

Market Commentary

- Trade Disputes Continue to Pressure the Yuan:** Markets remain on edge as the trade dispute develops with no end sight as had been expected. Trump said in an interview he was “very happy” with the trade war and that China wouldn’t become the world’s top superpower under his watch. In response, China could retaliate as Chinese companies’ “legitimate rights and interests are being undermined,” Zhang Ming, the nation’s ambassador to the European Union said. The yuan steadied near a six-month low, last down 0.1 percent at 6.9266 per dollar. The yen dipped 0.1 percent to 110.19 per dollar while Bloomberg Dollar Spot Index rose 0.2 percent. The Euro was steady around \$1.1161 while the Aussie fell 0.4% to 68.83 U.S. cents.
- Asian Stock Prices show Mixed Reactions to Implementing Huawei Restrictions:** Asian stocks were mixed, as investors digested moves by Washington against Huawei Technologies Co. that sank U.S. technology shares overnight. Chinese shares had the strongest gains in the region, with the Shanghai Composite Index gaining 1.5 percent, while they dipped in Tokyo. The Topix index was down 0.3 percent and stocks fluctuated in Hong Kong showed modest gains with the Hang Seng up 0.2 percent. Samsung Electronics Co. helped bolster Korean shares, on bets it may benefit from Huawei’s need to shift away from U.S. suppliers. South Korea’s Kospi index added 0.9 percent while S&P 500 Index futures climbed 0.4 percent after the underlying benchmark dropped 0.7 percent, with semiconductor stocks among the biggest laggards as the White House blacklisted China’s top telecom company. The Trump administration has put restrictions on Huawei barring U.S. tech firms from selling them components and software. Google has now begun to cut off support for the company by restricting access to future versions of the Android operating system and limits access to popular applications. and The Nasdaq 100 was also down dropping 1.7 percent.
- Australian Bond Yields Lower on Comments from RBA’s Governor:** Australia’s bond yields after the central bank governor flagged that an interest-rate cut will be considered next month. Australia’s 10-year bond yield fell two basis points to 1.65 percent. The yield on 10-year Treasuries was little changed at 2.42 percent while the 2-year bond gained 1.8 basis points to 2.223 percent. Japanese government bond 30-year yields fell 1 basis point to 0.53 percent.
- Crude Oil Gains as OPEC+ Signal Extending Production Cuts:** The possible extension of supply curbs by the Organization of Petroleum Exporting Countries and its allies could be a catalyst for oil to resume this year’s rally, which has floundered over the past month. Rising tension in the Middle East and involuntary output cuts from Venezuela to Russia have also been aiding prices, but the breakdown in relations between the world’s two biggest economies is keeping gains in check. West Texas Intermediate crude for June delivery, rose 31 cents, or 0.5 percent, to \$63.41 a barrel. The more actively traded July contract climbed 0.5 percent to \$63.51. Brent for July settlement increased 24 cents, or 0.3%, to \$72.21 a barrel. The global crude benchmark traded at a \$8.72 premium to WTI for the same month.

Source: Bloomberg, Reuters

Currencies	
EUR/USD	1.1147
GBP/USD	1.2710
USD/JPY	110.18
AUD/USD	0.6873
NZD/USD	0.6508
USD/CHF	1.0117
USD/CAD	1.3431

Interbank Rates						
	USD	GBP	EUR	AED	SAR	BHD
1WK	2.396	0.70138	-0.4490	2.3286	2.6750	2.767
1MO	2.44188	0.73088	-0.4141	2.5339	2.72875	3.050
2MO	2.48788	0.77175	-0.3847	-	-	3.133
3MO	2.52188	0.80375	-0.354	2.7550	2.85125	3.267
6MO	2.55375	0.9065	-0.3146	3.0031	2.95	3.433
12MO	2.63538	1.04388	-0.2256	3.1158	3.11125	3.833

Commodities	
Brent Crude	72.14
WTI	63.36
Gold	1275
Aluminum	1786.0
Copper	6029
Silver	14.43
Platinum	815.6
Palladium	1327.7

Indices	
DJIA	25,679.9
S&P 500	2,840.2
DAX	12,041.3
NIKKEI 225	21,272.5
CAC 40	5,358.6
FTSE 100	7,310.9
DFM	2,514.8
TASI	8,468.9

Treasuries	
US2Y	2.2228
US10Y	2.4122
EU2Y	-0.6400
EU10Y	-0.0840
GB2Y	0.7140
GB10Y	1.0550
SAR2Y	2.6750
SAR10Y	3.4032

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	EC	Consumer Confidence (May)	-7.7	-7.9
	US	Existing Home Sales (Apr)	5.35m	5.21M

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