

Market Commentary

- Steel and Aluminium Tariff Deadlines Draw Near:** The European Union is bracing for a trade offensive from President Donald Trump, amid a report the U.S. is poised to impose tariffs on steel and aluminum from the bloc. Trump slapped 25 percent tariffs on imported steel and 10 percent on aluminum in March, but granted reprieve to the EU, Canada and Mexico until June 1 for further talks to take place. EU leaders will be staging a last-ditch attempt to convince U.S. Commerce Secretary Wilbur Ross for extended relief from the duties in Paris This week.
- Asian Stocks Rally with U.S shares:** Asian stocks rebounded after U.S. shares rallied as investors saw the market reaction to Italy's political turmoil as overdone. The MSCI Asia Pacific Index of stocks bounced after touching its lowest level since February on Wednesday amid heightened fears Italy could leave the euro. The MSCI Asia Pacific Index was last up 0.6 percent. Hong Kong and Chinese stocks outperformed as China's official factory gauge underscored robust growth despite debt curbs and trade tensions. The Hang Seng Index climbed 0.9 percent while the Shanghai Composite Index climbed 1.3 percent. The Topix index rose 0.4 percent and Australia's S&P/ASX 200 Index gained 0.4 percent. Futures on the S&P 500 Index were little changed as the S&P 500 rose 1.3 percent Wednesday, the most in more than three weeks. Energy Shares also rallied as Crude oil prices surged higher on Wednesday.
- U.S Treasury Yields Also See Gains:** The yield on 10-year Treasuries was steady at 2.85 percent after jumping seven basis points on Wednesday. Australia's 10-year bond yield was little changed at 2.65 percent while Italy's 10-year yield sank 25 basis points to 2.92 percent .
- The U.S dollar Holds Steady:** The greenback was little changed after its biggest decline in nearly three weeks. The Bloomberg Dollar Spot Index fell less than 0.1 percent after losing 0.6 percent Wednesday. The Japanese yen rose 0.2 percent to 108.74 per dollar and the euro was steady at \$1.1668 after climbing 1.1 percent. The Indonesian rupiah led a broader emerging-market currency rally after Bank Indonesia raised the benchmark interest rate for a second time in less than two weeks on Wednesday and flagged more increases to counter a selloff in nation's currency and bonds.
- Crude oil Rally Caped by Fears of Increased Production:** Crude oil Futures fell 0.2 percent, set for the first monthly drop since February after touching a fresh three-year high early last week. Prices dropped almost 8 percent over five sessions following a Saudi-Russia proposal to phase out supply curbs that resurrected prices from the biggest crash in a generation. Crude halted its slide Wednesday after the dollar declined, boosting the appeal of commodities priced in the U.S. currency. West Texas Intermediate crude fell 0.2 percent to \$68.08 a barrel after jumping 2.2 percent Wednesday. Brent futures for July settlement, dropped 0.4 percent to \$77.21 a barrel. The global benchmark traded at a \$9.14 premium to WTI for July. Prices are up 2.7 percent in May, smaller than the near 7 percent increase in each of the previous two months.

Source: Bloomberg, Reuters

Currencies

EUR/USD	1.1685
GBP/USD	1.3319
USD/JPY	108.79
AUD/USD	0.7567
NZD/USD	0.6988
USD/CHF	0.9882
USD/CAD	1.2866

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	1.75438	0.48631	-0.4246	1.7489	1.9700	2.125
1MO	1.98031	0.49706	-0.3994	2.0825	2.125	2.750
2MO	2.09718	0.53038	-0.3753	-	-	2.900
3MO	2.30719	0.60887	-0.3513	2.5575	2.43875	3.200
6MO	2.47	0.71844	-0.3071	2.7673	2.62625	3.360
12MO	2.7075	0.88369	-0.2279	3.0484	2.84375	3.765

Commodities

Brent Crude	77.44
WTI	68.21
Gold	1303.69
Aluminum	2265.5
Copper	6840
Silver	16.55
Platinum	912.4
Palladium	982.7

Indices

DJIA	24,667.8
S&P 500	2,724.0
DAX	12,783.8
NIKKEI 225	22,221.5
CAC 40	5,427.4
FTSE 100	7,689.6
DFM	2,909.3
TASI	8,009.6

Treasuries

US2Y	2.4153
US10Y	2.8495
EU2Y	-0.6540
EU10Y	0.3720
GB2Y	0.6430
GB10Y	1.2570
SAR2Y	2.9180
SAR10Y	3.8195

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	CA	Quarterly GDP Annualized (Q1)	1.8%	1.7%
	EC	Unemployment Rate (Apr)	8.4%	8.5%
	UK	Nationwide House Px NSA YoY (May)	3.00%	2.60%
	US	Initial Jobless Claims (May)	228K	234K

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