

Market Commentary

- **US-China Working on Phase 1 Trade Deal Text:** U.S. and Chinese trade negotiators are working on nailing down a Phase 1 trade deal text for their presidents to sign next month, U.S. Treasury Secretary Steven Mnuchin said, adding he was prepared to travel to Beijing for more meetings if necessary. Mnuchin, in a wide-ranging news conference at the Treasury, said there was no invitation from Beijing for another high level meeting with Vice Premier Liu He on the trade deal outlined last week, but deputies were holding phone conferences this week.
- **Trump Upbeat on Trade Talks with EU:** Donald Trump said Washington was in talks with “some new people” in Europe about trade issues and he hoped the discussions would be successful, as Italy’s president urged Trump to avoid counterproductive tariffs. Italian President Sergio Mattarella told reporters ahead of a meeting with Trump at the White House that he hoped the two allies could cooperate on trade issues and avoid retaliatory tariffs. The meeting came two days before Washington is slated to impose tariffs on up to \$7.5 billion of imports of EU goods.
- **Brexit Deal In Doubt:** Boris Johnson’s Northern Irish allies warned they will not support his proposed Brexit deal, putting chances of an agreement in fresh doubt. The pound fell. Despite the progress made between EU and UK negotiators in Bursseles, the Democratic Unionist Party, which props up Johnson’s administration, raised concerns over three key sticking points.
- **Singapore Exports Fall:** Singapore’s exports shrank for the seventh straight month in September, hurt largely by a sharp fall in electronic shipments. Non-oil domestic exports declined by 8.1% year-on-year, following a revised 9% decline in August.
- **Trump-Erdogan Call:** President Trump assigned his attorney general and Treasury secretary to deal with Turkish President Erdogan’s repeated pleas to avoid charges against one of Turkey’s largest banks.
- **Oil Prices Fall:** Oil prices eased after industry data showed a larger-than-expected build-up in stocks in the US, although losses were limited by comments by U.S. Treasury Secretary Steven Mnuchin on a U.S.-China trade deal. Brent crude oil was down by 0.8%, at \$58.95. U.S. crude oil was down 0.9%, at \$52.88 after earlier dropping more than 1% to a session low of \$52.76 earlier.
- **Selling Aramco:** Saudi Aramco has enlisted the help of a former Trump national security adviser and an ex-House of Representatives majority leader to pull off the world’s biggest IPO. One-time Trump staffer Dina Powell, a partner at Goldman Sachs Group Inc., and Moelis & Co. Vice Chairman Eric Cantor are among scores of Wall Street veterans hired to sell shares in the kingdom’s state oil firm.

Source: Bloomberg, Reuters

Currencies		1Y Trend
EUR/USD	1.1070	
GBP/USD	1.2772	
USD/JPY	108.77	
AUD/USD	0.6779	
NZD/USD	0.6293	
USD/CHF	0.9936	
USD/CAD	1.3207	

Interbank Rates	USD	GBP	EUR	AED	SAR	BHD
1WK	1.85313	0.69475	-0.5587	2.0494	2.1529	2.550
1MO	1.88913	0.71413	-0.50314	2.0795	2.24571	2.817
2MO	1.96738	0.75713	-0.4537	-	-	2.883
3MO	2.00213	0.785	-0.435	2.2325	2.30714	2.950
6MO	1.97725	0.865	-0.4064	2.4625	2.31714	3.067
12MO	1.97413	0.96013	-0.33514	2.4080	2.32286	3.217

Commodities		1Y Trend
Brent Crude	58.9	
WTI	52.86	
Gold	1491.13	
Aluminum	1735.50	
Copper	5730	
Silver	17.42	
Platinum	887.6	
Palladium	1744.7	

Indices		1Y Trend
DJIA	27,002.0	
S&P 500	2,989.7	
DAX	12,670.1	
NIKKEI 225	22,451.9	
CAC 40	5,696.9	
FTSE 100	7,168.0	
DFM	2,796.4	
TASI	7,518.4	

Treasuries		1Y Trend
US2Y	1.5754	
US10Y	1.7256	
EU2Y	-0.6770	
EU10Y	-0.4000	
GB2Y	0.5150	
GB10Y	0.6670	
SAR2Y	2.0336	
SAR10Y	2.8240	

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Industrial Production MoM (Sep)	-0.2%	0.6%
	US	Initial Jobless Claims	215 k	210 k
	US	Housing Starts (Sep)	1320 k	1364 k
	UK	Retail Sales Inc Auto Fuel MoM (Sep)	-0.2%	-0.2%

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