

Market Commentary

- **Jerome Powell is Safe:** Trump's not going to try to fire the Fed chairman, adviser Kevin Hassett told reporters. The head of the White House Council of Economic Advisers also said that U.S. lenders aren't facing a liquidity crisis, a comment meant to reassure investors after Treasury Secretary Steven Mnuchin took the unusual step over the weekend of asking top banking executives if they had adequate liquidity to make loans.
- **US-China Trade Talks:** U.S. officials will go to Beijing in the week of Jan. 7 for trade talks with their Chinese counterparts. Deputy Trade Representative Jeffrey Gerrish will lead the American team, which will include Treasury Under Secretary for International Affairs David Malpass. It will be the first face-to-face meeting since Trump and Xi Jinping had dinner in Argentina at the start of the month.
- **US Stocks Surge:** US stocks surged on Wednesday, with the major equity benchmarks rising by the most in almost 10 years, retracing some of the losses from a turbulent run-up to Christmas. In a volatile session, the benchmark S&P 500 index finished 5% higher. The Dow Jones Industrial Average also gained 5%, rising over 1,000 points for the first time in a single session, while the Nasdaq Composite jumped 5.9%. It marked the best day for each index since March 2009.
- **No Economic Data During Shutdown:** The U.S. Department of Commerce's Bureau of Economic Analysis and Census Bureau will not publish economic data during the ongoing partial government shutdown. "Due to the lapse in Congressional Appropriations for Fiscal Year 2019, the U.S. Department of Commerce is closed," a notice on the department's website said. The new home sales data scheduled for release on Thursday would be postponed as long as the partial government shutdown continued.
- **China's Industrial Profits Drop:** Earnings at China's industrial firms in November dropped for the first time in nearly three years, as slackening external and domestic demand left businesses facing more strain in 2019 in a sign of rising risks to the world's second-largest economy. Industrial profits fell 1.8% in November from a year earlier to \$86.33 billion.
- **WTI Jumps in Recovery Session:** WTI jumped 8.7% on Wednesday, the biggest increase since November 2016. The chance of an extraordinary meeting by OPEC+ is "sending a signal to the market that they will do whatever it takes." Even with the gains, oil is still down nearly 40% from a four-year high in October.

Source: Bloomberg, Reuters
Currencies

EUR/USD	1.1387
GBP/USD	1.2659
USD/JPY	111.12
AUD/USD	0.7048
NZD/USD	0.6710
USD/CHF	0.9925
USD/CAD	1.3590

Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	2.41863	0.70575	-0.4331	2.3200	2.6988	2.783
1MO	2.50563	0.7305	-0.40771	2.6063	2.8	3.567
2MO	2.61175	0.79113	-0.3833	-	-	3.700
3MO	2.81344	0.90706	-0.35529	2.8600	2.97	3.950
6MO	2.89375	1.03313	-0.3087	3.1487	3.11625	4.083
12MO	3.04788	1.16744	-0.184	3.5544	3.34375	4.700

Commodities

Brent Crude	54.26
WTI	45.99
Gold	1268.55
Aluminum	1869.8
Copper	5955.5
Silver	15.00
Platinum	800.5
Palladium	1251.0

Indices

DJIA	22,878.5
S&P 500	2,467.7
DAX	10,633.8
NIKKEI 225	20,077.6
CAC 40	4,626.4
FTSE 100	6,686.0
DFM	2,502.2
TASI	7,710.9

Treasuries

US2Y	2.6049
US10Y	2.7863
EU2Y	-0.6030
EU10Y	0.2500
GB2Y	0.7320
GB10Y	1.2630
SAR2Y	3.1410
SAR10Y	4.1030

Main Economic Indicators

Relevance	Country	Indicator	Consensus	Previous
	US	Initial Jobless Claims	216k	214k
	US	Conf. Board Consumer Confidence (Dec)	133.7	135.7
	US	Continuing Claims	1675k	1688k
	US	Bloomberg Consumer Comfort	--	58.8

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