

Market Commentary

- ▶ **Fed's Minutes.** Fed officials discussed at their meeting last month an accelerated timeline for raising interest rates that would begin in March, as concerns about high inflation continued to mount. They agreed that if price gains don't moderate, it would make sense to "remove policy accommodation at a faster pace" than previously anticipated, according to minutes from the meeting. A hike in March is fully priced into markets, and some are betting the Fed could move by 50 bps.
- ▶ **Risk Aversion.** U.S. equity futures fell, Treasuries jumped and the dollar rallied in a bout of risk aversion amid geopolitical tension over Ukraine. Russian-backed separatists claimed Ukrainian forces violated cease-fire rules overnight in four places, according to a Russian state news agency. Allegations of cease-fire violations from both sides are frequent. S&P 500, Nasdaq 100 and European contracts slid along with most Asian shares as traders evaluated a flurry of speculation about the situation in eastern Europe. Havens such as the yen and gold pushed higher. The 10-year Treasury U.S. yield sank below 2%. Oil, at one point down more than 3%, trimmed the retreat to some 1%.
- ▶ **G-20 Finance Ministers.** Finance chiefs from the world's biggest economies are holding their first gathering of the year Thursday and Friday, with the pandemic, inflation and taxes set to dominate talks. Discussions on capital flows, financial stability and sustainable finance are also on the agenda when central bank governors and finance ministers from the Group of 20 hold virtual and in-person meetings in Jakarta.
- ▶ **ECB Rate Hike.** The European Central Bank is "quite likely" to lift interest rates in 2022 to combat an unprecedented surge in euro-area prices but must not "rock the boat" as it tightens monetary policy, according to Governing Council member Martins Kazaks. The comments align Kazaks with the most hawkish members of the Governing Council - including Germany's Joachim Nagel and the Netherlands' Klaas Knot, who've both floated the idea of a rate hike in 2022 after President Christine Lagarde declined to rule one out earlier this month.
- ▶ **UK Inflation Climbs.** British consumer prices rose at the fastest annual pace in nearly 30 years last month, intensifying the squeeze on households and reinforcing the chances that the Bank of England will raise interest rates for a third meeting in a row. The annual rate of consumer price inflation rose to 5.5% in January, the highest since March 1992, when Britain was emerging from a long period of inflation-feeding high wage deals. This was above most economists' forecasts in a Reuters poll for it to hold at December's 5.4% rate.
- ▶ **Bank of Canada Rate Hike.** A Bank of Canada deputy may have signaled the central bank is on track to raise interest rates in two weeks' time. Taking questions after a speech on Wednesday, Deputy Governor Tim Lane was asked about potential timeline for reducing the central bank's balance sheet. The Bank of Canada would consider it once it starts to raise interest rates, he said, then stopped just short of saying policy changes are coming at the next decision on March 2.
- ▶ **Australia, NZ Dollars Extend Rally.** The Australian and New Zealand dollars were heading for a third day of gains on Thursday based on local data that showed the labour market had weathered a wave of coronavirus cases. The Aussie edged up to \$0.7211, after gaining 0.6% overnight, and looked set to test last week's high of \$0.7248.
- ▶ **Gold Near 8-month High.** Gold prices held ground on Thursday near an eight-month high touched earlier this week, as the U.S. dollar and Treasury yields dipped after Fed' minutes showed a less hawkish-than-feared stance. Spot gold was flat at \$1,868.09 per ounce, hovering near its June high of \$1,879.48 hit on Tuesday. U.S. gold futures were down 0.1% at \$1,870.30.
- ▶ **Saudi's January Inflation Up.** Saudi Arabia's consumer price index rose 1.2% in January compared to the same time in 2021 as transport costs spiraled higher, according to government data. However, prices were unchanged from December 2021, the Saudi General Authority for Statistics said. The year-on-year rise was mainly the result of higher prices for transport, which rose by 4.9% on the back of higher gasoline prices, which jumped 34.5% year-on-year, the data showed.
- ▶ **UAE's Industrial Exports.** The UAE recorded 120 billion dirhams (\$32.6 billion) in industrial exports to foreign markets in 2021, driven by a surge in the number of factories commencing production, said the country's Ministry of Industry and Advanced Technology (MoIAT). The MoIAT, established in July 2020, has overseen a historic rise in industrial exports, with 220 new facilities going into service during the year.

