

# Daily Market Report

Monday, March 7, 2022

## Market Commentary

- ▶ **Ukraine Latest.** A second bid to create safe passage for some 200,000 civilians trapped in Mariupol failed. Russian forces didn't launch major offensives for much of the weekend, while Ukraine's military started a counterattack near Kharkiv, the Institute for the Study of War said. Russian assaults on Kyiv and Kharkiv may resume within 48 hours, as well as attacks on Mykolayiv and possibly Odesa. Putin reiterated the war will continue until Ukraine accepts his demands and halts resistance, lowering hopes for progress at a third round of talks that may happen today.
- ▶ **Oil Ban.** The Biden administration may go solo in banning Russian oil imports, at least initially, people familiar said. Japan is in talks with the U.S. and Europe about a possible embargo. Antony Blinken earlier said the U.S. was in discussions with European allies, sparking an 18% jump in Brent to \$139, before gains narrowed. Some traders are betting that oil futures will rise above \$200 before the end of March.
- ▶ **US February Jobs Rose.** Nonfarm payrolls blew past consensus, rising by 678,000 last month after a revised 481,000 gain in January, while the unemployment rate fell to 3.8% from 4%. The data will underpin Fed notions that the labor market is solid enough to withstand tightening. Wage growth stagnated month on month but picked up 5.1% year on year.
- ▶ **China's Export Growth Slows.** China's export growth slowed in the January-February period due to the week-Long Lunar New Year holiday and though the data beat expectations, Russia's invasion of Ukraine has heightened uncertainty over the outlook for global trade this year. Outbound shipments rose 16.3% in the first two months of the year from the same period a year earlier, beating analyst expectations for a 15.0% rise, but down from 20.9% gain in December.
- ▶ **South Korea Feb Inflation Accelerates.** South Korea's consumer inflation hovered near a decade high in February and stood above the central bank's 2% target for an 11th month, adding pressure on policymakers to raise interest rates amid surging oil prices due to the Russia-Ukraine crisis. The consumer price index (CPI) for February rose 3.7% from a year earlier, government data showed on Friday, exceeding a 3.5% gain tipped in a Reuters survey and a notch below the decade high of 3.8% marked in November. It rose 3.6% in January.
- ▶ **Euro Drops.** The euro slid to its weakest level in almost two years as traders weigh the prospects of sanctions on Russian energy supplies, and the impact on Europe's economy. EUR/USD fell as much as 1% to 1.0822, the lowest since May 2020, before trading at 1.0875.

- ▶ **Iran Sanctions Relief.** Iran paved the way for sanctions relief by agreeing to help end a contentious nuclear investigation, removing on of the final hurdles to an atomic deal that could see Iranian oil return to markets by the third quarter. Negotiations are continuing in Vienna over outstanding issues.
- ▶ **Brent Hits \$139/bbl.** Global crude oil prices neared record highs in early deals on Monday after reports said that the US and European allies are looking at banning Russian oil imports following its invasion of Ukraine. Brent crude hit a high of \$139.13 per barrel, before easing a bit.
- ▶ **Gold on Upswing.** Gold, copper and palladium racked up fresh price gains at the start of another tumultuous week as Russia intensifies its war in Ukraine. Gold jumped above \$2,000 an ounce for the first time in more than 18 months, while copper and palladium hit all-time highs.
- ▶ **Coal Surges.** Key coal prices extended a record rally on escalating concerns over global supply tightness, with a Chinese consultancy warning that near-term cargoes outside of Russia are basically sold out. Asia's benchmark Newcastle coal price jumped 35% to a new record of \$353.75 a ton on Friday. A spot cargo for June loading was sold at a price of about \$415 a ton on Thursday. Russia is the world's third-biggest coal exporter.

