Daily Market Brief

November 1st 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD
EUR/USD has paused its four-day rally, trading around 1.0870, as the US Dollar strengthens amid market caution ahead of the US presidential election, despite core inflation data showing a 2.7% year-over-year rise. Meanwhile, Eurozone inflation increased to 2.0% in October, prompting expectations that the European Central Bank will adopt a cautious stance on rate cuts, while emphasizing a data-dependent approach to future policy decisions.

GBP/USD
The GBP/USD pair is trading defensively at 1.2895, its lowest level since August 16, following the UK Labour government's Autumn Forecast Statement and expectations of tax increases to address public finance issues. Meanwhile, US inflation data showed a slight increase in the PCE index, with markets anticipating interest rate cuts from the Federal Reserve, while the Bank of England is expected to limit rate reductions due to revised inflation forecasts.

USD/JPY
The Japanese Yen has retraced some recent gains after the Jibun Bank and S&P Global Manufacturing PMI revealed a decline to 49.2 in October, signaling continued contraction in manufacturing. Meanwhile, USD/JPY declined as comments from Bank of Japan Governor Kazuo Ueda raised expectations for a potential rate hike in December, while traders are also awaiting the US Nonfarm Payrolls report, which is expected to show 113,000 job additions and an unchanged unemployment rate of 4.1%.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0873	1.0889	1.0871	-0.10	0.71	-1.50
GBP-USD	1.2897	1.2903	1.2885	-0.02	-0.50	1.30
USD-JPY	152.47	152.65	151.79	0.29	-0.10	-7.50
USD-CHF	0.8643	0.8651	0.8632	0.02	0.29	-2.65
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2753.14	2757.73	2743.79	0.33	0.20	33.45
Silver	32.75	32.85	32.61	0.27	-2.87	37.64
Crude Oil	70.53	70.78	70.32	1.83	-1.74	0.33
Bitcoin	69455.74	70554.37	68775.73	-0.69	2.61	63.39
Etherium	2509.13	2528.80	2466.22	-0.34	0.81	9.94

Period	1M	3M	6M	12M
SOFR ($)	4.66	4.56	4.41	4.17
ESTR (€)	2.39	3.01	2.73	2.39
SONIA (£)	4.78	4.69	4.52	4.27
SARON (F)	0.94	0.74	0.61	0.43
TONAR (¥)	0.22	0.22	0.15	0.08

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA
Stocks slid on Thursday as Wall Street digested discouraging quarterly reports from megacap technology names and awaited further results. Microsoft shares slid 6% after the tech giant's revenue guidance disappointed investors and overshadowed a quarterly earnings beat. Thursday's PCE reading, along with Friday's October payrolls report and unemployment data, will inform the Fed's interest rate decision on Nov. 7 when it ends its two-day policy meeting.

EUROPE
European markets closed lower on Thursday, ending October with its steepest loss for a year as investors weighed earnings, inflation and a landmark U.K. budget. Preliminary data published Thursday showed that inflation in the euro zone rose to 2% in October, higher than the 1.9% expected by Reuters.

ASIA
Asia-Pacific markets traded largely lower on Friday, after Wall Street benchmarks Nasdaq Composite and S&P 500 suffered their worst day in nearly two months on downbeat Microsoft earnings forecast and Meta results.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41763.46	-0.90	-0.93	10.81	41995.00	-0.87
S&P	5705.45	-1.86	-0.06	19.62	5750.75	-1.73
Nasdaq	18095.15	-2.76	1.03	20.54	20095.75	-2.13
DJ EuroStoxx50	4827.63	-1.19	-2.55	6.77	4839.00	-1.27
FTSE 100	8110.10	-0.61	-2.01	4.87	8130.00	-0.64
CAC 40	7350.37	-1.05	-2.95	-2.56	7361.00	-1.07
DAX	19077.54	-0.93	-0.71	13.88	19151.00	-1.10
IBEX 35	11672.60	-0.36	-0.01	15.55	11648.30	-0.45
FTSE MIB	34281.24	-0.64	1.51	12.95	34050.00	-0.69
Nikkei	38053.67	-2.63	-1.55	13.71	38120.00	-3.47
Hang Seng	20317.33	0.94	-2.96	20.30	20523.00	0.46
DFM General	4591.05	0.20	2.74	13.31	N/A	N/A
MSCI Tadawoul	12022.11	0.03	-1.89	0.46	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	95.25	96.00	95.00	-1.09	-1.19	6.90
Solidere B	97.00	97.00	97.00	1.04	1.52	7.84

MUST READ *(Source: Bloomberg/ Forexlive)*

Oil Rallies on Report Iran Is Planning Israel Attack Via Proxies

Oil prices rose significantly after reports indicated that Iran might be preparing to launch an attack on Israel from Iraqi territory, reigniting concerns over Middle Eastern hostilities. Brent crude increased by over 2%, trading above $74 a barrel, while West Texas Intermediate approached $71. The anticipated strike could involve drones and ballistic missiles through militias supported by Iran, according to unnamed Israeli sources cited by Axios. Earlier in the week, oil prices had fallen following a limited Israeli strike in response to an Iranian missile barrage on October 1, which had caused a temporary market correction as investors shifted focus to weak fundamentals. Despite some signs of easing tensions, such as Israel considering a US-led proposal to address the conflict in Lebanon, the Israeli military warned it would respond "very hard" to any further Iranian aggression. Analysts, including Vandana Hari from Vanda Insights, emphasized that while the market must heed signs of escalating tensions, neither Israel nor Iran is likely to take actions that could lead to a broader war. Looking ahead, several key events could impact oil prices, including the upcoming US election, meetings of China's legislative body, and decisions from OPEC+ regarding production adjustments starting in December. On a more positive note, recent data revealed a surprising uptick in China's manufacturing activity for October, signaling economic stabilization after government stimulus measures, along with the first year-on-year increase in residential property sales for 2024.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Exxon Mobil Corp	XOM US	$ 518.83B	01-Nov-24	Pre-mkt	1.87	2.27
Chevron Corporat	CVX US	$ 272.18B	01-Nov-24	Pre-mkt	2.41	3.05
Palantir Technolo	PLTR US	$ 93.07B	04-Nov-24	Aft-mkt	0.09	0.07
Constellation Ene	CEG US	$ 82.23B	04-Nov-24	Pre-mkt	2.65	2.26
Vertex Pharmace	VRTX US	$ 122.85B	04-Nov-24	Aft-mkt	4.17	4.08

ECONOMIC CALENDAR

(01-11-24) UK - S&P Global UK Manufacturing PMI
(01-11-24) CA - S&P Global Canada Manufacturing PMI
(01-11-24) US - S&P Global US Manufacturing PMI
(01-11-24) US - ISM Manufacturing
(04-11-24) US - Factory Orders
(04-11-24) US - Durable Goods Orders
(05-11-24) FR - Industrial Production MoM / YoY

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