

## Economic data

Local Time	Country	Indicator Name	Period	Actual	est.	Prior
15:30	US	Import Prices YY	Apr	-	-	0.4%
15:30	US	Initial Jobless Clm	w 11 May	-	220k	231k
15:30	US	Philly Fed Business Indx	May	-	8	15.5
16:15	US	Industrial Production MM	Apr	-	0.1%	0.4%

Tuesday, May 16, 2024

## Market Update

### • Yen higher, dollar squeezed as US inflation ebbs.

The dollar nursed losses and the yen rose on Thursday after U.S. core inflation eased to its slowest pace in three years, pulling forward expectations for rate cuts in the world's biggest economy. Core U.S. inflation slowed to an annualised 3.6% in April, Wednesday's data showed. That was in line with market expectations but, along with flat retail sales figures, suggested that conditions for rate cuts are falling into place. The battered yen extended a rebound into a second session, rallying about 0.6% to its strongest in two weeks at 153.6 to the dollar as the gap between U.S. and Japanese yields narrowed. Other currencies touched multi-month highs against the greenback before steadying. The Australian dollar, which had surged 1% on Wednesday, hit a four-month high at \$0.6714 but then paused after an unexpected rise in Australian unemployment. It was last at \$0.6685 as traders priced out any risk of a further rate hike in Australia. The euro edged up to a two-month high at \$1.0895. The New Zealand dollar also hit a two-month high at \$0.6140. Sterling made a one-month high at \$1.27. Analysts said any further selling of the dollar probably depended on how U.S. and other policymakers react to the data readings. If the Fed chooses to keep waiting, for example, the Bank of Japan may be hiking rates before U.S. rate cuts begin. The Japanese economy however, contracted more than expected in the first quarter, complicating the challenge for policymakers as they look to raise rates from near-zero levels. The U.S. dollar index made its heaviest one-day percentage drop for the year so far on Wednesday, falling 0.75% and through its 200-day moving average. It touched a five-week low of 104.07 in Asia on Thursday and was last at 104.22.

### • Oil prices rise on slower US inflation, strong demand.

Oil prices extended gains from the previous session on Thursday on signs of stronger demand in the U.S. where data showed slower inflation than markets expected, bolstering the argument for an interest rate cut which could drive even greater consumption. Brent futures rose 0.4%, to \$83.10 a barrel, while U.S. West Texas Intermediate crude (WTI) gained 0.5%, to \$79.03. "A more tamed read for U.S. April inflation and a far weaker-than-expected read in U.S. retail sales seem to offer room for the Fed to consider earlier rate cuts, with market expectations leaning more firmly for policy easing to kickstart in September this year," said IG market strategist Yeap Jun Rong. "The larger-than-expected drawdown in U.S. crude inventories for last week also offered some calm, while geopolitical tensions continue to rock on in the Middle East. "U.S. consumer prices rose less than expected in April in a boost to financial market expectations for a September rate cut by the Federal Reserve, which could temper dollar strength and make oil more affordable for holders of other currencies. Elsewhere, U.S. crude oil, gasoline and distillate inventories fell, reflecting a rise in both refining activity and fuel demand, showed data from the Energy Information Administration.

Major Currency	Today (May 16 2024)	Change % (May 15 2024)
EUR/USD	1.0878	-0.06
GBP/USD	1.2677	-0.06
AUD/USD	0.6678	-0.24
NZD/USD	0.6117	-0.08
USD/CHF	0.9012	0.11
USD/JPY	154.2100	0.43
USD/CAD	1.36	-0.12
USD/NOK	10.6783	-0.06
USD/SEK	10.6696	-0.03
USD/CNY	7.2170	0.03

Major Currency	Today (May 16 2024)	Change % (May 15 2024)
EUR/SAR	4.0841	-0.06
GBP/SAR	4.7596	-0.06
AUD/SAR	2.5073	-0.24
NZD/SAR	2.2966	-0.08
CHF/SAR	4.1661	0.11
JPY/SAR	0.0243	0.43
CAD/SAR	2.7570	-0.12
NOK/SAR	0.3516	-0.06
SEK/SAR	0.3519	-0.03
CNY/SAR	0.5202	0.03

SAR SAIBOR	Today (May 15 2024)	Change % (May 14 2024)
1 Months	5.8953	0.255
3 Months	6.2212	-1.268
6 Months	6.0556	-0.261

USD Term SOFR	Today (May 15 2024)	Change % (May 14 2024)
1 Months	5.3206	0.017
3 Months	5.3293	0.049
6 Months	5.2957	0.041

US Treasury	Today (May 16 2024)	Change % (May 15 2024)
5-Year	4.33	-0.29
10-Year	4.32	-0.40

SAMA	Current	Previous
Repo	6.00	5.75
Reverse Repo	5.50	5.25
3 Month T-Bills	5.52100	5.52100
6 Month T-Bills	5.53300	5.53300
1 Year T-Bills	5.53500	5.53600

\*1 Source: Reuters and Bloomberg

## Major Events Coming Up

### Key events

Date	Country	Event
17-May	Euro Zone	HICP Final MM

Commodity	Today (May 16 2024)	Change % (May 15 2024)
OIL BRT (US\$/Barrel)	83	0.39
GOLD (US\$/Oz)	2,389	0.13
SILVER (US\$/Oz)	30	-0.52

Market Index	Today (May 15 2024)	Change % (May 14 2024)
TASI	12,103	-0.15
NOMU	26,666	0.03

Market Index	Today (May 15 2024)	Change % (May 14 2024)
Dow Jones	39,908	0.88
S&P 500	5,308	1.17
NASDAQ	16,742	1.49
FTSE 100	8,446	0.21
NIKKEI 225	38,947	1.45

\*1 Source: Reuters and Bloomberg

### Treasury Regional Sales WPM

SAB General no.	012 603 5555
Jehad Tashkandi	012 603 5632
Mohammed Boghasha	012 603 5611
Amro Basri	012 603 5633
Hamed Nagadi	012 603 5601

### Treasury Regional Sales CPM

SAB General no.	011 225 7555
Mohammed Alzowawi	011 225 7381
Adel Alkhuraisi	011 225 7388
Khalid Almadi	011 276 4231
Saleh Aljabreen	011 276 4831
Yousef AlAkeel	011 225 7378

### Treasury Retail Sales

SAB General no.	011 276 4000
Toll free no.	800 119 4000
Nouf AlSugair	011 276 4421
Faris AlMazrou	011 276 4419
Rakan AlSugair	011 276 4976
Abdulaziz Al-Mazroa	011 276 4936
Khaled AlBahussain	011 276 4415
Munirah AlYamini	011 276 4416

### Treasury Regional Sales EPM

SAB General no.	013 807 2000
Nader Algosaibi	013 807 2488
Abdullah Alfaraj	013 807 2479
Ghassan Alhawashim	013 807 2487
Zakariya AlShowikhat	011 276 4935
Abdullah Bunhaya	013 807 2492

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