	1489.78	1.63%	16.61%	1226.91	1513.99
Muscat Securities 30	3812.77	↑	0.06%	2.31	3810.46	3812.77	2.57%	3658.77	4.21%	9.78%	3385.82	3812.77

Daily Market Report

Thursday, May 6, 2021

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