

Market Commentary

- **S&P 500 Hits Record High:** Wall Street's benchmark stock index struck an all-time high on Tuesday, having rallied more than 50 per cent from the darkest days of the coronavirus crisis, despite persistent investor unease about the US economy. The S&P 500 touched an intraday high of 3,395, eclipsing its previous record hit in February — a month before coronavirus fears sparked a crash in global markets. By ending up 0.2 per cent on the day, it also set a closing record of 3,389.78.
- **Upping The Stakes:** Belarus President Alexander Lukashenko deployed the military to its borders with the EU, citing unspecified security threats. His move comes ahead of a planned summit of bloc leaders today on the disputed election. Russian President Vladimir Putin warned against pressuring the leadership and foreign interference in separate calls with Angela Merkel and Emmanuel Macron.
- **Latest On Stimulus:** Nancy Pelosi said the Democrats are willing to cut in half its demand for \$3.5 trillion in new coronavirus relief funds, as talks with the White House remain stalled. Her spokesman clarified the House speaker meant meeting Republicans halfway on their \$1 trillion package. But the comments could signal Democrats are ready to negotiate below the \$2 trillion level of funding they've previously sought.
- **UK Inflation Jumps:** British inflation jumped unexpectedly last month to its highest rate since March, pushed up by clothing retailers refraining from their usual summer discounts as they reopened from the coronavirus lockdown, official data showed on Wednesday. Annual consumer price inflation rose to 1.0% in July from 0.6% in June, the Office for National Statistics said.
- **Japan Exports Drop Steeply:** Japan's exports extended their double-digit slump into a fifth month in July as the coronavirus pandemic took a heavy toll on auto shipments to the United States, dashing hopes for a trade-led recovery from the deep recession. Total exports fell 19.2% in July from a year earlier, roughly in line with market expectations for a 21.0% decrease, government data showed on Wednesday.
- **U.S. Housing Starts Surge:** U.S. homebuilding accelerated by the most in nearly four years in July in the latest sign the housing sector is emerging as one of the few areas of strength in an economy suffering a record slowdown because of the COVID-19 pandemic. Housing starts increased 22.6% - the biggest gain since October 2016 - to a seasonally adjusted annual rate of 1.496 million units last month, the Commerce Department said on Tuesday.
- **Oil Dips On Rising Fuel Inventories:** The American Petroleum Institute (API) reported on Tuesday a draw in crude oil inventories of 4.264 million barrels for the week ending August 14—a near mirror of last week's draw figure. Oil prices were trading down on Tuesday afternoon before the API's data release, and just minutes before the release, WTI had fallen by \$0.33 (-0.77%) to \$42.56. The Brent crude benchmark had fallen by \$0.30 (-0.66%) to \$45.07, even as OPEC showed this week that its overall July compliance rate was about as good as it could get.

Source: Bloomberg, Reuters

Currencies		1Y Trend
EUR/USD	1.1931	
GBP/USD	1.3239	
USD/JPY	105.52	
AUD/USD	0.7254	
NZD/USD	0.6623	
USD/CHF	0.9033	
USD/CAD	1.3158	

Interbank Rates	USD	GBP	EUR	AED	SAR	BHD
1WK	0.11538	0.05875	-0.5637	0.1400	0.6400	1.100
1MO	0.16138	0.0555	-0.551	0.2602	0.73571	2.083
2MO	0.20888	0.07763	-0.4871	-	-	2.167
3MO	0.26775	0.07338	-0.513	0.3608	0.91143	2.283
6MO	0.31963	0.131	-0.4691	0.6968	0.96143	2.500
12MO	0.46038	0.2655	-0.35214	0.8873	1.01714	2.683

Commodities		1Y Trend
Brent Crude	45.06	
WTI	42.55	
Gold	1989.86	
Aluminum	1577.25	
Copper	6567.5	
Silver	27.42	
Platinum	961.9	
Palladium	2193.1	

Indices		1Y Trend
DJIA	27,778.1	
S&P 500	3,389.8	
DAX	12,852.3	
NIKKEI 225	23,110.6	
CAC 40	4,923.9	
FTSE 100	6,052.4	
DFM	2,228.6	
TASI	7,874.4	

Treasuries		1Y Trend
US2Y	0.1411	
US10Y	0.6525	
EU2Y	-0.6660	
EU10Y	-0.4790	
GB2Y	-0.0520	
GB10Y	0.2050	
SAR2Y	1.0245	
SAR10Y	2.2567	

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	EU	Consumer Price Index YoY (Jul) - Final	0.4%	0.3%
	CA	Consumer Price Index YoY (Jul)	0.6%	0.7%

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