

Market Commentary

- **US to Sanction Russia:** Trump administration has signed off on new sanctions against Russia following a near-fatal nerve agent attack against British citizen and former Russian spy Sergei Skripal, a move that could hit hundreds of millions of dollars worth of Russian state imports.
- **Pound Hits One-Year Low:** The pound suffered a fresh fall, knocking it to the lowest level in almost a year against the dollar amid persistent worries about UK prime minister Theresa May's ability to cut a deal with Europe over Brexit. Sterling fell as much as 0.6% to \$1.2863, taking the drop since the start of the week to 1.2%.
- **Eurozone Job Recovery:** The eurozone's jobs recovery looks set to play an increasingly important role in keeping growth in the region on track as export trade slows, the European Central Bank has said. The economy here has added more than 7m jobs since the depths of the crisis and there are increasing signs that wages are beginning to rise at a faster pace.
- **China to Retaliate:** China's commerce ministry has responded in kind to the Trump administration's latest trade threats, announcing plans to hit \$16bn worth of US goods with a 25% tariff rate. The tariffs would be implemented on 333 products and take effect just after midnight on August 23, according to a statement from the Chinese ministry.
- **China CPI Growth Beats Expectation:** Consumer inflation in China nudged higher in July as the price of non-food items rose while growth in producer prices slowed for the first time since March. China's official consumer price index rose 2.1% compared to the same period last year, up from 1.9% in the previous month, and above a median forecast of 1.9%.
- **NZ Central Bank Rate Forecast:** New Zealand's central bank has pushed out its forecast for raising interest rates from their record low by one year owing to downside risks to the economic outlook. The Reserve Bank of New Zealand held interest rates steady at 1.75%. The New Zealand dollar fell as much as 1.1% against its US counterpart. The drop was the worst in a month and brought the kiwi to \$0.6667, its lowest level in more than 28 months.
- **Saudi Disposes Off Canadian Assets:** Saudi is selling Canadian assets as the kingdom escalates its response to Ottawa's criticism of the arrest of a female activist. The Saudi central bank and state pension funds have instructed their overseas asset managers to dispose of their Canadian equities, bonds and cash holdings "no matter the cost".
- **Aramco Buys Out German Partner:** Aramco is buying out its German partner Lanxess from a synthetic rubber joint venture for €1.4bn, in a deal that will boost the chemicals company's balance sheet and narrow its focus as it digests a major US acquisition.

Source: Bloomberg, Reuters

Currencies

EUR/USD	1.1611
GBP/USD	1.2883
USD/JPY	111.01
AUD/USD	0.7444
NZD/USD	0.6679
USD/CHF	0.9934
USD/CAD	1.3005

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	1.95	0.71025	-0.4229	1.9888	2.2975	2.400
1MO	2.07113	0.72113	-0.4016	2.2110	2.40625	3.075
2MO	2.18381	0.7505	-0.3797	-	-	3.275
3MO	2.34144	0.80638	-0.3603	2.5500	2.6075	3.525
6MO	2.52238	0.9065	-0.3139	2.8075	2.7875	3.775
12MO	2.82431	1.0515	-0.2314	3.3170	2.99875	4.300

Commodities

Brent Crude	72.57
WTI	67.1
Gold	1216.2
Aluminum	2087.8
Copper	6173
Silver	15.47
Platinum	836.9
Palladium	899.4

Indices

DJIA	25,583.8
S&P 500	2,857.7
DAX	12,633.5
NIKKEI 225	22,598.4
CAC 40	5,501.9
FTSE 100	7,776.7
DFM	2,944.1
TASI	8,210.3

Treasuries

US2Y	2.6698
US10Y	2.9531
EU2Y	-0.5970
EU10Y	0.3950
GB2Y	0.7380
GB10Y	1.3130
SAR2Y	3.2295
SAR10Y	3.9467

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Initial Jobless Claims (Aug 4)	220k	218k
	US	PPI Final Demand MoM (Jul)	0.2%	0.3%
	US	Wholesale Inventories MoM (Jun F)	0.00%	0.00%

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