

Market Commentary

- **Trump will Slap 10% Tariffs on China:** President Trump will impose 10% tariffs on about \$200 billion in Chinese goods on Sept. 24. An increase to 25% was delayed until next year to give U.S. businesses a change to adjust, government officials said. China had warned it would bail on trade talks if Trump moved ahead with the next round of levies.
- **US Stock Futures Slip:** Wall Street is poised for a lower open amid concerns about a trade war between the US and China, while the yield on the 10-year rose above 3%. Having notched their biggest weekly gain in two months last week, futures trading was downbeat at the start of the week. The moves come as Chinese leaders have begun to doubt the Trump administration's desire for a deal to end the trade war amid signs the US is readying to impose new tariffs on \$200bn of imports from China.
- **US Treasury Yields Rise:** The yield on the benchmark US 10-year Treasury note climbed to its highest level since May, as expectations build the Federal Reserve will lift interest rates again next week. A string of solid economic data releases have pushed yields higher since late August. Labour market figures published in early September pointed to the fastest pace of wage growth in nine years, while on Friday industrial output data pushed the yield on the 10-year back above 3% for the first time in one-and-a-half months.
- **My deal or No Deal:** Theresa May has told her Conservative Eurosceptic critics that they will have a stark choice on whether to back any Brexit deal she strikes in Brussels, saying: "The alternative to that is not having a deal". Mrs May told the BBC that she believed Britain would get "a good deal" at the end of Brexit negotiations, which could come to a head at a special European Council in November.
- **Pound Holds Above \$1.30 Ahead of Brexit Talks:** The pound kicked off a big week for Brexit talks on an upbeat note, holding above \$1.30 and nudging higher again after a dip on Friday. Sterling has been highly sensitive to the risks surrounding a no-deal Brexit in recent months, with a perceived increase in the chances of the UK crashing out of the EU without a deal in six months' time one of the drivers behind a significant increase in bets against the currency during August.
- **Saudi's PIF Invests in Electric Carmaker:** Saudi Arabia's sovereign wealth fund has made its second major investment in a US electric vehicles maker, striking a \$1bn deal to provide much-needed financing for Tesla-rival Lucid Motors. The PIF said the deal would provide funding to help Lucid launch its first electric vehicle in 2020, ending months of speculation over whether the private Silicon Valley-based company would be able to secure the backing needed to allow the further development of its products.

Source: Bloomberg, Reuters

Currencies	
EUR/USD	1.1700
GBP/USD	1.3152
USD/JPY	112.25
AUD/USD	0.7218
NZD/USD	0.6600
USD/CHF	0.9618
USD/CAD	1.3023

Interbank Rates						
	USD	GBP	EUR	AED	SAR	BHD
1WK	1.96606	0.71638	-0.4287	1.8978	2.3200	2.400
1MO	2.16469	0.724	-0.395	2.2875	2.43875	3.225
2MO	2.23175	0.74425	-0.3704	-	-	3.400
3MO	2.33713	0.79756	-0.3564	2.6320	2.6375	3.575
6MO	2.56875	0.89225	-0.3180	2.8917	2.815	3.825
12MO	2.88019	1.04994	-0.222	3.3188	3.0225	4.450

Commodities	
Brent Crude	77.79
WTI	68.77
Gold	1199.54
Aluminum	2012.3
Copper	5945
Silver	14.16
Platinum	803.5
Palladium	1005.5

Indices	
DJIA	26,062.1
S&P 500	2,888.8
DAX	12,096.4
NIKKEI 225	23,420.5
CAC 40	5,348.9
FTSE 100	7,302.1
DFM	2,736.7
TASI	7,609.7

Treasuries	
US2Y	2.7822
US10Y	3.0033
EU2Y	-0.5290
EU10Y	0.4600
GB2Y	0.8200
GB10Y	1.5360
SAR2Y	3.3585
SAR10Y	4.0464

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	CA	Manufacturing Sales MoM (Jul)	0.6%	1.1%

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