

Daily Market Report

Thursday, October 21, 2021

Market Commentary

- ▶ **UK-New Zealand Deal.** The U.K. sealed a trade deal with New Zealand. The arrangement includes better business-travel arrangements and reduced tariffs on products like clothing, buses, ships and bulldozers. Analysis from 2020 estimates the deal will have no long-term impact on the size of Britain's economy.
- ▶ **U.K. Resists Calls for New Restrictions.** The U.K. will not yet be bringing back restrictions to help curb Covid cases, Health Secretary Sajid Javid said, despite a surge in infections and a rise in hospitalizations and deaths. Javid put the onus on the general public to get vaccinated and behave responsibly.
- ▶ **Democrats Split.** Congressional Democrats are at odds over both the tax and spending sides of a bill to enact the bulk of President Joe Biden's economic agenda, even as party leaders aim to have an outline of a deal by the end of the week. Should the Democrats nix a proposed corporate tax hike to 26.5% from 21%, they would set aside a promise to make the largest businesses shoulder more of the tax burden.
- ▶ **Evergrande Saga.** Shares plunged after the distressed developer ditched talks to sell a 50.1% stake in its listed property-management arm to Hopson for HK\$20 billion (\$2.6 billion). The failure could intensify Evergrande's credit crisis, Bloomberg Intelligence said. Meanwhile, investors are watching Modern Land, which suspended share trading after warning of liquidity issues.
- ▶ **Feds Speak.** Randal Quarles added his voice to the chorus calling for tapering to start in November. He also refuted suggestions the Fed is behind the curve in responding to rising inflation, which he still believes is transitory. Loretta Mester backed that taper timeline. Rate hikes are not coming "any time soon" but central bankers will act if inflation expectations became unmoored. In the latest Beige Book, most districts reported "significantly elevated prices."
- ▶ **Central Banks Meetings.** The lira rose to its highest in almost a week, but the move may reverse course today when Turkey's central bank meets. It's almost certain to cut rates — probably by at least 50 bps — after President Erdogan ousted policy makers opposed to more easing. Ukraine's central bank is expected to leave borrowing costs steady, though IMF remarks on the nation's inflation could lay the groundwork for a fifth rate hike in 2021.
- ▶ **Virus Update.** The FDA said Moderna vaccine recipients over 65 can get a third shot, as can adults 18 and up who are at high risk. All J&J recipients 18 and older are eligible for a

booster at least two months after their first dose. Each of the available shots can also be used as boosters with other vaccines. Apple will require unvaccinated workers to get tested each time they want to enter an office. Canada will introduce a vaccine passport for travel.

- ▶ **Oil Steadies.** Oil steadied near a seven-year high following a surprise draw in U.S. crude stockpiles and a robust decline in fuel supplies. Futures in New York traded near \$83 a barrel after advancing more than 1% on Wednesday to settle at the highest level since 2014. U.S. crude inventories fell by 431,000 barrels last week. Gasoline and distillate inventories also decreased more than expected.
- ▶ **Bitcoin Surges to All-Time High.** Bitcoin rallied to a record, topping \$66,000 for the first time as optimism surged for greater mainstream acceptance in the wake of the successful launch of the inaugural exchange-traded fund for the U.S. investors. While the historically volatile digital currency spent recent days hovering in a narrow range as it approached its previous April high, the vault past the threshold happened much faster.
- ▶ **Gold Gains.** Gold prices rose for a third straight session on Thursday as a softer dollar lifted bullion's appeal, while investors assessed whether higher inflation would prompt central banks to raise interest rates sooner than expected. Spot gold rose 0.2% to \$1,785.79. U.S. gold futures were up 0.1% at \$1,786.20.

