

Daily Market Brief

July 1st 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD extends its gains for the third successive day, trading around 1.0750 during the Asian hours on Monday. Speculation that the US Fed might cut interest rates in 2024 is weighing on the USD, supporting the EUR/USD pair. US Core PCE inflation rose by 2.6% YoY in May, down from 2.8% in April. The Euro received support as Marine Le Pen's National Rally confirmed its status as the country's leading political force.

GBP/USD

The GBP/USD pair trades on a stronger note around 1.2655 during the early Asian session on Monday. The USD edges lower as the US PCE Price Index for May eased to its lowest annual rate in more than three years, which provides some support to the major pair. Traders await the US June ISM Purchasing Managers Index (PMI) for fresh impetus, which is due on Monday.

USD/JPY

The USD/JPY pair kicks off the new week on a subdued note and consolidates its recent strong gains to the highest level since December 1986 touched on Friday. Spot prices currently trade with a mild positive bias around the 161.00 mark, though the upside seems limited in the wake of speculations about an imminent intervention by Japanese authorities to support the domestic currency. Traders now look forward to the US ISM Manufacturing PMI for short-term impetus.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0759	1.0761	1.0711	0.43	0.24	-2.54
GBP-USD	1.2664	1.2666	1.2637	0.15	-0.17	-0.53
USD-JPY	161.05	161.19	160.63	0.11	-0.89	-12.42
USD-CHF	0.8995	0.9005	0.8909	0.08	-0.72	-6.46
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2321.58	2328.63	2319.09	-0.22	-0.56	12.54
Silver	29.05	29.17	28.96	-0.33	-1.80	22.07
Crude Oil	81.97	82.03	81.38	0.53	0.42	14.34
Bitcoin	63327.28	63728.51	61753.81	2.30	3.89	48.98
Etherium	3483.59	3518.54	3406.84	1.97	2.76	52.63
Period	1 M		3 M		12 M	
EURIBOR	3.63		3.71		3.58	
SOFR	5.34		5.32		5.04	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.74		4.39		4.56	
BTP - BUND	0.70		1.57		1.92	
GILTS	4.22		4.17		4.66	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks ticked down Friday as traders digested fresh economic data that indicated slowing inflation, as well as better-than-expected consumer sentiment figures. The University of Michigan consumer sentiment index for June came in higher than expected, rising to 68.2 from the preliminary 65.6 reading.

EUROPE

European stocks closed lower Friday, as investors digested key inflation data from the U.S. and euro zone. French inflation meanwhile slowed slightly in June, providing an economic boost for President Emmanuel Macron two days before the first stage of parliamentary elections on Sunday.

ASIA

Asia-Pacific markets climbed on Friday as upbeat economic data from Japan sent the country's Topix stock index to a 34-year high, while investors awaited U.S. inflation readings due later in the day. The Japanese yen hit fresh 38-year lows against the greenback, weakening to as low as 161.27 against the dollar. Japan's industrial production grew 2.8% MoM in May, beating expectations of 2%.

Index	Close	% Daily	% M	YTD	Futures	3D % Change
DJIA	39118.86	-0.12	1.12	3.79	39541.00	-0.03
S&P	5460.48	-0.41	3.47	14.48	5538.25	-0.14
Nasdaq	17732.60	-0.71	5.96	18.13	20003.00	-0.17
DJ EuroStoxx50	4894.02	-0.18	-1.80	8.24	5001.00	1.34
FTSE 100	8164.12	-0.19	-1.34	5.57	8237.50	0.15
CAC 40	7479.40	-0.68	-6.42	-0.85	7492.50	-0.69
DAX	18235.45	0.14	-1.42	8.86	18578.00	1.17
IBEX 35	10943.70	-0.07	-3.34	8.33	10876.00	-0.20
FTSE MIB	33154.05	-0.10	-3.88	9.23	33366.00	-0.12
Nikkei	39583.08	-0.12	2.73	18.15	39560.00	0.38
Hang Seng	17718.61	0.01	-2.00	3.94	17733.00	0.00
DFM General	4030.00	0.52	1.31	-0.73	N/A	N/A
MSCI Tadawoul	11679.50	-0.43	1.53	-2.41	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.05	69.90	69.00	-0.36	-0.72	-22.50
Solidere B	69.00	69.05	69.00	0.00	0.00	-23.29

MUST READ

(Source: Bloomberg/ Forexlive)

Shipping Rates Spike, Triggering Inflationary Fears

Global shipping is at least five times as expensive as it was in 2023, with container rates from Asia to Europe jumping to about \$8,000 per 40-foot container, up from an average of \$1,500 last year, says Jefferies analyst Omar Nokta. The big reason: continuing Houthis attacks in the Red Sea. Shippers heading from Asia to Europe are sending vessels around Africa instead, adding several weeks to the trip. The delays have hit apparel makers and auto makers, among others. Earlier this year, Tesla temporarily suspended some production in Germany because of shipping delays. Analysts say rates should fall as more ships are built. Shipping leader A.P. Moller-Maersk said in February that "eventually the oversupply in shipping capacity will lead to price pressure and impact our results." That hasn't materialized. Instead, shippers have created "hubs" to move goods more efficiently around the Red Sea. But hubs in Singapore and Spain have spawned new congestion as ships are loaded and unloaded, Nokta writes. Other problems have emerged, including a container shortage. In the U.S., a strike by East and Gulf Coast dockworkers looms; the current contract expires at the end of September. The shipping surge could also boost inflation just as numbers have been trending in the right direction. Shipping rates today are about half those of the pandemic-era peak, but they could still mean higher costs as the holidays approach.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Cineverse Corp	CNVF US	\$ 11.9M	01-Jul-24	Aft-mkt	-0.28	-0.46
MSC Industrial Dir	MSM US	\$ 4.47B	02-Jul-24	Pre-mkt	1.34	1.45
Radius Recycling I	RDUS US	\$ 427.3M	02-Jul-24	Pre-mkt	-1.10	0.14
Simulations Plus II	SLP US	\$ 971.7M	02-Jul-24	Aft-mkt	0.15	0.20
Constellation Brar	STZ US	\$ 46.92B	03-Jul-24	Pre-mkt	3.47	2.91

ECONOMIC CALENDAR

(01-07-24) UK - Mortgage Approvals
(01-07-24) DE - CPI YoY / QoQ
(01-07-24) US - ISM Manufacturing
(02-07-24) EA - CPI MoM / CPI Core YoY
(02-07-24) US - JOLTS Job Openings
(03-07-24) FR - HCOB France Services PMI
(03-07-24) US - ADP Employment Change

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

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