

Daily Market Brief

August 1st 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD rebounds to nearly 1.0835 during the Asian session on Thursday. The weaker US Dollar (USD) broadly after the Federal Reserve (Fed) interest rate decision provides some support to the major pair. The US ISM Manufacturing PMI data for July will be the highlight on Thursday. The Fed held its benchmark interest rates steady in a range of 5.25%-5.50% on Wednesday, a 23-year high, as widely expected.

GBPUSD

The GBP/USD pair struggles to capitalize on the previous day's post-FOMC positive move and oscillates in a narrow trading band during the Asian session on Thursday. Spot prices currently trade around mid-1.2800s, nearly unchanged for the day as traders opt to wait on the sidelines ahead of the Bank of England (BoE) policy update.

USDJPY

The USD/JPY pair faces some selling pressure and drops below the 150.00 psychological level during the Asian session on Thursday. The pair currently trades around 148.90, down 0.71% on the day. The dovish stance of the Federal Reserve (Fed) and the surprising rate hike by the Bank of Japan (BoJ) weigh on the pair. Later in the day, traders will monitor the US Manufacturing PMI data for July, along with the weekly Initial Jobless Claims.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0828	1.0835	1.0822	0.02	-0.17	-1.91
GBP-USD	1.2850	1.2863	1.2848	-0.05	-0.01	0.93
USD-JPY	149.76	150.32	148.51	-0.15	2.79	-5.82
USD-CHF	0.8770	0.8789	0.8760	-0.11	0.54	-4.06
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2445.86	2458.43	2437.42	-0.07	3.44	18.56
Silver	28.95	29.16	28.79	-0.21	3.94	21.64
Crude Oil	78.61	78.74	78.31	0.90	0.42	10.19
Bitcoin	64123.91	65123.20	63556.29	-0.68	-5.41	50.85
Etherium	3171.48	3245.85	3135.90	-1.54	-2.20	38.96
Period	1 M		3 M			12 M
EURIBOR	3.61		3.63			3.41
SOFR	5.34		5.24			4.74
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y			30 Y
US	4.28		4.06			4.32
BTP - BUND	0.45		1.35			1.77
GILTS	3.83		3.97			4.54

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and Nasdaq scored their biggest daily percentage gains since Feb. 22 and the Dow rose on Wednesday as chip stocks rallied and the Federal Reserve kept U.S. interest rates unchanged while signaling possible easing in September if inflation cools.

EUROPE

London stocks ended July on a high note, supported by gains in energy and mining stocks and positive corporate updates, while investors eagerly await the U.S. Federal Reserve's interest rate decision. HSBC plans \$3 billion share buyback, shares rise.

ASIA

Asian shares rallied on Thursday, tracking a huge revival in global tech stocks helped by Meta and Nvidia, while prospects of imminent policy easing in the U.S. boosted global bonds and commodities.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	40842.79	0.24	4.27	8.37	41168.00	0.21
S&P	5522.30	1.58	0.86	15.78	5592.25	0.58
Nasdaq	17599.40	2.64	-1.57	17.24	19670.50	0.81
DJ EuroStoxx50	4872.94	0.66	-1.16	7.77	4907.00	0.18
FTSE 100	8367.98	1.13	2.46	8.21	8378.00	0.28
CAC 40	7531.49	0.76	-0.39	-0.15	7546.00	N/A
DAX	18508.65	0.53	1.19	10.49	18597.00	-0.05
IBEX 35	11065.00	-1.23	0.07	9.53	11095.40	N/A
FTSE MIB	33763.86	-0.43	0.14	11.24	33955.00	N/A
Nikkei	39101.82	-2.53	-3.83	13.89	38090.00	-2.88
Hang Seng	17344.60	-0.15	-2.26	1.59	17354.00	-0.07
DFM General	4268.05	-0.37	5.20	5.13	N/A	N/A
MSCI Tadawoul	12109.52	0.37	3.87	1.19	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	81.95	84.90	81.55	-0.61	0.18	-8.02
Solidere B	81.00	81.00	80.00	0.43	4.45	-9.95

MUST READ

(Source: Bloomberg/ Forexlive)

Russia will use cryptocurrency to handle backlogged payments to allies amid Western sanctions

Russia will turn to cryptocurrency as the newest method to circumvent heavy international sanctions that have taken their toll on the economy amid its ongoing war efforts in Ukraine. "We are taking a historic decision in the financial sphere," Anatoly Aksakov, head of the Duma lower house, told lawmakers, according to Reuters. The Duma passed the bill on Tuesday after three readings. The U.S. and Western allies applied severe sanctions on Russia following its invasion of Ukraine, including the extreme decision to cut off some Russian bank access to the SWIFT banking system. Russia since then has tried to use the currency of trading partners, including convoluted transfer schemes to try and skirt sanctions, but the heavy global reliance on dollars and euros has hampered such efforts - forcing Moscow to seek alternatives, such as digital currencies. The bill will now go to the upper Federation Council before Russian President Vladimir Putin gives it the final approval. New measures will help regulate mining, which already happens across the country as one of the world's largest crypto-mining nations.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Apple Inc	AAPL US	\$3.3 T	01-Aug-24	After-mkt	1.34	1.26
Amazon.com Inc	AMZN US	\$1.9 T	01-Aug-24	After-mkt	1.03	0.63
Toyota Motor	TM US	\$259.3 B	01-Aug-24	Pre-mkt	4.01	7.05
Shell PLC	SHEL US	\$227.2 B	01-Aug-24	Pre-mkt	1.82	1.50
Intel Corporation	INTC US	\$131.2 B	01-Aug-24	After-mkt	-0.11	-0.05

ECONOMIC CALENDAR

(01-08-24) DE- HCOB Manufacturing PMI JUL
(01-08-24) EA- Economic Bulletin
(01-08-24) EA- Unemployment Rate
(01-08-24) GB- BoE Interest Rate Decision; BoE Monetary Policy Report
(01-08-24) GB- BoE Minutes; BoE's Governor Bailey speech
(01-08-24) US- ISM Manufacturing PMI JUL
(01-08-24) US- Nonfarm Productivity Q2 preliminar

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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