

Market Commentary

- ▶ **Progress on Taper.** Federal Reserve officials are moving closer to when they can start reducing massive support for the U.S. economy, though Chair Jerome Powell said there was still some way to go. Powell said officials had taken a "first deep dive" during their two-day meeting on how to go about scaling back bond buying when the time came -- but no decision on taper timing had been made. Some officials have said they would like to begin the taper sooner rather than later, citing financial-stability concerns including the steep rise in home prices. They've also argued the Fed should reduce its MBS purchases at a faster pace than Treasuries because the housing market no longer needs central bank support. The Federal Open Market Committee held interest rates in a range near zero and maintained asset purchases at \$120 billion a month until "substantial further progress" was made on employment and inflation. Treasury yields were steady and the dollar inched down.
- ▶ **Fed Establishes Standing Repo.** The Federal Open Market Committee on Wednesday announced the establishment of permanent repurchase agreement facilities to support the effective implementation of monetary policy and smooth market functioning. The two standing facilities -- domestic and foreign -- will serve as backstops in money markets, the central bank said in a statement. The decision to create the facilities follows several years of discussion within the market about whether they are needed and what form they might take. The Fed already has temporary repo facilities in place.
- ▶ **Biden's Infrastructure Deal.** The Senate on Wednesday voted to move ahead with a broad infrastructure package, just hours after a bipartisan group of senators and President Joe Biden reached accord on a \$550 billion plan that is a major step forward for the White House's economic agenda. But several Republicans, including Rick Scott of Florida and Ted Cruz of Texas, blasted the overall price tag and said they would oppose the bill. "Congress can't keep spending trillions of dollars we don't have," the senators said in a statement. "The infrastructure package announced today continues the trend in Congress of insane deficit spending."
- ▶ **SoftBank Selling Stake in Uber.** SoftBank Group Corp. is selling \$2.1 billion of its stake in Uber Technologies Inc. in a block trade through Goldman Sachs, according to people familiar with the matter. SoftBank, Uber's largest investor, is trimming its stake in the ride-hailing giant from 184 million shares as of March 31. SoftBank is also a significant investor in Chinese ride-hailing giant Didi Global Inc., which saw its share price tumble following Beijing's regulatory crackdown. SoftBank aims to sell 45 million shares with a price range of \$44.15 to \$46.14. Uber shares fell 5.1% in post-market trading.
- ▶ **U.S. Crude Supplies Tumble.** Oil advanced to the highest level in two weeks after declining stockpiles of U.S. crude, gasoline and distillate signaled healthy demand during the nation's summer driving season. A U.S. government report showed crude supplies

slid to the lowest since January 2020 and distillate stockpiles posted the biggest decline since April. The EIA data also showed jet fuel demand rising in the U.S., with the moving average climbing to about 1.5 million barrels a day, the highest since March 2020. Inventories at the nation's largest storage hub in Cushing, Oklahoma, slid to the lowest level in more than a year.

- ▶ **European Gas Hits Record.** Europe is running out of time to build crucial natural gas reserves ahead of the winter, sending prices in the continent to a record. A perfect storm of production outages in the North Sea is adding to a Russian squeeze as Europe's top supplier is sending less via Ukraine, a key transit route. Cargoes of liquefied natural gas are also hard to come by, leaving inventories at their lowest level in more than a decade for this time of year. Front-month gas futures on the Title Transfer Facility hub in the Netherlands closed 5.6% higher at an all-time high of 39.698 euros a megawatt-hour. U.K. futures for next month rose 5.3% to 100.87 pence a therm, exceeding the 100-pence mark for the first time since 2005.
- ▶ **China Seeks Calm.** Stocks in China and Hong Kong jumped Thursday, after authorities intensified efforts to calm fears about a crackdown on the private education industry and as the central bank pumped liquidity into the financial system. The nation's securities regulator convened a video conference with banking executives Wednesday night, conveying a message that education policies were not intended to hurt companies in other industries. The CSI 300 Index gained as much as 2%, led by materials and industrial stocks. Hong Kong's Hang Seng Index climbed 3.4%. Technology shares extended gains after a report said China will continue to allow its companies to go public in the U.S. as long as they meet listing requirements, following Didi Global Inc.'s controversial debut.