Interbank Offer Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	0.07513	0.04363	-0.5820	0.1701	0.5914	1.033
1MO	0.08563	0.12413	-0.5726	0.2012	0.6586	1.508
2MO	0.10775	0.18325	-0.5640	-	-	1.500
3MO	0.1295	0.21588	-0.57	0.4124	0.82	1.500
6MO	0.1675	0.41925	-0.5346	0.5447	0.8671	1.558
12MO	0.29213	0.728	-0.4816	0.6287	0.9414	1.767

Country	Indicator	Cons.	Prev.
US	Initial Jobless Claims	297 k	293 k
US	Leading Index	0.4%	0.9%
US	Existing Home Sales	6.09 m	5.88 m
EC	Consumer Confidence	-5.0	-4.0

Source: Bloomberg, Reuters

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Currencies	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
EURUSD	1.1648	→	-0.03%	-0.0003	1.1648	1.1667	-0.67%	1.2216	-4.6%	-1.8%	1.1524	1.2349
GBPUSD	1.3799	↓	-0.18%	-0.0025	1.3796	1.3833	1.03%	1.367	0.9%	4.9%	1.2855	1.4248
AUDUSD	0.7488	↓	-0.37%	-0.0028	0.7487	0.7546	3.55%	0.7694	-2.7%	5.2%	0.6991	0.8007
NZDUSD	0.718	↓	-0.31%	-0.0022	0.718	0.7219	2.50%	0.7184	-0.1%	7.9%	0.6589	0.7465
USDCHF	0.9191	→	0.02%	0.0002	0.9185	0.9201	-0.49%	0.8852	3.8%	1.5%	0.8758	0.9473
USDJPY	113.96	↓	-0.31%	-0.35	113.92	114.41	4.33%	103.25	10.4%	9.0%	102.59	114.7
USDCAD	1.234	↑	0.15%	0.0019	1.2288	1.234	-3.74%	1.2725	-3.0%	-6.1%	1.2007	1.339
USDCNY	6.3992	↑	0.10%	0.0062	6.3879	6.3992	-1.03%	6.5272	-2.0%	-4.2%	6.357	6.7495
USDKWD	0.30155	↓	-0.08%	-0.00025	0.30155	0.30155	0.18%	0.30325	-0.6%	-1.5%	0.3003	0.30295
Bitcoin	64,491.42	↓	-2.28%	-1504.92	64,138.55	66,195.38	57.58%	28,996.28	122.41%	401.66%	28,824.32	66,976.03

Commodities	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
Brent	85.22	↓	-0.70%	-0.6	85.20	86.10	16.63%	51.80	67.92%	85.71%	35.74	86.10
WTI	83.05	↓	-0.44%	-0.37	83.02	83.96	18.63%	48.52	74.51%	93.05%	33.64	84.25
Gold	1,784.14	↑	0.12%	2.06	1,781.32	1,789.49	0.54%	1,898.36	-6.02%	-7.29%	1,676.89	1,965.59
Silver	24.2573	↓	-0.14%	-0.0347	24.23	24.48	7.83%	26.40	-8.12%	-3.15%	21.42	30.10
Platinum	1,051.22	↓	-0.21%	-2.17	1,050.30	1,066.83	9.82%	1,072.12	-1.95%	18.01%	839.75	1,339.73
Palladium	2,083.33	↑	0.41%	8.55	2,062.23	2,096.16	9.13%	2,448.81	-14.92%	-13.64%	1,846.07	3,018.82

