

Market Commentary

- **Sterling Stabilized:** The currency was stable following a bumpy session a day earlier. Sterling swung on investor concern over British politics on Monday, dropping by as much as 1% to a low of \$1.3063 before recovering somewhat to trade just above the \$1.31 mark.
- **Fed's Harker has One Final Rate Hike This Year:** Federal Reserve Bank of Philadelphia President Patrick Harker says he's looking for another rate increase this year and that the balance-sheet unwind will be boring. "I still have another 25 basis point rate increase penciled in for this year, although perhaps I should say, 'lightly penciled in,'" Harker says in text of speech in Tokyo.
- **U.S. Economy is Seeing a 180-Degree Turnaround:** U.S. investors and executives are suddenly expressing a lot more optimism about the economy, giving incoming Federal Reserve chair Jerome Powell momentum to build on, Jim Cramer and other top market watchers say. "Big change in the country. People want to take risks, which is why I think that Powell is important. Because if they want to take risks and you can get a loan, you can expand", Bryan Jordan said, CEO of First Horizon.
- **Asia Stocks Steady:** Equity markets in Asia were steady as investors awaited clues on monetary policy from heads of some major central banks and kept an eye on U.S. tax reform developments. Japan's Nikkei 225 Stock Average closed little changed after swinging between a gain of 0.7% and a drop of 0.3%. Shares in China slipped after the country's economic expansion dialed back a notch as factory output, investment and retail sales all decelerated.
- **Slow Retail Sales in China:** Retail sales growth declined to 10% in October from a year earlier, versus the estimate for 10.5% growth. Industrial production growth also missed estimates, decelerating to 6.2%, while fixed-asset investment grew 7.3%, in line with forecasts. All three figures were down from the previous month.
- **Venezuela is in Default:** S&P Global Rating declared that the country is in default after missing two interest payments on its debt. State oil producer Petroleos de Venezuela SA had already been said to default by Fitch and Moody's.
- **Positive Outlook for Egypt:** S&P Global Rating revised Egypt's outlook to positive from stable, maintaining the "B-/B long and short-term foreign and local currency sovereign credit ratings. According to the report published by S&P, the revised outlook reflects the potential of raising the rating next year, if structural reforms that support investment, growth, and decrease inflation continue.

Source: Bloomberg, Reuters

Currencies	
EUR/USD	1.1673
GBP/USD	1.3106
USD/JPY	113.64
AUD/USD	0.7632
NZD/USD	0.6856
USD/CHF	0.9968
USD/CAD	1.2742

Interbank Rates						
	USD	GBP	EUR	AED	SAR	BHD
1WK	1.20422	0.48081	-0.4189	1.0805	-	1.575
1MO	1.24606	0.49388	-0.3986	1.3117	1.48	2.225
2MO	1.35433	0.50519	-0.3879	-	-	2.325
3MO	1.41289	0.52813	-0.378	1.6138	1.80875	2.550
6MO	1.61461	0.5925	-0.3144	1.8577	2.05625	2.675
12MO	1.8815	0.77313	-0.2469	2.2683	2.25375	3.125

Commodities	
Brent Crude	62.86
WTI	56.56
Gold	1277.01
Aluminum	2089.1
Copper	6895
Silver	17.03
Platinum	932.5
Palladium	994.0

Indices	
DJIA	23,439.7
S&P 500	2,584.8
DAX	13,074.4
NIKKEI 225	22,380.0
CAC 40	5,341.6
FTSE 100	7,415.2
DFM	3,486.6
TASI	6,961.5

Treasury	
US2Y	1.6829
US10Y	2.3984
EU2Y	-0.7380
EU10Y	0.4180
GB2Y	0.4900
GB10Y	1.3280
SAR2Y	2.5555
SAR10Y	3.8865

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	GE	GDP SA (QoQ) (3Q)	0.6%	0.6%
	GE	CPI (YoY) (OCT)	1.6%	1.6%
	UK	CPI (YoY) (OCT)	3.1%	3.0%
	US	PPI Final Demand (MoM) (OCT)	0.1%	0.4%

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