

## MARKET HIGHLIGHTS

- The dollar and U.S. equity futures diverged from their fundamental relationship as the greenback weakened into a soft equity session. Haven FX is going bid with swissie moving convincingly back below USD parity. This is the first day of trading that haven-FX has left the USD behind, which may point to a bigger change in low yielding FX and market preference for safety in an uncertain environment. In Switzerland, SNB President Jordan said its ready to take on inflation should it materialize, a seismic shift from the SNB's historic position of dovish posturing. The market is now in the process of repricing the swissie curve to include rate hikes in the back half of 2022.
- AUD is flirting with 0.70 level this morning after data showed the unemployment rate fall to the lowest level in almost 50 years. The jobless rate fell to 3.9% with employment rising by 4,000 jobs since last month. This is positive news for PM Morrison, who is in the final days of campaigning ahead of Saturday's election. This week, polls have shown Morrison's center-right government has made up some ground against the opposition Labor party, however, it is likely to be a close election. Tightness in the labor market was a key reason for the RBA to start raising interest rates earlier this month, with markets now pricing in a 25bps increase at the June meeting.
- As tensions continue to increase between Russia and Ukraine, China is currently in talks with Russia seeking to replenish its strategic crude supply with inexpensive Russian oil. As Europe and other nations work towards severing ties with Russia, Beijing is strengthening its energy ties with Moscow with very limited involvement from oil companies. Oil prices have increased this year as a result of Russia's invasion, but the price of Russia's crude has curtailed as buyers backed away to not only avoid damaging their reputation, but also being involved in financial sanctions. The potential deal is in the beginning stages, and nothing is guaranteed.

INDEX	LAST	CHANGE	% CHG
<b>ASIA/PACIFIC</b>			
Nikkei 225	26,402.84	-508.36	-1.89%
Hang Seng	20,120.68	-523.60	-2.54%
S&P ASX 200	7,064.46	-118.20	-1.65%
Kospi	2,592.34	-33.64	-1.28%
Shanghai Comp	3,096.97	10.99	0.36%
<b>EUROPE</b>			
Euro Stoxx	3,602.07	-88.67	-2.40%
CAC 40	6,216.58	-136.36	-2.15%
DAX	13,718.85	-288.91	-2.06%
IBEX 35	8,372.90	-103.50	-1.22%
<b>AMERICAS</b>			
Dow Jones	31,490.07	-1164.52	-3.57%
S&P 500	3,923.68	-165.17	-4.04%
NASDAQ	11,418.15	-566.37	-4.73%
Mex. Bolsa IPC	50,394.03	-1070.00	-2.08%
Bovespa	106,247	0.00	0.00%
*as of 8:45am EST			

COMMODITIES	LAST	CHANGE	% CHG
<b>PRECIOUS METALS</b>			
Platinum	\$925.00	0.60	0.06%
Gold	\$1,830.55	13.94	0.77%
Silver	\$21.72	0.29	1.37%
<b>ENERGY</b>			
Crude Oil	\$107.65	-1.94	-1.77%
Heating Oil	\$358.75	-8.06	-2.20%
Gasoline	\$360.74	-11.32	-3.04%
Natural Gas	\$8.14	-0.23	-2.74%
<b>INDUSTRIALS</b>			
Copper	\$420.10	1.90	0.45%
Aluminum	\$2,847.01	--	--
Nickel	\$2,096.70	-8.30	-0.39%
<b>AGRICULTURE</b>			
Corn	\$775.50	-6.00	-0.77%
Sugar	\$19.59	-0.24	-1.21%
Wheat	\$1,211.75	-19.00	-1.54%
Cotton	\$128.21	-0.97	-0.75%

\*as of 8:45am EST

EUR/USD continues to trade on the 1.05 handle. Support at the ~1.0500 level holds in the short-term.

