

Market Commentary

- **U.S. Stocks Slide:** US stocks came under heavy pressure as the combination of a fresh push higher for Treasury yields and some worrying news on the corporate earnings front unsettled Wall Street. The S&P 500 index closed 1.3% lower at 2,634 and the Dow Jones Industrial Average ended 1.7% lower at 24,024.
- **10-Year U.S. Treasury Yield Hits Four-Year High:** The benchmark 10-year US Treasury yield made a brief foray above the 3% level for the first time in more than four years, fuelling fresh concerns over equity valuations. The much-anticipated move for the US 10-year yield came as Brent oil rose as high as \$75.47 a barrel — after Donald Trump, US president, described the Iran nuclear deal as “insane” — adding to recent concerns about inflation.
- **Pound Technical Stay Bearish:** The pound stays in defensive mode in spot and options markets alike, after Mark Carney’s signal that a May hike isn’t a done deal is followed by fresh concerns on the Brexit front and higher U.S. yields supporting the dollar. Cable was lower yesterday trading near 1.3900 level. GBP/USD currently at 1.3957.
- **U.K. Economy Outperformed Forecast and Underperformed Euro Area:** The economy held up far better than expected in the initial aftermath of the 2016 Brexit referendum. Quarterly growth averaged 0.4% between 3Q16 and 4Q17. A pickup in global expansion also helped keep the economy on track, though at 1.8%, annual growth fell well short of the euro area, which expanded by 2.5%.
- **Low Business Confidence in Germany:** German business confidence fell for the fifth month in a row in April, according to the Institute for Economic Research (ifo) think tank. Confidence fell by 1.2 points from March to hit 102.1, the Munich-based institute reported on Tuesday.
- **Oil Slumps:** Oil held losses below \$68 a barrel after French President Emmanuel Macron called for a new Iran nuclear deal to keep the U.S. on board, raising speculation sanctions on the OPEC producer may be averted. WTI traded at \$67.69 a barrel and Brent Crude was at \$73.87 a barrel.
- **Saudi Shares are Expensive:** Saudi Arabian stocks are trading at the most expensive level since 2015 relative to emerging markets as foreign investors continue buying into a potential status upgrade by MSCI Inc. as oil surges. The Tadawul All Share Index is trading at 15 times estimated earnings per share for the coming year, versus 12 times for the MSCI Emerging Markets Index. The spread between the measures is the widest since August 2015.

Source: Bloomberg, Reuters

Currencies

EUR/USD	1.2215
GBP/USD	1.3961
USD/JPY	109.16
AUD/USD	0.7569
NZD/USD	0.7090
USD/CHF	0.9819
USD/CAD	1.2858

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	1.74375	0.482	-0.4220	1.6175	1.9138	2.150
1MO	1.89711	0.52908	-0.4016	1.9813	2.06	2.750
2MO	2.05938	0.62788	-0.3834	-	-	2.875
3MO	2.35954	0.75115	-0.365	2.3842	2.355	3.060
6MO	2.51563	0.85438	-0.3211	2.7396	2.535	3.250
12MO	2.76875	1.02144	-0.2441	3.1312	2.7525	3.595

Commodities

Brent Crude	73.8
WTI	67.61
Gold	1325.18
Aluminum	2224.5
Copper	7013
Silver	16.65
Platinum	923.3
Palladium	963.5

Indices

DJIA	24,024.1
S&P 500	2,634.6
DAX	12,550.8
NIKKEI 225	22,215.3
CAC 40	5,444.2
FTSE 100	7,425.4
DFM	3,018.8
TASI	8,315.4

Treasuries

US2Y	2.4999
US10Y	3.0146
EU2Y	-0.5470
EU10Y	0.6480
GB2Y	0.8760
GB10Y	1.5390
SAR2Y	2.9835
SAR10Y	3.9582

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous

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