

Market Commentary

- **Minutes of the Fed:** The central bank debated hiking interest rates to restrictive territory, minutes from the September policy meeting showed. A majority of officials favoured an eventual and temporary move above the level they deem neutral for the economy in the long run. They were otherwise in agreement over continuing on the current, gradual path of rate increases.
- **US May Lift Some Turkey Sanctions:** Mike Pompeo said that "there's a logic" to lifting some US sanctions on Turkey after the release of American pastor Andrew Brunson, who had been detained in Turkey for two years. The lira, which was trading marginally higher earlier, extended that gain to 1.2% at 5.61 per dollar.
- **Latest on Brexit:** The Brussels meeting ended with Theresa May weighing a plan to stay tied to EU rules for an extra year after Brexit. A summit planned for November to finalize a deal was put on hold until December and May's Brexit minister Dominic Raab sparked outrage with a letter saying lawmakers will only have a choice between May's deal or no-deal when it comes before Parliament.
- **UK House Price Growth Hits 5-year Low:** UK house price growth slowed to its weakest pace in five years in August, further extending the cooldown of the British property market over the past two years. The average price of a UK house rose 3.2% in the year to August, below July's reading of 3.4%. August's reading was the lowest rate of growth recorded since August 2013.
- **Japan Exports Fall:** Japan's exports fell for the first time in close to two years in September, with shipments to major trading partners including both the US and China contracting as the Trump administration pushed for Tokyo to enter bilateral trade negotiations. Outbound shipments fell 1.2% year on year, coming in well below a median forecast of a 1.9% rise from economists polled by Reuters and snapping a 21-month streak of growth.
- **Renminbi Drop:** The renminbi slipped to its lowest since January 2017 after a decision by the US Treasury to not label China a currency manipulator. China's onshore renminbi exchange rate slipped by 0.2%, a fresh 21-month low against the dollar. The lower renminbi comes against a backdrop of rising investor worries of potential capital outflows from China.
- **Oil Prices Down:** Oil was on track to end a three-day winning streak with a thud, with prices down more than 2% and at their lowest level in almost a month. Brent crude was down 2% at \$79.75 a barrel, while WTI dropped 2.5% to \$70.15. The declines also come amid tension between the US and Saudi Arabia following the disappearance of Saudi journalist Jamal Khashoggi.

Source: Bloomberg, Reuters

Currencies

EUR/USD	1.1492
GBP/USD	1.3090
USD/JPY	112.49
AUD/USD	0.7121
NZD/USD	0.6552
USD/CHF	0.9952
USD/CAD	1.3048

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	2.21531	0.70675	-0.4373	2.1888	2.4850	2.650
1MO	2.28713	0.72313	-0.4	2.4263	2.56625	3.375
2MO	2.33575	0.75288	-0.3719	-	-	3.500
3MO	2.44456	0.81025	-0.3483	2.6350	2.73625	3.750
6MO	2.6575	0.90281	-0.3241	3.0381	2.905	3.935
12MO	2.96713	1.07831	-0.2154	3.4375	3.1125	4.550

Commodities

Brent Crude	80.01
WTI	69.75
Gold	1221.1
Aluminum	2030.8
Copper	6219
Silver	14.51
Platinum	828.7
Palladium	1061.7

Indices

DJIA	25,706.7
S&P 500	2,809.2
DAX	11,715.0
NIKKEI 225	22,658.2
CAC 40	5,145.0
FTSE 100	7,054.6
DFM	2,733.8
TASI	7,657.9

Treasuries

US2Y	2.8907
US10Y	3.2032
EU2Y	-0.5750
EU10Y	0.4770
GB2Y	0.8110
GB10Y	1.5930
SAR2Y	3.4778
SAR10Y	4.2848

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Initial Jobless Claims	212k	214k
	US	Leading Index (Sep)	0.5%	0.4%
	UK	Retail Sales Inc Auto Fuel MoM (Sep)	-0.4%	0.3%

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