

**Market Commentary**

- **Chinese Data:** Chinese inflation picked up in line with consensus estimates, with CPI rising 2.5% in June versus 2.4% a month earlier. Factory deflation slowed more than expected as the economic recovery ticked along. PPI fell 3% versus a consensus decline of 3.2% and the 3.7% retreat in the prior month. Future policy steps, while supportive, will likely be more targeted rather than blanket.
- **Asian Stocks Higher:** Asian equity markets ground higher as investors tried to look past gathering Sino-U.S. tension and renewed coronavirus lockdowns to upcoming company earnings, hoping that global stimulus efforts will yield upbeat outlooks. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.6% and touched a 20-week high as Chinese stocks extended their extraordinary rally. Japan's Nikkei edged ahead by 0.2%.
- **BoJ Kuroda Optimistic:** Bank of Japan Governor Haruhiko Kuroda said on Thursday the economy will remain in a severe state but improve ahead as the impact from the coronavirus pandemic subsides. Kuroda also said Japan's core consumer prices will likely fall for the time being due to sliding oil costs and the impact from the pandemic.
- **Merkel Urges Greater Unity:** German Chancellor Angela Merkel on Wednesday laid out a vision of greater unity and democracy to ensure the European Union emerges stronger from the coronavirus crisis, which she called its biggest challenge.
- **Russia and China Boost Cooperation:** Russian President Vladimir Putin and Chinese President Xi Jinping agreed to boost economic cooperation, including in energy and civilian aircraft manufacturing, the Kremlin said on Wednesday after they talked by phone.
- **German Economy:** Europe's largest economy will likely start to grow again from October or November, German Economy Minister Peter Altmaier said on Wednesday. The German economy has been battered by the coronavirus crisis, with economic output contracting by 2.2% in the first quarter, its steepest rate since 2009.
- **Dubai Non-oil Economy Stabilises:** Non-oil private sector businesses in Dubai saw a tentative rise in new work in June as the region relaxed restrictions to stop the spread of COVID-19. The seasonally adjusted IHS Markit Purchasing Managers' Index (PMI) reading for Dubai rose from 46.0 in May to the neutral 50.0-mark in June, to signal no change in overall business conditions at the end of the second quarter.
- **Egypt's Inflation Rise:** Egypt's annual urban consumer price inflation increased to 5.6% in June from 4.7% in May, state statistics agency CAPMAS said on Thursday. Month-on-month headline inflation stood at 0.1% in June, from 0% in May, the agency said.

Source: Bloomberg, Reuters

Currencies		1Y Trend
EUR/USD	1.1334	
GBP/USD	1.2632	
USD/JPY	107.27	
AUD/USD	0.6985	
NZD/USD	0.6584	
USD/CHF	0.9376	
USD/CAD	1.3509	

Interbank Rates	USD	GBP	EUR	AED	SAR	BHD
1WK	0.112	0.06188	-0.5296	0.2634	0.6643	1.100
1MO	0.1825	0.07763	-0.49314	0.3915	0.78429	2.100
2MO	0.23313	0.10238	-0.4433	-	-	2.167
3MO	0.26838	0.12	-0.42786	0.7824	0.96714	2.300
6MO	0.36025	0.26213	-0.3433	1.0400	1.02429	2.533
12MO	0.49225	0.39263	-0.25371	1.3869	1.06857	2.683

Commodities		1Y Trend
Brent Crude	43.14	
WTI	40.73	
Gold	1810.85	
Aluminum	1636.50	
Copper	6232	
Silver	18.83	
Platinum	871.4	
Palladium	1965.2	

Indices		1Y Trend
DJIA	26,067.3	
S&P 500	3,169.9	
DAX	12,618.0	
NIKKEI 225	22,529.3	
CAC 40	4,983.2	
FTSE 100	6,155.0	
DFM	2,079.5	
TASI	7,421.7	

Treasuries		1Y Trend
US2Y	0.1567	
US10Y	0.6463	
EU2Y	-0.6710	
EU10Y	-0.4510	
GB2Y	-0.0850	
GB10Y	0.1720	
SAR2Y	0.9560	
SAR10Y	2.0920	

**Main Economic Indicators**

Relevance	Country	Indicator	Consensus	Previous
	US	Initial Jobless Claims	1375k	1427k
	US	Wholesale Inventories (MoM) (May) - Final	-1.20%	-1.20%

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