Interbank Offer Rates

	SOFR	USD	GBP	EUR	AED	SAR	BHD
O/N	0.0500						
1WK	0.04857*	-	0.4451	-0.578	0.166	0.603	1.017
1MO	0.04839*	0.1197	0.2844	-0.555	0.251	0.856	1.522
2MO	0.04903*	-	0.2466	-0.336	-	-	1.542
3MO	0.04935*	0.4687	0.1811	-0.523	0.555	1.278	1.567
6MO	0.0493*	0.7927	0.1154	-0.455	0.952	1.407	1.650
12MO	0.03732*	1.3427	0.0828	-0.285	1.308	1.680	1.783

* Bloomberg Calculated SOFR Compounded for ISDA Fallback Rates

Country	Indicator	Cons.	Prev.
US	Initial Jobless Claims	218 k	223 k
US	Housing Starts	1695 k	1702 k
US	Continuing Claims	218 k	223 k
US	Building Permits	1750 k	1873 k

Source: Bloomberg, Reuters

Daily Market Report

Thursday, February 17, 2022

Currencies	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2021 Close	YTD	1Y	52Wk Low	52Wk High
EURUSD	1.1357	↓ -0.14%	-0.0016	1.1323	1.1385	-0.45%	1.137	-0.1%	-5.7%	1.1121	1.2266
GBPUSD	1.3583	→ -0.02%	-0.0003	1.3556	1.3598	-0.47%	1.3532	0.4%	-2.0%	1.3163	1.4248
AUDUSD	0.7185	↓ -0.14%	-0.001	0.715	0.7216	-0.44%	0.7263	-1.1%	-7.3%	0.6968	0.8007
NZDUSD	0.6684	↑ 0.07%	0.0005	0.6659	0.6705	-1.72%	0.6826	-2.1%	-7.1%	0.653	0.7465
USDCHF	0.9213	↓ -0.15%	-0.0014	0.9211	0.9231	0.80%	0.9129	0.9%	2.5%	0.8926	0.9473
USDJPY	115.24	↓ -0.24%	-0.28	115.12	115.54	0.53%	115.08	0.1%	8.9%	104.92	116.35
USDCAD	1.2705	↑ 0.14%	0.0018	1.268	1.2734	1.51%	1.2637	0.5%	0.0%	1.2007	1.2964
USDCNY	6.3366	→ -0.01%	-0.0006	6.3299	6.3371	-0.19%	6.3561	-0.3%	-1.9%	6.3205	6.5793
USDKWD	0.30255	→ 0.03%	0.0001	0.30255	0.30255	0.17%	0.3025	0.0%	0.1%	0.3003	0.303
Bit coin	43,644.96	↓ -1.02%	-447.9	43,384.69	44,195.86	4.55%	46,333.65	-5.80%	-16.71%	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	93.27	↓ -1.62%	-1.54	92.15	94.50	9.28%	77.78	20.58%	61.20%	60.27	96.78
WTI	92.07	↓ -1.70%	-1.59	90.62	93.32	10.53%	75.21	22.96%	68.29%	57.25	95.82
Gold	1,874.19	↑ 0.23%	4.39	1,867.90	1,876.35	3.02%	1,829.20	2.46%	5.52%	1,676.89	1,916.64
Silver	23.5036	↓ -0.40%	-0.0939	23.43	23.66	2.11%	23.31	0.84%	-14.17%	21.42	28.75
Platinum	1,067.85	↑ 0.23%	2.44	1,058.96	1,068.47	9.34%	968.74	10.23%	-14.91%	897.39	1,303.73
Palladium	2,314.08	↑ 1.23%	28.11	2,276.69	2,328.59	23.34%	1,904.84	21.48%	-2.50%	1,541.65	3,018.82

