

Market Commentary

- **Chances for Pre-Election Stimulus:** The chances of a pre-election stimulus deal are all but gone. Steve Mnuchin blamed politics for undermining the talks but said he and Nancy Pelosi will speak again today. Pelosi told MSNBC an agreement is still possible, but there are gaps on worker safety, school funding, and a strategic testing plan. Fed Vice Chair Randal Quarles is still "optimistic" for a continued robust recovery. Dallas' Robert Kaplan expressed concerns about the risks of keeping real rates too low.
- **Real Brexit Deal Deadline:** Boris Johnson will decide whether to carry on or walk away from talks with the EU after the bloc's leaders finish their two-day summit tomorrow. Both sides now see the end of October or first few days of November as the real deal deadline — not today. David Frost told the PM deals on fisheries and security are possible in the next two weeks. Germany is putting pressure on France to be more flexible on the issue of fishing grounds.
- **Chinese Inflation Eases:** Chinese inflation slowed in September as food price gains moderated. The CPI index rose 1.7%, versus the 2.4% advance in August, and below the 1.9% consensus. Wholesale pork prices rose at a much slower rate than in the previous month. The decline in PPI accelerated to 2.1%, confounding expectations it would ease to minus 1.8% from the previous month's minus 2%.
- **Virus Update:** France imposed a curfew in the greater Paris region as well as other major cities and London is on course for an imminent tightening of curbs on movement. Germany unveiled a series of piecemeal measures while warning that more restrictive steps will follow if there's no improvement in infection rates in 10 days — it had record new infections in the 24 hours through this morning. In the U.S. the seven-day average of new cases rose to the highest in two months, and IC units in Texas hospitals are filling up.
- **Global Shares Slip:** Global shares slipped on Thursday as investors locked in recent gains amid rising concerns about resurgent COVID-19 infections and after U.S. Treasury Secretary dashed any remaining hopes of a stimulus package before the Nov. 3 election. MSCI's broadest index of Asia-Pacific shares outside Japan lost 0.5% while Japan's Nikkei dropped 0.5%. U.S. S&P 500 futures sagged 0.27% in Asia after major U.S. stock indexes ended the previous session lower, with the S&P 500 closing down 0.7% and the Nasdaq Composite Index shedding 0.8%.
- **Oil Holds Gains:** Oil held gains near \$41 a barrel after an industry report pointed to a sharper-than-expected drop in American crude stockpiles. Futures in New York edged higher after gaining 2.1% Wednesday. U.S. inventories fell by 5.42 million barrels last week, the American Petroleum Institute reported. That would be the biggest weekly drop since August if confirmed by government figure due Thursday. The report also showed declines in gasoline and distillate stockpiles.

Source: Bloomberg, Reuters

Currencies		1Y Trend
EUR/USD	1.1744	
GBP/USD	1.2999	
USD/JPY	105.32	
AUD/USD	0.7117	
NZD/USD	0.6637	
USD/CHF	0.9136	
USD/CAD	1.3160	

Interbank Rates						
	USD	GBP	EUR	AED	SAR	BHD
1WK	0.0965	0.0485	-0.5587	0.1554	0.6200	1.083
1MO	0.14838	0.04288	-0.56243	0.2558	0.6975	2.067
2MO	0.18088	0.05713	-0.5314	-	-	2.167
3MO	0.23688	0.04638	-0.53014	0.4328	0.85875	2.250
6MO	0.2545	0.08088	-0.5043	0.6610	0.9075	2.533
12MO	0.3455	0.14388	-0.458	0.8279	0.97375	2.683

Commodities		1Y Trend
Brent Crude	43.17	
WTI	40.89	
Gold	1898.13	
Aluminum	1837.25	
Copper	6716	
Silver	24.17	
Platinum	858.7	
Palladium	2367.9	

Indices		1Y Trend
DJIA	28,514.0	
S&P 500	3,488.7	
DAX	13,028.1	
NIKKEI 225	23,507.2	
CAC 40	4,941.7	
FTSE 100	5,935.1	
DFM	2,217.7	
TASI	8,592.1	

Treasuries		1Y Trend
US2Y	0.1370	
US10Y	0.7090	
EU2Y	-0.7330	
EU10Y	-0.5930	
GB2Y	-0.0480	
GB10Y	0.2200	
SAR2Y	0.9964	
SAR10Y	2.4213	

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Initial Jobless Claims	825 k	840 k
	US	Empire Manufacturing (Oct)	14.0	17.0
	US	Continuing Claims	10550 k	10976 k
	FR	CPI YoY (Sep) - Final	0.10%	0.10%

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