### Interbank Offer Rates

|      | SOFR     | USD    | GBP    | EUR    | AED   | SAR   | BHD   |
|------|----------|--------|--------|--------|-------|-------|-------|
| O/N  | 0.050    |        |        |        |       |       |       |
| 1WK  | 0.05*    | -      | 0.445  | -0.567 | 0.143 | 0.650 | 1.033 |
| 1MO  | 0.04964* | 0.3101 | 0.4452 | -0.546 | 0.319 | 0.958 | 1.505 |
| 2MO  | 0.04915* | -      | 0.3183 | -0.336 | -     | -     | 1.550 |
| 3MO  | 0.04934* | 0.6101 | 0.2506 | -0.520 | 0.667 | 1.718 | 1.600 |
| 6MO  | 0.04929* | 0.9394 | 0.1492 | -0.482 | 0.969 | 1.698 | 1.903 |
| 12MO | 0.03834* | 1.3529 | 0.1001 | -0.359 | 1.381 | 1.916 | 2.400 |

\* Bloomberg Calculated SOFR Compounded for ISDA Fallback Rates

| Country | Indicator                  | Cons.    | Prev.     |
|---------|----------------------------|----------|-----------|
| US      | Consumer Credit            | \$24.5 b | \$18.89 b |
| EC      | Sentix Investor Confidence | --       | 59.90     |

Source: Bloomberg, Reuters

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| Currencies | Last Price | 1 Day | Net Chg | Day Low | Day High  | 1 Month   | 2021 Close | YTD       | 1Y      | 52Wk Low | 52Wk High |           |
|------------|------------|-------|---------|---------|-----------|-----------|------------|-----------|---------|----------|-----------|-----------|
| EURUSD     | 1.0875     | ↓     | -0.49%  | -0.0053 | 1.0822    | 1.0961    | -4.96%     | 1.137     | -4.4%   | -8.2%    | 1.0822    | 1.2266    |
| GBPUSD     | 1.3214     | ↓     | -0.12%  | -0.0016 | 1.3185    | 1.3259    | -2.38%     | 1.3532    | -2.4%   | -4.4%    | 1.3163    | 1.4248    |
| AUDUSD     | 0.7426     | ↑     | 0.76%   | 0.0056  | 0.7352    | 0.7441    | 4.21%      | 0.7263    | 2.2%    | -2.9%    | 0.6968    | 0.7891    |
| NZDUSD     | 0.6911     | ↑     | 0.74%   | 0.0051  | 0.684     | 0.6926    | 4.19%      | 0.6826    | 1.2%    | -3.1%    | 0.653     | 0.7316    |
| USDCHF     | 0.9208     | ↑     | 0.45%   | 0.0041  | 0.917     | 0.9216    | -0.34%     | 0.9129    | 0.9%    | -1.6%    | 0.8926    | 0.9473    |
| USDJPY     | 115.02     | ↑     | 0.17%   | 0.2     | 114.78    | 115.06    | -0.07%     | 115.08    | -0.1%   | 5.6%     | 107.48    | 116.35    |
| USDCAD     | 1.2691     | ↓     | -0.31%  | -0.004  | 1.2686    | 1.2757    | 0.19%      | 1.2637    | 0.4%    | 0.2%     | 1.2007    | 1.2964    |
| USDCNY     | 6.32       | →     | 0.01%   | 0.0004  | 6.318     | 6.3263    | -0.65%     | 6.3561    | -0.6%   | -2.3%    | 6.3065    | 6.5793    |
| USDKWD     | 0.3038     | ↑     | 0.20%   | 0.0006  | 0.3038    | 0.3038    | 0.45%      | 0.3025    | 0.4%    | 0.6%     | 0.3003    | 0.3038    |
| Bit coin   | 38,119.52  | ↓     | -2.33%  | -910.52 | 37,596.15 | 39,205.24 | -13.57%    | 46,333.65 | -17.73% | -23.93%  | 28,824.32 | 68,991.85 |

