

**Market Commentary**

- **S&P 500 is Up:** The index gained 4.3% last week closing at 2,732.22 on Friday, its best weekly performance since 2013, and a sharp rebound from its worst week in two years, as VIX index slipped back below 20.
- **U.K. Retail Sales Slump:** Retail sales across the UK significantly undershot expectations in January, underscoring the extent to which shoppers are still feeling squeezed by high inflation and stagnant wage growth ahead of Brexit. By volume, retail sales rose 0.1% in January compared to the previous month (est. 0.5%). January 2017 sales were up by 1.6%.
- **Make or Break for the Pound:** The pound's near-term direction is likely to be driven this week by economic data that could determine whether the Bank of England raises interest rates within three months. Traders will put most weight on U.K. employment figures scheduled for Wednesday, with evidence of a pickup in earnings likely to push the pound higher as it spurs inflation beyond the post-Brexit currency effect.
- **China may Hit Back if U.S. Imposes Tariffs on Steel:** China said proposed U.S. tariffs on imported steel and aluminium products are groundless and that it reserves the right to retaliate if they are imposed. The U.S. recommendations, unveiled by the Commerce Department on Friday, aren't consistent with the facts, Wang Hejun, chief of the trade remedy and investigation bureau at China's Ministry of Commerce, said in a statement.
- **Oil Market:** WTI extended its advance above \$62 a barrel on easing concerns over economic growth and oil demand as the U.S. dollar weakened and equities across the globe rebounded from a rout. Brent Crude is up 1.50% at \$65.32 a barrel.
- **Gold Nears 18-Month High:** The metal on Friday touched near the highest intraday level since mid-2016, briefly breaking the \$1,360 mark on the back of rising inflation and a weaker dollar.
- **Revised Yield Forecast:** Goldman Sachs raised its 10-year government bond yield forecast to 3.25% by the end of the year, from a previous expectation of 3%. A historic expansion in U.S. borrowing will cause a surge in the cost of servicing American debt.
- **Credit Upgrade in Greece:** The country has been upgraded from B- to B with positive outlook by Fitch, citing the country on course for debt sustainability, growing economy, waning political risks, and budget surpluses that beat creditor's target.

Source: Bloomberg, Reuters

**Currencies**

EUR/USD	1.2412
GBP/USD	1.4024
USD/JPY	106.54
AUD/USD	0.7917
NZD/USD	0.7393
USD/CHF	0.9286
USD/CAD	1.2545

**Interbank Rates**

	USD	GBP	EUR	AED	SAR	BHD
1WK	1.47125	0.48331	-0.4227	1.3868	-	1.900
1MO	1.59375	0.49406	-0.4019	1.6217	1.68375	2.475
2MO	1.73006	0.51456	-0.3883	-	-	2.600
3MO	1.88494	0.54444	-0.376	1.9017	1.8975	2.790
6MO	2.10613	0.65338	-0.3249	2.1957	2.08875	2.975
12MO	2.39063	0.87469	-0.2563	2.6578	2.29125	3.325

**Commodities**

Brent Crude	65.34
WTI	62.41
Gold	1347.91
Aluminum	2218.0
Copper	7233
Silver	16.69
Platinum	1015
Palladium	1042.7

**Indices**

DJIA	25,219.4
S&P 500	2,732.2
DAX	12,452.0
NIKKEI 225	22,149.2
CAC 40	5,281.6
FTSE 100	7,294.7
DFM	3,296.9
TASI	7,508.4

**Treasuries**

US2Y	2.1895
US10Y	2.8749
EU2Y	-0.5680
EU10Y	0.7060
GB2Y	0.6600
GB10Y	1.5810
SAR2Y	2.7100
SAR10Y	3.7400

**Main Economic Indicators**

Relevance	Country	Indicator	Consensus	Previous

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