

Market Commentary

- The fed meeting minutes showed that most members of the Federal Reserve believe they should raise interest rates "soon" as long as the economy continues to rebound from a surprising bout of weakness in the first quarter. The minutes showed some central bankers were still watching for evidence that a recent slowdown in growth is temporary and that inflation is heating up before committing to another interest rate hike. It also contained details of how the Fed might reduce the massive \$4.5 trillion balance sheet it accumulated by purchasing Treasury and mortgage-backed securities during the recession.
- The Bank of Canada, once again in a curtailed statement, refrained from changing its benchmark interest-rate target of 50 bps due to uncertainties regarding U.S. tax and trade initiatives, which will continue to hinder the BOC's ability to effectively alter monetary policy. Economic conditions are expected to improve gradually, while inflation remains in check and consumer spending is robust.
- European Central Bank (ECB) president Mario Draghi suggested on Wednesday that there would be no changes to monetary policy in the euro area at the upcoming meeting on June 8. With regard to the current accommodative monetary policy in the euro zone, Draghi noted that there could be "potential negative side effects", but considered those to have "remained contained. Draghi further insisted that the ECB's current macro prudential framework coupled with stronger financial institutions and bank supervision "has enabled us a longer period of low interest rates unmarked by a build-up of financial stability risks."
- All eyes are on Vienna today, where OPEC starts its formal meeting today. Most analysts expect the cartel to extend production cuts for another six to nine months. Crude resumed a rally as Russia's energy minister said a nine-month extension to supply cuts could include an option for an extra three months.
- Saudi Telecom sets up \$500 million Technology Investment Fund. The fund to be financed by five equal tranches, each tranche will be \$100 million dollar in self-financing from the company's sources for the purpose of investing in promising and fast-growing digital and technology sectors in addition to the comprehensive development of the digital system in the region.
- Oman's \$2 billion Islamic bond sale on Tuesday lured orders for more than three times the issue size, allowing it to cut the price offered to investors as it seeks funds to help trim a budget deficit. The sultanate set final terms on its seven-year sukuk at 235 basis points over the mid-swap rate, from initial guidance of about 270 basis points, according to a person familiar with the deal.

Source: Bloomberg, Reuters
Currencies

EUR/USD	1.1229
GBP/USD	1.2981
USD/JPY	111.78
AUD/USD	0.7488
NZD/USD	0.7036
USD/CHF	0.9727
USD/CAD	1.3408

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	0.94944	0.23719	-0.4053	0.8700	-	1.350
1MO	1.02356	0.25275	-0.4029	1.0483	1.27	1.850
2MO	1.10139	0.27138	-0.3850	-	-	2.075
3MO	1.18867	0.30431	-0.3693	1.4830	1.72375	2.250
6MO	1.4135	0.44981	-0.2779	1.6880	2.0025	2.475
12MO	1.71956	0.65219	-0.146	2.1707	2.20125	2.975

Commodities

Brent Crude	54.38
WTI	51.74
Gold	1258.02
Aluminum	1939.0
Copper	5682
Silver	17.24
Platinum	950.9
Palladium	765.4

Indices

DJIA	21,012.4
S&P 500	2,404.4
DAX	12,642.9
NIKKEI 225	19,813.1
CAC 40	5,341.3
FTSE 100	7,514.9
DFM	3,353.2
TASI	6,901.4

Treasuries

US2Y	1.2897
US10Y	2.2554
EU2Y	-0.6580
EU10Y	0.3780
GB2Y	0.0990
GB10Y	1.0720
SAR2Y	2.3020
SAR10Y	3.8185

Main Economic Indicators

Importance	Country	Indicator	Consensus	Previous
	UK	Gross Domestic Products (QoQ) (1Q)	0.30%	0.30%
	US	Wholesale Inventories (MoM) (APR)	0.20%	0.20%
	US	Initial Jobless Claims (MAY20)	238K	232K

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