| Commodities | Last Price | 1 Day | Net Chg | Day Low | Day High | 1 Month  | 2021 Close | YTD      | 1Y     | 52Wk Low | 52Wk High |          |
|-------------|------------|-------|---------|---------|----------|----------|------------|----------|--------|----------|-----------|----------|
| Brent       | 129.57     | ↑     | 9.70%   | 11.46   | 122.79   | 139.13   | 42.03%     | 77.78    | 68.49% | 107.68%  | 60.27     | 139.13   |
| WTI         | 125.86     | ↑     | 8.80%   | 10.18   | 121.33   | 130.50   | N*A        | 75.21    | N/A    | 119.42%  | 57.25     | 130.50   |
| Gold        | 1,981.18   | ↑     | 0.53%   | 10.48   | 1,974.32 | 2,000.87 | 9.56%      | 1,829.20 | 8.31%  | 16.71%   | 1,676.89  | 2,000.86 |
| Silver      | 25.6689    | ↓     | -0.12%  | -0.0316 | 25.66    | 26.14    | 14.00%     | 23.31    | 10.13% | 1.24%    | 21.42     | 28.75    |
| Platinum    | 1,142.15   | ↑     | 1.25%   | 14.08   | 1,125.13 | 1,154.90 | 11.08%     | 968.74   | 17.90% | 1.12%    | 897.39    | 1,279.35 |
| Palladium   | 3,154.24   | ↑     | 4.74%   | 142.74  | 3,050.40 | 3,174.68 | 37.50%     | 1,904.84 | 65.59% | 34.68%   | 1,541.65  | 3,174.68 |

| Rates         | Last Price | 1 Day | Net Chg  | Day Low | Day High | 1 Month | 2021 Close | YTD     | 1Y      | 52Wk Low | 52Wk High |         |
|---------------|------------|-------|----------|---------|----------|---------|------------|---------|---------|----------|-----------|---------|
| US Gov 2YR    | 1.4617     | ↓     | -0.96%   | -0.0142 | 1.4177   | 1.4658  | 11.59%     | 0.7322  | 99.63%  | 910.16%  | 0.121     | 1.6358  |
| US Gov 10YR   | 1.7171     | ↓     | -0.79%   | -0.0136 | 1.6662   | 1.7188  | -10.03%    | 1.5101  | 13.71%  | 9.79%    | 1.1258    | 2.0627  |
| US Swap 5YR   | 1.7092     | ↓     | -1.33%   | -0.0231 | 1.649    | 1.739   | -7.43%     | 1.3695  | 24.80%  | 82.49%   | 0.6925    | 2.0684  |
| US Swap 10YR  | 1.8088     | ↓     | -0.48%   | -0.0087 | 1.7582   | 1.8106  | -8.57%     | 1.581   | 14.41%  | 10.64%   | 1.1041    | 2.1389  |
| UK Gilts 2YR  | 1.061      | ↓     | -5.77%   | -0.065  | 1.045    | 1.147   | -15.93%    | 0.687   | 54.44%  | 122.6%   | -0.005    | 1.547   |
| UK Gilts 10YR | 1.208      | ↓     | -7.01%   | -0.091  | 1.188    | 1.298   | -14.39%    | 0.971   | 24.41%  | 65.25%   | 0.477     | 1.608   |
| EU Gov 2YR    | -0.73      | ↓     | -19.09%  | -0.117  | -0.782   | -0.636  | -194.35%   | -0.62   | -17.74% | -6.41%   | -0.79     | -0.218  |
| EU Gov 10YR   | -0.069     | ↓     | -445.00% | -0.089  | -0.103   | 0.018   | -133.66%   | -0.177  | 61.02%  | 77.81%   | -0.522    | 0.331   |
| SAR Swap 2YR  | 2.4128     | ↓     | -0.17%   | -0.0042 | 2.3399   | 2.4172  | 8.68%      | 1.745   | 38.27%  | 158.05%  | 0.5975    | 2.536   |
| SAR Swap 10YR | 2.9403     | ↓     | -0.67%   | -0.0197 | 2.9272   | 2.9404  | -3.18%     | 2.8665  | 2.57%   | -0.93%   | 2.415     | 3.2063  |
| SAIBOR 3M     | 1.7178     | ↑     | 5.20%    | 0.08494 | 1.7178   | 1.7178  | 68.16%     | 0.90571 | 89.66%  | 115.40%  | 0.79143   | 1.7178  |
| EIBOR 3M      | 0.66708    | ↑     | 5.47%    | 0.03458 | 0.66708  | 0.66708 | 44.60%     | 0.36445 | 83.04%  | 101.38%  | 0.22748   | 0.66708 |
| BHIBOR 3M     | 1.6        | →     | 0.00%    | 0       | 1.6      | 1.6     | 2.13%      | 1.5167  | 5.49%   | -17.60%  | 1.2333    | 1.9417  |

