

Daily Market Brief

December 1st 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair finds some support near 1.0880 and then rebounds above the 1.0900 mark during the early European session on Friday. The recovery of the pair is bolstered by the softer (USD) despite Eurozone inflation coming in worse than market expectations. The (HICP) has raised expectations among investors that the European Central Bank (ECB) might start cutting its deposit rate as early as next April. Nonetheless, ECB President emphasized this week that now is not the time to declare victory since wage pressures remain high.

GBPUSD

GBP/USD recovers its recent losses registered in the previous session, trading higher around 1.2650 during the Asian session on Friday. The pair strengthened on weaker (USD) amid downbeat Treasury yields. Additionally, (BoE) officials have been sending hawkish signals throughout the week, providing a boost to the Pound. There is an estimate that the BoE will maintain higher interest rates for an extended period.

USDJPY

The USD/JPY loses traction following an early uptick against the (USD) on Friday and is undermined by a combination of factors. BoJ policymakers struck a relatively dovish tone this week and said that it was premature to debate an exit from ultra-easy policy.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0909	1.0913	1.0884	0.19	-0.27	1.91
GBP-USD	1.2641	1.2656	1.2619	0.13	0.30	4.62
USD-JPY	148.13	148.21	147.61	-0.05	0.88	-11.48
USD-CHF	0.8745	0.8758	0.8736	-0.08	0.97	5.72
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2041.02	2043.48	2036.41	0.23	2.01	11.90
Silver	25.25	25.47	25.24	-0.10	3.77	5.39
Crude Oil	75.89	76.07	75.36	-0.09	0.46	-1.17
Bitcoin	38155.70	38248.50	37624.82	1.07	1.40	130.69
Etherium	2093.14	2100.22	2041.05	2.30	0.88	74.52
Period	1 M	3 M	12 M			
USD LIBOR *	5.46	5.64	6.04			
EURIBOR	3.85	3.98	3.98			
SOFR	5.34	5.37	5.11			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.68	4.33	4.50			
BTP - BUND	0.62	1.78	2.10			
GILTS	4.61	4.18	4.69			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average closed at its highest level since January 2022 as investors crossed the finish line of a banner month for stocks and viewed cooling inflation data as a harbinger of easing Federal Reserve monetary policy. Salesforce jumps on profit forecast raise.

EUROPE

European shares hit a more than two-month high on Thursday, ending November sharply higher, after data showing a drop in inflation in the U.S. and Europe boosted bets that central banks will soon be cutting interest rates. Italy's FTSE MIB hits 15-year high.

ASIA

Most Asian stocks retreated on Friday, seeing a measure of profit taking after closing strong gains through November, with focus now turning to Jerome Powell for more cues on interest rates.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35950.89	1.47	8.04	8.46	36018.00	0.04
S&P	4567.80	0.38	7.79	18.97	4572.50	-0.07
Nasdaq	14226.22	-0.23	8.92	35.92	15952.00	-0.18
DJ EuroStoxx50	4382.47	0.27	7.11	15.52	4407.00	0.43
FTSE 100	7453.75	0.41	1.52	0.03	7500.00	0.54
CAC 40	7310.77	0.00	5.45	12.93	7315.00	N/A
DAX	16215.43	0.30	8.66	16.46	16314.00	0.38
IBEX 35	10058.20	-0.04	10.83	22.23	10070.70	N/A
FTSE MIB	29737.38	0.16	6.26	25.44	29786.00	N/A
Nikkei	33431.51	-0.17	5.79	28.12	33420.00	-0.24
Hang Seng	17042.88	-0.52	-0.87	-14.30	17000.00	-0.22
DFM General	3992.36	-0.11	2.46	19.55	N/A	N/A
MSCI Tadawoul	11177.48	0.67	3.35	6.67	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	67.05	67.05	67.05	-2.76	-2.26	10.10
Solidere B	67.55	67.55	67.55	0.00	-0.88	11.93

MUST READ

(Source: Bloomberg/ Forexlive)

The stock market could plunge as much as 27%

The stock market could crater by more than 25% next year, thanks to higher-for-longer interest rates taking a bite out of economic activity and finally tipping the US into a recession. While forecasts have grown more upbeat as the US heads into year-end, the US is still on track to hit a recession at some point, which spells trouble for the near-term fate of the stock market. "A recession in the US and euro area was delayed this year but not avoided. As such, the risk/reward balance is quite unfavorable for stocks," strategists said. When the economy finally tips into a downturn, that could drag the S&P 500 as low as 3,300, implying as much as a 27% fall from the index's current levels. A decline that steep would mark the worst year for investors since 2008, when the benchmark index plunged 38% in the wake of the Great Financial Crisis. That plunge could also come sometime within the next year, as a recession is set to arrive in mid-2024, unless the Fed has reason to ease monetary policy "considerably." That's unlikely though, as inflation is unlikely to fall quickly enough: "We remain in the disinflationary camp, but expect that inflation will not slow quickly enough for the Fed and the ECB to cut rates in time to prevent a significant rise in unemployment. "Unless a recession occurs imminently or inflation completely collapses, the Fed is unlikely to cut rates before next summer.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
AutoZone Inc	AZO US	\$46.2 B	05-Dec-23	Pre-mkt	30.78	27.45
NIO Inc.	NIO US	\$12.3 B	05-Dec-23	Pre-mkt	-0.46	-0.36
Chewy, Inc.	CHWY US	\$8.1 B	06-Dec-23	After-mkt	-0.06	0.01
GameStop Corpor	GME US	\$4.1 B	06-Dec-23	After-mkt	-0.12	-0.31
C3.ai, Inc	AI US	\$3.5 B	06-Dec-23	After-mkt	-0.65	-0.63

ECONOMIC CALENDAR

(01-12-23) CH- Gross Domestic Product QoQ, YoY Q3
(01-12-23) DE- HCOB Manufacturing PMI NOV
(01-12-23) CA- Unemployment Rate NOV; Net Change in Employment NOV
(01-12-23) US- ISM Manufacturing PMI NOV
(01-12-23) US- Fed's Chair Powell speech
(04-12-23) CH- Consumer Price Index NOV
(04-12-23) EA- Sentix Investor Confidence DEC

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