Interbank Offer Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	0.08413	0.04288	-0.5777	0.1677	0.5800	1.033
1MO	0.09013	0.05438	-0.57843	0.1997	0.63429	1.683
2MO	0.11038	0.063	-0.5606	-	-	1.633
3MO	0.12963	0.07425	-0.55571	0.4190	0.79429	1.592
6MO	0.1585	0.08563	-0.5266	0.4475	0.84429	1.717
12MO	0.239	0.18163	-0.49257	0.6508	0.91429	1.867

Country	Indicator	Cons.	Prev.
US	GDP Annualized (QoQ) (Q2) - Advance	8.50%	6.40%
US	Personal Consumption (Q2) - Advance	10.50%	11.40%
US	Pending Home Sales (MoM) (JUN)	0.1%	8.0%
GE	CPI (MoM) (JUL) - Preliminary	0.6%	0.4%

Source: Bloomberg, Reuters

Daily Market Report

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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	1.1858	↑	0.11%	1.1841	1.1864	-0.33%	1.2216	-2.9%	0.6%	1.1603	1.2349
GBPUSD	1.3934	↑	0.23%	1.3898	1.394	0.71%	1.367	1.9%	7.2%	1.2676	1.4248
AUDUSD	0.7387	↑	0.15%	0.7359	0.739	-1.66%	0.7694	-4.0%	2.8%	0.6991	0.8007
NZDUSD	0.6978	↑	0.42%	0.694	0.6982	-0.20%	0.7184	-2.9%	4.6%	0.6489	0.7465
USDCHF	0.909	↓	-0.12%	0.9084	0.9101	-1.30%	0.8852	2.7%	-0.4%	0.8758	0.9473
USDJPY	109.78	↓	-0.12%	109.68	109.95	-0.68%	103.25	6.3%	4.6%	102.59	111.66
USDCAD	1.2488	↓	-0.32%	1.248	1.253	0.70%	1.2725	-1.9%	-6.4%	1.2007	1.346
USDCNY	6.4719	↓	-0.29%	6.4694	6.4875	0.24%	6.5272	-0.8%	-7.6%	6.357	7.009
USDKWD	0.30054	→	-0.05%	0.30048	0.30061	-0.18%	0.30411	-1.2%	-1.8%	0.2989	0.30874
Bit coin	40,115.69	↑	0.32%	39,281.38	40,277.08	10.91%	28,996.28	38.35%	257.47%	15,291.46	64,869.78

Commodities	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High
Brent	75.07	↑	0.44%	74.63	75.19	1.25%	51.80	46.62%	60.85%	35.74	77.84
WTI	72.72	↑	0.46%	72.26	72.84	0.72%	48.52	50.90%	67.94%	33.64	76.98
Gold	1,816.79	↑	0.54%	1,806.97	1,818.25	3.15%	1,898.36	-4.30%	-7.81%	1,676.89	2,075.47
Silver	25.2787	↑	1.26%	24.94	25.34	-1.92%	26.40	-4.26%	3.99%	21.68	30.10
Platinum	1,075.85	↑	0.67%	1,065.75	1,078.99	-1.76%	1,072.12	0.35%	12.66%	828.47	1,339.73
Palladium	2,648.96	↑	0.72%	2,627.55	2,652.27	-1.24%	2,448.81	8.17%	21.58%	2,027.03	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	0.2035	↑	0.94%	0.1976	0.2035	-19.98%	0.1211	68.04%	46.72%	0.0972	0.2824
US Gov 10YR	1.2442	↑	0.93%	1.2293	1.2476	-15.73%	0.9132	36.25%	114.89%	0.5019	1.7742
US Swap 5YR	0.8102	↑	2.21%	0.7907	0.8124	-15.88%	0.43	88.42%	176.52%	0.2381	1.111
US Swap 10YR	1.2677	↑	1.15%	1.251	1.2703	-12.39%	0.9253	37.00%	123.19%	0.5002	1.7976
UK Gilts 2YR	0.086	↑	13.16%	0.065	0.102	50.88%	-0.16	153.75%	184.75%	-0.183	0.198
UK Gilts 10YR	0.575	↑	3.05%	0.544	0.588	-20.36%	0.197	191.88%	427.39%	0.063	0.924
EU Gov 2YR	-0.76	↓	-0.53%	-0.762	-0.757	-16.56%	-0.7	-8.57%	-10.63%	-0.813	-0.637
EU Gov 10YR	-0.451	↓	-0.22%	-0.453	-0.439	-137.37%	-0.569	20.74%	11.22%	-0.67	-0.074
SAR Swap 2YR	1.0993	↓	-0.52%	1.0799	1.11	-2.72%	1.0221	7.55%	9.60%	0.5975	1.149
SAR Swap 10YR	2.6028	↑	1.08%	2.575	2.6046	-4.48%	2.695	-3.42%	21.06%	2.08	3.045
SAIBOR 3M	0.79429	→	0.00%	0.79429	0.79429	0.18%	0.8175	-2.84%	-14.72%	0.79143	0.93143
EIBOR 3M	0.41903	↑	10.73%	0.41903	0.41903	18.87%	0.5125	-18.24%	-26.32%	0.26604	0.61962
BHIBOR 3M	1.5917	→	0.00%	1.5917	1.5917	-3.05%	2.25	-29.26%	-30.80%	1.2333	2.3