Rates	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
US Gov 2YR	0.3896	↑	1.09%	0.0042	0.3856	0.3955	80.54%	0.1211	221.72%	172.26%	0.0972	0.4436
US Gov 10YR	1.6409	↓	-0.95%	-0.0158	1.6374	1.6726	25.19%	0.9132	79.69%	108.85%	0.7162	1.7742
US Swap 5YR	1.2348	↓	-0.32%	-0.004	1.2306	1.2507	32.39%	0.43	187.16%	187.23%	0.371	1.2671
US Swap 10YR	1.6515	↓	-0.89%	-0.0148	1.6483	1.6849	22.50%	0.9253	78.48%	93.91%	0.74	1.7976
UK Gilts 2YR	0.684	↓	-6.68%	-0.049	0.663	0.739	167.19%	-0.16	527.50%	1036.94%	-0.183	0.75
UK Gilts 10YR	1.148	↓	-1.80%	-0.021	1.11	1.177	44.58%	0.197	482.74%	579.31%	0.153	1.218
EU Gov 2YR	-0.661	↓	-0.46%	-0.003	-0.664	-0.657	7.94%	-0.7	5.57%	12.45%	-0.813	-0.608
EU Gov 10YR	-0.126	→	0.00%	0	-0.128	-0.115	60.63%	-0.569	77.86%	79.21%	-0.67	-0.074
SAR Swap 2YR	1.3354	↑	1.17%	0.0154	1.2999	1.355	24.80%	1.0221	30.65%	31.89%	0.5975	1.387
SAR Swap 10YR	2.9229	↓	-0.41%	-0.0121	2.92	2.955	12.64%	2.695	8.46%	18.06%	2.415	3.045
SAIBOR 3M	0.82	↑	0.35%	0.00286	0.82	0.82	2.13%	0.8175	0.31%	-3.95%	0.79143	0.84875
EIBOR 3M	0.41236	↑	16.20%	0.0575	0.41236	0.41236	3.44%	0.5125	-19.54%	-9.62%	0.2526	0.5125
BHIBOR 3M	1.5	↓	-1.10%	-0.0167	1.5	1.5	-3.74%	2.25	-33.33%	-33.33%	1.2333	2.25

Indices	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
DJIA	35,609.34	↑	0.43%	152.03	35,465.71	35,669.69	4.82%	30,606.48	16.35%	26.29%	26,143.77	35,669.69
S&P 500	4,536.19	↑	0.37%	16.56	4,524.40	4,540.87	4.18%	3,756.07	20.77%	32.04%	3,233.94	4,545.85
NASDAQ	15,121.68	→	-0.05%	-7.41	15,071.15	15,178.39	2.77%	12,888.28	17.33%	31.73%	10,822.57	15,403.44
DAX	15,522.92	→	0.05%	7.09	15,465.03	15,567.07	2.58%	13,718.78	13.15%	20.76%	11,450.08	16,030.33
Nikkei 225	28,708.58	↓	-1.87%	-546.97	28,688.78	29,220.82	-3.79%	27,444.17	4.61%	21.44%	22,948.47	30,795.78
CAC 40	6,705.61	↑	0.54%	35.76	6,636.61	6,715.52	2.33%	5,551.41	20.79%	36.04%	4,512.57	6,913.67
FTSE 100	7,223.10	↑	0.08%	5.57	7,199.29	7,229.26	3.47%	6,460.52	11.80%	22.65%	5,525.52	7,243.85
Shanghai Compos	3,586.69	→	-0.01%	-0.307	3,576.36	3,610.96	-0.75%	3,473.07	3.27%	7.87%	3,209.91	3,731.69
EURO STOXX 50	4,172.17	↑	0.13%	5.34	4,143.83	4,178.95	1.82%	3,552.64	17.44%	29.25%	2,920.87	4,252.78
DFMGI	2,857.32	↑	1.39%	39.06	2,828.88	2,859.30	0.70%	2,491.97	14.66%	31.02%	2,139.67	2,919.36
Abu Dhabi	7,876.28	↓	-0.15%	-12.13	7,867.27	7,894.28	1.57%	5,045.32	56.11%	73.39%	4,538.45	7,897.87
Tadawul	11,903.74	↑	0.94%	111.2	11,810.26	11,903.74	5.20%	8,689.53	36.99%	39.50%	7,842.69	11,903.74
Qatar Exchange	11,902.13	↑	0.39%	45.7	11,865.47	11,903.96	6.81%	10,435.96	14.05%	19.44%	9,586.79	11,903.96
Boursa Kuwait	6,976.59	↑	0.30%	20.65	6,959.64	6,976.59	1.92%	5,546.04	25.79%	23.94%	5,335.28	6,976.59
Bahrain Bourse	1,722.69	↑	0.06%	0.95	1,722.69	1,722.69	2.14%	1,489.78	15.63%	18.52%	1,421.57	1,722.69
Muscat Securities 30	3,982.42	→	0.03%	1.03	3,979.81	3,982.42	1.57%	3,658.77	8.85%	11.04%	3,535.21	4,136.34

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