

Market Commentary

- **Dollar Dips:** The U.S. dollar edged lower, with some investors going back into riskier assets after midterm elections split power in the U.S. Congress, giving Democrats greater ability to check any major initiatives from President Donald Trump. The dollar index, which measures moves against a basket of developed economy currencies, was 0.6% lower, but the reaction in emerging markets was generally positive.
- **Wall Street Gains:** Wall Street saw broad gains on Wednesday, as uncertainty about the outcome of the 2018 US congressional elections cleared. Republicans expanded their majority in the Senate, while Democrats gained control of the House of Representatives. The divided outcome, which dims chances of major new laws, offered a boon to investors wary of uncertainty. The Dow and S&P 500 jumped 2.1%, while the Nasdaq climbed 2.6%. Health care and technology companies led the gains, which occurred across most industries.
- **Last For The Year:** The Fed decision today will be the last this year without a press conference and probably the last before another rate increase. Investors are pricing in an almost 80% chance of a December hike, and with the economy in solid shape the FOMC won't need to change its message much.
- **Eurozone Slowdown:** Eurozone retail sales volumes were flat in September compared to August, and growth over the year fell to 0.8%, the lowest annual change since October last year. The data add further weight to the premise that an economic slowdown is on the horizon for the currency union area.
- **China's Export Growth:** Chinese exports grew 15.6% in October in US dollar terms compared to a year earlier, defying predictions that US tariffs would hit demand for Chinese-made goods. The export performance marked an acceleration from the 12.2% annual growth in the January-to-September period. Imports grew 21.4% in in October compared to 20% for the year through September.
- **Turkey's Euro Bond:** Turkey is preparing to enter the euro-denominated bond market, with new debt that will mature in 2026. The country's finance ministry said that it had lined up three banks to handle the deal. Turkey is a frequent borrower in dollars in the bond market, but this will be only its sixth benchmark deal in euros.
- **Oil Slides:** Wednesday's rally in oil prices came to a halt after US crude and gasoline stockpiles rose by far more than expected, further easing fears of a global supply shortfall after US sanctions on Iran. WTI which had been up 1.6% before the EIA report, was down 1.3% to \$61.38 a barrel. Brent crude shed 0.8% and was trading at \$71.58 a barrel, having been up by as much as 2% earlier in the session.

Source: Bloomberg, Reuters
Currencies

EUR/USD	1.1435
GBP/USD	1.3130
USD/JPY	113.63
AUD/USD	0.7290
NZD/USD	0.6790
USD/CHF	1.0019
USD/CAD	1.3109

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	2.21138	0.71375	-0.4469	2.2129	2.5063	2.650
1MO	2.31688	0.72688	-0.4083	2.4175	2.595	3.375
2MO	2.42863	0.75863	-0.3747	-	-	3.525
3MO	2.59125	0.84563	-0.3526	2.7213	2.78625	3.750
6MO	2.8415	0.97019	-0.3264	2.9638	2.9725	3.925
12MO	3.11638	1.12194	-0.2251	3.4453	3.19625	4.550

Commodities

Brent Crude	72.28
WTI	61.86
Gold	1224.66
Aluminum	1977.8
Copper	6153
Silver	14.56
Platinum	876.8
Palladium	1117.3

Indices

DJIA	26,180.3
S&P 500	2,813.9
DAX	11,579.1
NIKKEI 225	22,486.9
CAC 40	5,137.9
FTSE 100	7,117.3
DFM	2,832.0
TASI	7,792.6

Treasuries

US2Y	2.9527
US10Y	3.2262
EU2Y	-0.5850
EU10Y	0.4470
GB2Y	0.8150
GB10Y	1.5330
SAR2Y	3.4585
SAR10Y	4.2503

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Initial Jobless Claims	213k	214k
	US	FOMC Rate Decision (Upper Bound)	2.25%	2.25%
	US	Continuing Claims	1634k	1631k

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