Rates	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2021 Close	YTD	1Y	52Wk Low	52Wk High
US Gov 2YR	1.4736	↓ -3.10%	-0.0472	1.4613	1.5106	52.42%	0.7322	101.26%	1138.32%	0.1029	1.6358
US Gov 10YR	1.9858	↓ -2.57%	-0.0524	1.9597	2.0329	11.31%	1.5101	31.50%	51.11%	1.1258	2.0627
US Swap 5YR	1.9458	↓ -3.05%	-0.0613	1.9289	2.0082	18.10%	1.3695	42.08%	191.20%	0.6611	2.0684
US Swap 10YR	2.0667	↓ -2.45%	-0.052	2.042	2.1193	11.69%	1.581	30.72%	53.50%	1.1041	2.1389
UK Gilts 2YR	1.407	↓ -8.46%	-0.13	1.397	1.547	76.76%	0.687	104.80%	4365%	-0.064	1.547
UK Gilts 10YR	1.524	↓ -3.67%	-0.058	1.51	1.608	32.52%	0.971	56.95%	166.97%	0.477	1.608
EU Gov 2YR	-0.364	↓ -4.90%	-0.017	-0.377	-0.334	37.56%	-0.62	41.29%	47.69%	-0.79	-0.218
EU Gov 10YR	0.276	↓ -10.39%	-0.032	0.26	0.331	700.00%	-0.177	255.93%	172.38%	-0.522	0.331
SAR Swap 2YR	2.3692	↓ -1.57%	-0.0378	2.35	2.415	24.88%	1.745	35.77%	164.42%	0.5975	2.525
SAR Swap 10YR	3.1364	↓ -1.45%	-0.0461	3.1354	3.18	3.68%	2.8665	9.42%	12.52%	2.415	3.2063
SAIBOR 3M	1.27842	↑ 7.72%	0.09161	1.27842	1.27842	37.89%	0.90571	41.15%	58.32%	0.79143	1.27842
EIBOR 3M	0.55472	↓ -3.21%	-0.01841	0.55472	0.55472	39.38%	0.36445	52.21%	88.57%	0.22748	0.57313
BHIBOR 3M	1.5667	→ 0.00%	0	1.5667	1.5667	3.30%	1.5167	3.30%	-27.69%	1.2333	2.0833

Indices	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2021 Close	YTD	1Y	52Wk Low	52Wk High
DJIA	34,934.27	↓ -0.16%	-54.57	34,642.64	35,042.09	-2.72%	36,338.30	-3.86%	11.05%	30,547.53	36,952.65
S&P 500	4,475.01	↑ 0.09%	3.94	4,429.68	4,489.55	-4.03%	4,766.18	-6.11%	13.83%	3,723.34	4,818.62
NASDAQ	14,124.09	↓ -0.11%	-15.67	13,931.99	14,163.73	-5.17%	15,644.97	-9.72%	0.20%	12,397.05	16,212.23
DAX	15,370.30	↓ -0.28%	-42.41	15,327.94	15,542.84	-3.23%	15,884.86	-3.24%	8.94%	13,664.71	16,290.19
Nikkei 225	27,254.42	↓ -0.75%	-205.98	27,080.92	27,438.74	-3.81%	28,791.71	-5.34%	-10.03%	26,044.52	30,795.78
CAC 40	6,964.98	↓ -0.21%	-14.99	6,931.09	7,031.93	-3.29%	7,153.03	-2.63%	20.37%	5,688.26	7,384.86
FTSE 100	7,603.78	↓ -0.07%	-5.14	7,560.94	7,630.72	-0.10%	7,384.54	2.97%	12.67%	6,465.57	7,687.27
Shanghai Compos	3,477.30	↑ 0.33%	11.469	3,454.28	3,480.97	-1.82%	3,639.78	-4.46%	-4.86%	3,312.72	3,731.69
EURO STOXX 50	4,137.22	↓ -0.16%	-6.49	4,117.17	4,180.32	-3.83%	4,298.41	-3.75%	11.02%	3,622.24	4,415.23
DFMGI	3,325.68	↑ 1.43%	46.82	3,280.52	3,325.81	4.60%	3,195.91	4.06%	27.40%	2,481.44	3,325.81
Abu Dhabi	9,202.21	↑ 0.73%	67.03	9,118.64	9,244.12	9.38%	8,488.36	8.41%	62.47%	5,551.34	9,244.12
Tadawul	12,495.22	↑ 1.17%	144.58	12,344.33	12,511.58	2.71%	11,281.71	10.76%	37.28%	9,024.23	12,511.58
Qatar Exchange	12,746.10	↑ 0.25%	31.78	12,709.14	12,751.77	2.20%	11,625.81	9.64%	21.86%	9,950.54	12,843.96
Boursa Kuwait	7,568.97	↑ 1.08%	80.95	7,503.74	7,578.69	2.07%	7,043.16	7.47%	32.16%	5,639.68	7,578.69
Bahrain Bourse	1,898.94	↑ 1.79%	33.4	1,865.54	1,898.94	4.61%	1,797.25	5.66%	28.82%	1,452.33	1,898.94
Muscat Securities 30	4,090.72	↑ 0.21%	8.74	4,082.49	4,090.72	-2.99%	4,129.54	-0.94%	15.10%	3,549.77	4,277.59

Daily Market Report

Thursday, February 17, 2022

Disclaimer

It is important that you only use this report if you are the intended recipient of this report and you have satisfied yourself that you are eligible to receive such information. This report is provided to you because you are one of our esteemed customers and have previously shown interest in receiving the type of information contained in this report.

