

Market Commentary

- **Pressure is Building in Washington:** Court documents show that interactions between President Trump's campaign and Russia occurred earlier and were deeper than previously documented. One-time campaign chairman Paul Manafort and partner Rick Gates are under house arrest after pleading not guilty to tax crimes, money laundering, conspiracy and lying to the FBI. Former foreign policy adviser George Papadopoulos cut a plea deal weeks ago and is cooperating.
- **Bank of Japan Keeps Policy on Hold:** The bank kept short-term interest rates at minus 0.1%, a cap on 10-year bond yields at "around zero" and pledged to carry on buying assets at a pace of ¥80tn a year as it strives to end two decades of on-and-off deflation. In addition, it made slight downgrades to inflation forecasts but predicted steady economic expansion.
- **Germany Inflation Weakened:** German inflation slowed more than predicted in October, evidence that backs the European Central Bank's case for keeping stimulus flowing to entrench price stability in the euro area. Consumer prices rose an annual 1.5%, which is weaker than September's 1.8% and below the 1.7% median forecast in a Bloomberg survey of economists.
- **Kiwi Slides as New Finance Minister Talks Change:** The New Zealand dollar dropped to as low as \$0.6836, failing to find support despite the country's new finance minister saying he was confident people will see the new government as responsible managers of the economy.
- **Soft Asian Bourses as Wall Street Falters:** Asia-Pacific stocks were broadly lower following a disappointing lead from Wall Street, where the S&P 500 came off Friday's record closing high to end Monday down 0.3%. Hong Kong's Hang Seng Index fell 0.1%, with financials down 0.7%. In Tokyo the Topix was down 0.3% as the telecoms sector dropped 1.9%.
- **South Korea, China Agree to Reset Relations:** The two countries have agreed to normalise relations almost a year after Beijing launched a punitive economic war against Seoul over its decision to host a US-operated missile defence shield.
- **Stable Oil Outlook:** Oil prices eased on Tuesday as traders took profits following days of gains and as the prospect of increasing U.S. exports dampened overall bullish sentiment that has driven Brent above \$60 per barrel. Despite Tuesday's price dips, market sentiment remained confident, fuelled by an effort led by OPEC and Russia to hold back about 1.8 million barrels per day in oil production to tighten markets and prop up prices. The pact runs to March 2018, but Saudi Arabia and Russia have voiced support to extend the agreement.

Source: Bloomberg, Reuters

Currencies

EUR/USD	1.1649
GBP/USD	1.3222
USD/JPY	112.99
AUD/USD	0.7692
NZD/USD	0.6864
USD/CHF	0.9954
USD/CAD	1.2825

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	1.20326	0.25649	-0.4159	1.1408	-	1.575
1MO	1.24233	0.3705	-0.4014	1.3163	1.46375	2.250
2MO	1.31376	0.39184	-0.3929	-	-	2.300
3MO	1.38009	0.42786	-0.3786	1.5777	1.79125	2.500
6MO	1.57267	0.55566	-0.3217	1.8127	2.0475	2.625
12MO	1.84789	0.76994	-0.2317	2.2100	2.24375	3.100

Commodities

Brent Crude	60.82
WTI	54.03
Gold	1278.05
Aluminum	2149.3
Copper	6867
Silver	16.89
Platinum	926.9
Palladium	970.6

Indices

DJIA	23,348.7
S&P 500	2,572.8
DAX	13,229.6
NIKKEI 225	22,011.6
CAC 40	5,493.6
FTSE 100	7,487.8
DFM	3,632.4
TASI	6,945.3

Treasuries

US2Y	1.5718
US10Y	2.3594
EU2Y	-0.7530
EU10Y	0.3670
GB2Y	0.4550
GB10Y	1.3350
SAR2Y	2.4228
SAR10Y	3.7052

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	FR	CPI (YoY) (OCT)	1.00%	1.00%
	EU	Unemployment Rate (SEP)	9.00%	9.10%
	EU	GDP SA (YoY) (3Q)	2.40%	2.30%
	EU	CPI Core (YoY) (OCT)	1.10%	1.10%

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