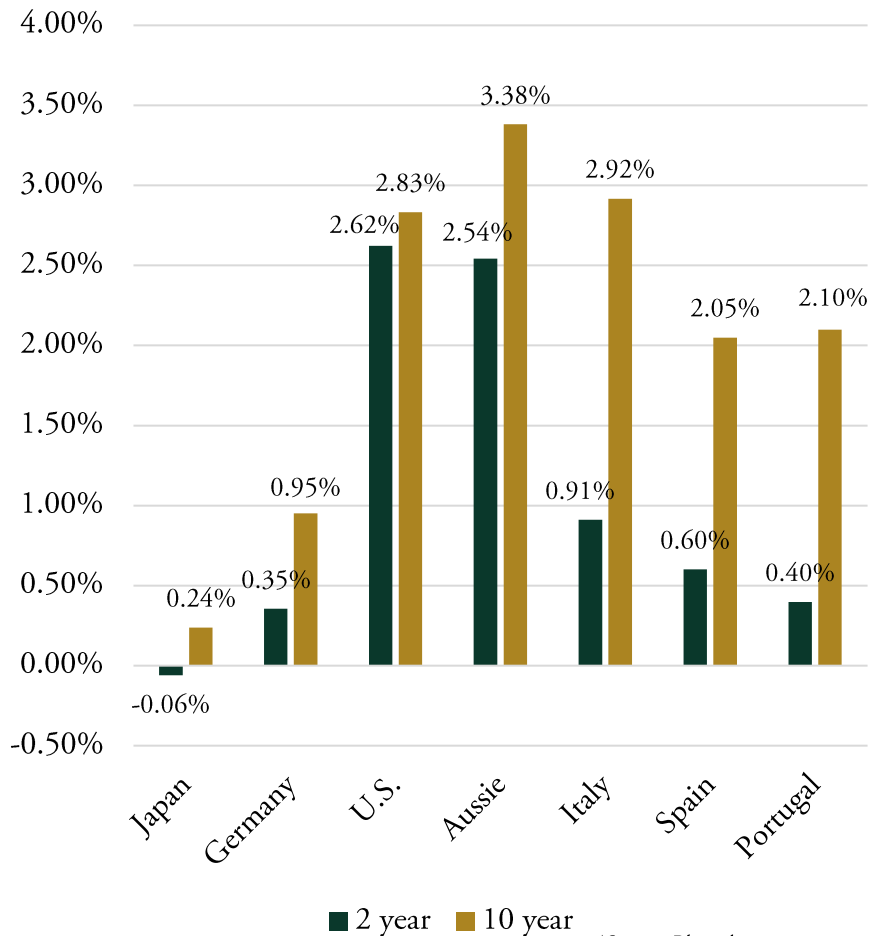


GBP/USD recovered from overnight lows, pushing back through the 1.24 handle. Brexit headlines and a strong dollar create a case for the bears.



GBP Currency (British Pound Spot) GBP Daily v2 Daily 31DEC2020-19MAY2022 Copyright© 2022 Bloomberg Finance L.P. 19-May-2022 08:14:49

## 2's & 10's Sovereign Yields



\*Source: Bloomberg.

SOVEREIGN DEBT	2-YEAR	10-YEAR	2's/10's
<b>ASIA/PACIFIC</b>			
Japanese Government Bonds	-0.06%	0.24%	29.9
Australian Government Bonds	2.54%	3.38%	84.0
New Zealand Government Bonds	3.18%	3.63%	45.1
South Korea Government Bonds	2.86%	3.30%	44.3
Singapore Government Bonds	2.19%	2.72%	53.6
<b>EUROPE</b>			
Germany Government Bonds	0.35%	0.95%	59.6
France Government Bonds	0.26%	1.46%	119.8
Italy Government Bonds	0.91%	2.92%	200.6
Spain Government Bonds	0.60%	2.05%	144.8
Portugal Government Bonds	0.40%	2.10%	170.0
<b>AMERICA</b>			
US Government Bonds	2.62%	2.83%	21.2
Canada Government Bonds	2.75%	2.91%	16.3
Mexico Government Bonds	8.94%	8.84%	-123.7
Brazil Government Bonds	13.12%	12.47%	-64.8
Chile Government Bonds	7.83%	6.59%	-123.7

\*as of 8:45am EST

DATE/TIME MARKET EVENT	FORECAST	ACTUAL	PRIOR
04:00 EC-ECB Current Account SA Mar	--	-1.6b	20.8b
04:30 IT-Current Account Balance Mar	--	-1025m	-1517m
05:00 EC-Construction Output MoM Mar	--	0.00%	1.90%
05:00 EC-Construction Output YoY Mar	--	3.30%	9.40%
06:00 UK-CBI Trends Total Orders May	12	26	14
06:00 UK-CBI Trends Selling Prices May	70	75	71
08:30 CA-Industrial Product Price MoM Apr	--	--	4.00%
08:30 CA-Raw Materials Price Index MoM Apr	--	--	11.80%
08:30 US-Philadelphia Fed Business Outlook May	15	--	17.6
08:30 US-Initial Jobless Claims	200k	--	203k
08:30 US-Continuing Claims	1320k	--	1343k
09:00 RU-Gold and Forex Reserve	--	--	592.1b
10:00 US-Existing Home Sales Apr	5.65m	--	5.77m
10:00 US-Existing Home Sales MoM Apr	-2.20%	--	-2.70%
10:00 US-Leading Index Apr	0.00%	--	0.30%
19:01 UK-GfK Consumer Confidence May	-39	--	-38
19:30 JN-Natl CPI YoY Apr	2.50%	--	1.20%
19:30 JN-Natl CPI Ex Fresh Food YoY Apr	2.00%	--	0.80%
19:30 JN-Natl CPI Ex Fresh Food, Energy YoY Apr	0.70%	--	-0.70%
00:00 FR-Bank of France Ind. Sentiment Apr	103	--	103
00:00 RU-Trade Balance Mar	--	--	--
00:00 RU-Imports Mar	--	--	--
00:00 RU-Exports Mar	--	--	--

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