The Treasury and Investment Management department of Gulf International Bank B.S.C. («GIB») have compiled the information in this report. GIB is incorporated in the Kingdom of Bahrain and is licensed by the Central Bank of Bahrain (the «CBB») as a conventional wholesale bank. GIB's head office is located at Al-Dowali Building, P.O. Box 3, 1017 Palace Avenue, Manama, Kingdom of Bahrain.

This report is intended for the accredited investors, as defined in the Investment Business Code of Conduct published by the CBB. This information has not been reviewed by the CBB or any other regulatory authority in any jurisdiction and neither CBB nor any other regulatory takes any responsibility for the correctness or accuracy for the information contained in this report.

The information contained herein is not directed at or intended for use by any person resident or located in any jurisdiction where (1) the distribution of such information is contrary to the laws of such jurisdiction or (2) such distribution is prohibited without obtaining the necessary licenses or authorizations by the relevant branch, subsidiary or affiliate office of GIB and such licenses or authorizations have not been obtained. The recipient of such information is responsible for ensuring that this information has not been received by it in breach of laws and regulations of any jurisdiction.

This report contains publicly available information only, which has only been compiled by GIB. The information provided herein is on «as is» and «as available» basis and without representation or warranty of any kind. GIB hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall GIB or its subsidiaries, affiliates, shareholders or their directors, officers, employees, independent contractors, agents and representatives (collectively, «GIB Representatives») be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting there from, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of information or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of GIB or any GIB Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. The information here is, and must be construed solely as, compilation of information (unless expressly stated otherwise) and not statements of fact as to credit worthiness or recommendations or opinions of GIB.

This report does not provide individually tailored investment advice. Any materials contained herein have no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The document is provided for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. GIB makes every effort to use reliable, comprehensive information, but we do not represent that it is accurate or complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the materials, nor are they a complete statement of the securities, markets or developments referred to herein. Recipients should not regard the materials as a substitute for the exercise of their own judgement. Any opinions are subject to change without notice and may differ

or be contrary to opinions expressed by other business areas or groups of GIB as a result of using different assumptions and criteria. GIB is not under any obligation to update or keep current the information contained herein.

The value of, and income from, your investments may vary because of changes in interest rates or foreign exchange rates, securities prices or market indexes, operational or financial conditions of companies or other factors. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized.

The information contained in this report is just for informational purposes. Information does not constitute a solicitation, an offer, or a recommendation to buy or sell any investment instruments, to effect any transactions, or to conclude any legal act of any kind whatsoever. GIB does not intend to provide investment, legal or tax advice through this report and does not represent that any securities or services discussed are suitable for any investor. When making a decision about your investments and business, you should seek the advice of professional advisors.

The report may contain statements that constitute «forward looking statements». While these forward looking statements may represent GIB's judgment and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from GIB's expectations. GIB is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise. The historical information is provided for information purposes only. Performance figures are calculated before tax (if any) and after deducting ongoing fees and expenses. The performance figures are historical and past performance is not necessarily an indication of future results. Certain amounts (including %ages) included in this document may have been subject to rounding adjustments. Accordingly, figures may not be an exact arithmetic aggregation of the figures to which they relate. The values and forecasts shown represent our current indicative valuations and forecasts of the relevant transactions, currencies, interest rates, commodities or securities as at the date shown. Any value or forecast shown herein is not an indicative price quotation. We expressly disclaim any responsibility for the accuracy of the values or forecasts shown, any errors or omissions in the report

With the exception of information regarding GIB and save as otherwise specifically indicated, the information set out in this report is based on public information. We have, where possible, indicated the primary source of information. We strongly recommend the recipients consult the primary source of information. Facts and views in this report have not been reviewed by, and may not reflect information known to, professionals in other GIB business areas.

This Report, and the information contained herein (save to the extent that such information is publicly available) is confidential and may not be disclosed by you to any other person outside of your organization without our consent.

GIB retains all right, title and interest (including copyrights, trademarks, patents, as well as any other intellectual property or other right) in all information and content (including all text, data, graphics and logos) in this document. All recipients must not, without limitation, modify, copy, transmit, distribute, display, perform, reproduce, publish, license, frame, create derivative works from, transfer or otherwise use in any other way for commercial or public purposes in whole or in part any information, text, graphics, images from this document (excluding publicly available information) without the prior written permission of GIB.