| Indices              | Last Price | 1 Day | Net Chg | Day Low | Day High  | 1 Month   | 2021 Close | YTD       | 1Y      | 52Wk Low | 52Wk High |           |
|----------------------|------------|-------|---------|---------|-----------|-----------|------------|-----------|---------|----------|-----------|-----------|
| DJIA                 | 33,614.80  | ↓     | -0.53%  | -179.86 | 33,254.12 | 33,655.43 | -4.21%     | 36,338.30 | -7.49%  | 6.73%    | 30,766.81 | 36,952.65 |
| S&P 500              | 4,328.87   | ↓     | -0.79%  | -34.62  | 4,284.98  | 4,342.12  | -3.46%     | 4,766.18  | -9.18%  | 12.67%   | 3,730.19  | 4,818.62  |
| NASDAQ               | 13,313.44  | ↓     | -1.66%  | -224.5  | 13,224.98 | 13,486.71 | -5.01%     | 15,644.97 | -14.90% | 3.04%    | 12,397.05 | 16,212.23 |
| DAX                  | 13,094.54  | ↓     | -4.41%  | -603.86 | 13,094.54 | 13,562.60 | N/A        | 15,884.86 | N/A     | -5.93%   | 13,094.54 | 16,290.19 |
| Nikkei 225           | 25,221.41  | ↓     | -2.94%  | -764.06 | 25,006.26 | 25,640.41 | -7.44%     | 28,791.71 | -12.40% | -12.62%  | 25,006.26 | 30,795.78 |
| CAC 40               | 6,061.66   | ↓     | -4.97%  | -316.71 | 6,061.66  | 6,321.09  | -13.52%    | 7,153.03  | -15.26% | 4.82%    | 5,755.60  | 7,384.86  |
| FTSE 100             | 6,987.14   | ↓     | -3.48%  | -251.71 | 6,980.86  | 7,238.85  | -7.74%     | 7,384.54  | -5.38%  | 5.38%    | 6,560.79  | 7,687.27  |
| Shanghai Compos      | 3,367.82   | ↓     | -2.32%  | -79.833 | 3,360.74  | 3,438.56  | N/A        | 3,639.78  | N/A     | -3.83%   | 3,312.72  | 3,723.85  |
| EURO STOXX 50        | 3,556.01   | ↓     | -4.96%  | -185.77 | 3,556.01  | 3,723.97  | -13.70%    | 4,298.41  | -17.27% | -3.09%   | 3,556.01  | 4,415.23  |
| DFMGI                | 3,417.99   | ↓     | -0.91%  | -31.41  | 3,416.43  | 3,450.23  | 7.19%      | 3,195.91  | 6.95%   | 34.27%   | 2,481.44  | 3,509.05  |
| Abu Dhabi            | 9,632.42   | ↓     | -0.52%  | -50.14  | 9,630.05  | 9,712.27  | 10.28%     | 8,488.36  | 13.48%  | 69.24%   | 5,551.34  | 9,748.50  |
| Tadawul              | 12,804.22  | ↑     | 0.38%   | 47.91   | 12,798.76 | 12,862.68 | 4.53%      | 11,281.71 | 13.50%  | 38.54%   | 9,320.19  | 12,862.68 |
| Qatar Exchange       | 13,470.89  | ↑     | 0.06%   | 7.87    | 13,416.94 | 13,498.58 | 6.45%      | 11,625.81 | 15.87%  | 34.65%   | 9,978.40  | 13,498.58 |
| Boursa Kuwait        | 7,825.48   | ↓     | -0.20%  | -15.56  | 7,824.37  | 7,850.19  | 5.47%      | 7,043.16  | 11.11%  | 37.34%   | 5,653.44  | 7,877.94  |
| Bahrain Bourse       | 2,018.74   | ↑     | 1.30%   | 25.96   | 1,998.68  | 2,018.74  | 9.67%      | 1,797.25  | 12.32%  | 36.73%   | 1,452.33  | 2,014.02  |
| Muscat Securities 30 | 4,199.45   | ↑     | 0.37%   | 15.49   | 4,183.96  | 4,199.45  | 1.62%      | 4,129.54  | 1.69%   | 14.89%   | 3,645.15  | 4,277.59  |

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