Indices	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High
DJIA	34,930.93	↓	-0.36%	34,876.84	35,116.37	1.89%	30,606.48	14.13%	31.39%	25,992.28	35,150.37
S&P 500	4,400.64	→	-0.02%	4,387.01	4,415.47	2.54%	3,756.07	17.16%	35.05%	3,204.13	4,422.73
NASDAQ	14,762.59	↑	0.70%	14,645.64	14,798.88	1.81%	12,888.28	14.54%	40.11%	10,412.09	14,863.65
DAX	15,570.36	↑	0.33%	15,497.10	15,577.13	0.10%	13,718.78	13.50%	21.28%	11,450.08	15,810.68
Nikkei 225	27,782.42	↑	0.73%	27,663.41	27,798.05	-3.58%	27,444.17	1.23%	24.04%	21,710.00	30,714.52
CAC 40	6,609.31	↑	1.18%	6,530.74	6,609.31	0.64%	5,551.41	19.06%	34.09%	4,512.57	6,687.29
FTSE 100	7,016.63	↑	0.29%	6,974.80	7,023.35	-1.00%	6,460.52	8.61%	14.48%	5,525.52	7,217.54
Shanghai Compos	3,415.25	↑	1.60%	3,382.57	3,416.07	-4.42%	3,473.07	-1.66%	3.66%	3,202.34	3,731.69
EURO STOXX 50	4,103.03	↑	0.94%	4,065.25	4,103.45	-0.11%	3,552.64	15.49%	24.20%	2,920.87	4,165.59
DFMGI	2,758.80	↑	0.26%	2,751.98	2,759.33	-2.44%	2,491.97	10.71%	34.53%	2,050.69	2,884.13
Abu Dhabi	7,257.00	↑	0.18%	7,245.22	7,266.25	7.30%	5,045.32	43.84%	68.58%	4,286.24	7,283.74
Tadawul	10,933.73	↑	0.16%	10,905.02	10,948.81	-0.57%	8,689.53	25.83%	46.58%	7,459.77	11,063.86
Qatar Exchange	10,708.37	↑	0.37%	10,607.64	10,708.37	-0.38%	10,435.96	2.61%	14.26%	9,314.59	10,976.28
Bursa Kuwait	6,562.55	↑	0.30%	6,546.45	6,564.48	1.16%	5,546.04	18.33%	32.09%	4,955.14	6,564.48
Bahrain Bourse	1,594.71	→	0.02%	1,592.61	1,597.37	-0.08%	1,489.78	7.04%	23.70%	1,287.92	1,597.38
Muscat Securities 30	4,034.76	↑	0.42%	4,033.47	4,034.76	-0.57%	3,658.77	10.28%	13.08%	3,535.21	4,136.34

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