

### Market Commentary

- **FOMC Minutes:** The Fed minutes showed officials argued over whether to lower rates and by how much at last month's meeting. The FOMC viewed the quarter-point cut as insurance against too-low inflation and falling business investment. Two members voted against the move and "a couple" of participants sought a half-point cut. Expect more timely talk tomorrow with Jerome Powell at Jackson Hole.
- **U.S. Stocks Rally:** U.S. stocks held on their gains following the release of minutes from the Fed's July monetary policy meeting, as fresh optimism over consumer spending countered recent worries over economic growth. The S&P 500 jumped 0.8% higher. The Nasdaq Composite and blue-chip Dow Jones Industrial Average each added 0.9%.
- **ECB Clues:** The focus turns to the ECB meeting notes, which may give clues on the size and shape of a package to be unveiled in September. While Bloomberg Economics predicts the deposit rate will be cut next month, the extent is unknown. Mario Draghi signalled asset purchases will start again but gave no details on how much the ECB will spend on bonds each month or whether it may alter the composition.
- **Latest on Brexit:** Angela Merkel is throwing down the gauntlet to Boris Johnson, challenging the U.K. PM to solve the Irish border backstop conundrum within 30 days. Calling it a "very blistering timetable," Johnson embraced the challenge in his meeting with the German chancellor, the first step in his outreach to EU leaders. He'll meet with French President Emmanuel Macron in Paris today.
- **Falling Flat:** The world's first 30-year bond offering a zero percent coupon fell a bit flat. Germany's issue failed to hit its 2-billion-euro target and the country's debt agency conceded it may have been too large, but the overall outcome indicates rock-bottom yields are starting to turn off investors and that the global bond rally could come to an end.
- **Yen Advances:** The yen rose against all its major peers as a weaker yuan added to haven demand while traders positioned before a speech by Federal Reserve Chairman Jerome Powell on Friday. USD/JPY fell 0.2% to 106.45 after gaining 0.4% on Wednesday; pair has flipped between gains and losses every day this week.
- **Oil Steady:** Oil steadied after its first drop this week as attention turned from expanding American fuel stockpiles to the prospects for monetary easing as the world's top central bankers gather in Jackson Hole, Wyoming. Futures in New York were little changed after rising as much as 0.8% earlier. They rebounded from a 1.2% decline on Wednesday that was spurred by a surprise jump in U.S. diesel and gasoline inventories.

Source: Bloomberg, Reuters

Currencies		1Y Trend
EUR/USD	1.1079	
GBP/USD	1.2121	
USD/JPY	106.33	
AUD/USD	0.6768	
NZD/USD	0.6388	
USD/CHF	0.9820	
USD/CAD	1.3310	

Interbank Rates	USD	GBP	EUR	AED	SAR	BHD
1WK	2.13363	0.693	-0.4580	2.1161	2.4129	2.583
1MO	2.17	0.70975	-0.44671	2.2898	2.44429	2.883
2MO	2.166	0.74438	-0.4474	-	-	2.950
3MO	2.1495	0.7605	-0.44714	2.4400	2.44857	3.067
6MO	2.02363	0.80125	-0.4507	2.5475	2.44143	3.167
12MO	1.9485	0.84775	-0.42014	2.3428	2.44571	3.283

Commodities		1Y Trend
Brent Crude	60.2	
WTI	55.63	
Gold	1501.78	
Aluminum	1779.00	
Copper	5732	
Silver	17.06	
Platinum	853.2	
Palladium	1454.9	

Indices		1Y Trend
DJIA	26,202.7	
S&P 500	2,924.4	
DAX	11,802.9	
NIKKEI 225	20,628.0	
CAC 40	5,435.5	
FTSE 100	7,204.0	
DFM	2,793.3	
TASI	8,508.9	

Treasuries		1Y Trend
US2Y	1.5403	
US10Y	1.5537	
EU2Y	-0.8900	
EU10Y	-0.6880	
GB2Y	0.5100	
GB10Y	0.4790	
SAR2Y	1.9625	
SAR10Y	2.5700	

### Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Markit US Manufacturing PMI (Aug)	50.5	50.4
	FR	Markit France Manufacturing PMI (Aug)	49.5	49.7
	GE	Markit/BME Germany Manufacturing PMI (Aug)	43.0	43.2
	EU	Markit Eurozone Manufacturing PMI (Aug)	46.2	46.5

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