

Market Commentary

- Equities slid from Hong Kong to Sydney as traders girded for a potential intercontinental ballistic missile launch by Pyongyang, which will celebrate its "foundation day" Saturday. The case for a continued risk-off tone was supported by a lack of consensus among the U.S., Russia and China on how to pressure Kim Jong Un to abandon his nuclear ambitions. Russian President Vladimir Putin has rejected U.S. calls for more sanctions, echoing China's resistance to more punitive measures. Japan's Topix index reversed earlier losses and was up 0.1 percent. The Kospi index in South Korea slid 0.3 percent and Australia's main gauge was down 0.4 percent. The Hang Seng Index declined 1 percent in Hong Kong on low volumes and China's equity benchmarks were also lower. The MSCI Asia Pacific Index dropped 0.4 percent.
- U.S. stock futures were down slightly after the main gauges dropped overnight, hurt also by the historically powerful Hurricane Irma as it heads toward Florida. Dovish comments from Federal Reserve officials helped propel a surge in U.S. Treasuries and undercut the dollar, with traders increasingly skeptical the central bank will raise interest rates again this year. The S&P 500 contracts were little changed after the main gauge sank 0.8 percent. The Dow Jones Industrial Average lost 1.1 percent Tuesday.
- Mario Draghi may give more clarity on paring the European Central Bank's bond-buying program when he speaks after a policy decision on Thursday. U.S. durable-goods figures, the trade balance, unemployment claims, and the release of the Fed's Beige Book will add to the global data deluge.
- Australia's economy grew less than forecast in the second quarter. GDP rose 0.8 percent from the prior quarter and versus 0.9 percent estimated by economists. The Reserve Bank of Australia left its benchmark rate unchanged Tuesday.
- The yen was near its strongest level for the year with at 108.69 per dollar, within 1 percent of its high for the year. The Bloomberg Dollar Spot Index was little changed after falling 0.3 percent Tuesday. The Australian dollar climbed above 80 U.S. cents, then retreated to 79.81 after the GDP data. The euro was little changed at \$1.1914. The Swiss franc was also little changed at 0.9549 per dollar.
- U.S. Treasury yields were at their lowest since the aftermath of Donald Trump's November election win. The yield on 10-year Treasuries was at 2.07 percent. It fell 10 basis points Tuesday, taking it closer to breaching 2 percent for the first time since last November.

Source: Bloomberg, Reuters, Financial Times

Currencies

EUR/USD	1.1921
GBP/USD	1.3022
USD/JPY	108.74
AUD/USD	0.7981
NZD/USD	0.7224
USD/CHF	0.9552
USD/CAD	1.2395

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	1.19722	0.23594	-0.4057	1.1145	-	1.650
1MO	1.23167	0.24888	-0.4007	1.3325	1.45875	2.250
2MO	1.27389	0.26469	-0.3829	-	-	2.300
3MO	1.31611	0.27681	-0.3733	1.5442	1.795	2.450
6MO	1.45389	0.40025	-0.3076	1.7613	2.04875	2.600
12MO	1.71289	0.5905	-0.2094	2.1318	2.2425	3.075

Commodities

Brent Crude	53.35
WTI	48.75
Gold	1338.36
Aluminum	2057.3
Copper	6900
Silver	17.90
Platinum	1010.4
Palladium	968.7

Indices

DJIA	21,753.3
S&P 500	2,457.9
DAX	12,123.7
NIKKEI 225	19,358.0
CAC 40	5,086.6
FTSE 100	7,372.9
DFM	3,630.2
TASI	7,258.6

Treasuries

US2Y	1.2900
US10Y	2.0682
EU2Y	-0.7580
EU10Y	0.3270
GB2Y	0.2030
GB10Y	1.0260
SAR2Y	2.2670
SAR10Y	3.5620

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	EC	Markit Eurozone Retail PMI (AUG)	--	51.0
	GE	Factory Orders MoM (JUL)	0.2%	1.0%
	US	MBA Mortgage Applications (SEPT)	--	-2.3%
	US	Trade Balance (JUL)	-44.7B	-43.6B

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