

Market Commentary

- Fed Holds Rates & Powell Dovish:** Jerome Powell kept his message as dovish as possible. The Fed left rates near zero and its chief made it clear they'll stay there, saying signs of a coronavirus resurgence are "starting to weigh" on activity. He urged Congress to boost fiscal spending to offset the "biggest shock to the U.S. economy in living memory." The central bank will wrap up its strategy review "in the near future." Growth and employment have picked up after sharp declines but are "well below" levels at the start of the year.
- US Dollar Keeps Slides Lower:** The dollar was mired at a more than two-year low on Thursday, as investors grew increasingly worried about the economic drag of surging coronavirus cases in the United States, and looked to a fiscal rescue package stalled in Congress for another stimulus hit. Against a basket of currencies the dollar was pinned close to its lowest since mid-2018 at 93.344, while Antipodean currencies were poised near multi-month peaks.
- U.S. Housing Market Pushes Ahead:** Contracts to buy U.S. previously owned homes rose to a nearly 14-1/2-year high in June, the latest indication that the housing market was weathering the COVID-19 pandemic far better than the broader economy. The National Association of Realtors said its Pending Home Sales Index, based on contracts signed last month, rose 16.6% to 116.1 in June. That was the highest level since January 2006.
- U.S. Trade Flows Improve:** Data on Wednesday showed a sharp decline in the goods trade deficit last month, with trade boosted by a rebound in exports after three straight monthly decreases as the coronavirus upended global demand. The Commerce Department said the goods trade deficit dropped 6.1% to \$70.6 billion last month. Exports of goods accelerated 13.9% to \$102.6 billion, eclipsing a 4.8% increase in goods imports to \$173.2 billion. Goods imports fell in May to their lowest level since July 2010.
- French Consumer Confidence Drops:** French consumer confidence declined in July, denting hopes that the country's economy would bounce back rapidly from the coronavirus crisis. After an initial rebound in June, the French statistics agency's consumer sentiment index fell by two points to 94 in July, below the average of 99 forecast by economists in a poll by Reuters.
- Saudi Seen Cutting Oil Price:** Saudi Arabia may have little choice but to reduce the price of its oil as OPEC and allied producers start to ease output curbs amid weakening demand that's crashed the value of physical supplies. Aramco is expected to cut the official selling price for its flagship Arab Light grade by 48 cents a barrel for September sales to Asia, the median estimate in a survey of eight traders and refiners across the region shows.

Source: Bloomberg, Reuters

Currencies		1Y Trend
EUR/USD	1.1755	
GBP/USD	1.2953	
USD/JPY	105.24	
AUD/USD	0.7143	
NZD/USD	0.6628	
USD/CHF	0.9140	
USD/CAD	1.3389	

Interbank Rates	USD	GBP	EUR	AED	SAR	BHD
1WK	0.11063	0.062	-0.5410	0.1687	0.6443	1.100
1MO	0.16688	0.06838	-0.50357	0.3068	0.75143	2.100
2MO	0.21888	0.084	-0.4363	-	-	2.167
3MO	0.26825	0.09188	-0.44571	0.5158	0.93143	2.300
6MO	0.3175	0.17325	-0.4220	0.7638	0.98	2.533
12MO	0.4605	0.31363	-0.31386	0.9917	1.03143	2.683

Commodities		1Y Trend
Brent Crude	43.65	
WTI	41.16	
Gold	1956.92	
Aluminum	1676.60	
Copper	6474	
Silver	23.62	
Platinum	948.1	
Palladium	2209.0	

Indices		1Y Trend
DJIA	26,539.6	
S&P 500	3,258.4	
DAX	12,822.3	
NIKKEI 225	22,339.2	
CAC 40	4,958.7	
FTSE 100	6,131.5	
DFM	2,050.8	
TASI	7,459.2	

Treasuries		1Y Trend
US2Y	0.1270	
US10Y	0.5626	
EU2Y	-0.6880	
EU10Y	-0.5130	
GB2Y	-0.0760	
GB10Y	0.1180	
SAR2Y	1.0040	
SAR10Y	2.1300	

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	GDP Annualized QoQ (2Q) - Advance	-34.5%	-5.0%
	US	Core PCE QoQ (2Q) - Advance	-0.9%	1.7%
	US	Initial Jobless Claims	1445k	1416k
	GE	Consumer Price Index (Jul) - Preliminary	0.1%	0.9%

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