

Daily Market Brief

January 2nd 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD is slightly lower in Asia but that could reverse later today with a round of European PMI reports. Given that most nations in the region are expected to post PMIs below 50 there is more room for a positive surprise in terms of FX reaction. Moreover, traders betting on an early lowering of interest rates by the ECB could be disappointed. After a Federal Reserve pivot, the ECB is unlikely to follow fast, according to Bloomberg Economics. The ECB will need time to be satisfied that inflation is on the right trajectory.

GBPUSD

The GBP/USD pair posts modest losses during the early Asian session on Tuesday. After the US Federal Reserve's (Fed) final meeting of the year earlier in December, Fed officials held rates steady for the third straight month and signaled a series of interest rate cuts in 2024 as inflation eases faster than estimated.

USDJPY

The Japanese Yen (JPY) comes under some selling pressure on the first trading day of 2024 and remains depressed heading into the European session. A devastating earthquake in central Japan is seen as a key factor undermining the domestic currency amid relatively thin trading volumes.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1030	1.1046	1.1017	-0.14	-0.11	-0.08
GBP-USD	1.2733	1.2741	1.2710	0.05	0.06	0.02
USD-JPY	141.51	141.67	140.82	0.44	0.63	-0.33
USD-CHF	0.8445	0.8456	0.8392	0.45	1.09	-0.37
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2074.14	2076.77	2062.38	0.54	0.31	0.54
Silver	24.05	24.09	23.78	1.06	-0.74	1.06
Crude Oil	72.99	73.01	71.63	1.87	-0.77	1.87
Bitcoin	45292.51	45522.17	43405.31	3.81	6.64	6.55
Etherium	2378.63	2398.11	2326.15	1.73	1.37	4.22
Period	1 M	3 M	12 M			
EURIBOR	3.85	3.91	3.51			
SOFR	5.35	5.33	4.77			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.25	3.88	4.03			
BTP - BUND	0.58	1.68	2.11			
GILTS	3.98	3.54	4.14			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks closed modestly lower on Friday, the last trading day of 2023, capping a robust year-end rally as investors eyed easier monetary policy in the year ahead. Uber, Lyft fall on report of Nomura downgrade. Tech sector biggest percentage gainer in 2023.

EUROPE

European shares inched lower on Thursday as weakness in banking stocks and oil majors weighed, though the markets looked set for a strong finish to the year on expectations central banks could cut borrowing costs next year. Vestas Wind Systems up for sixth straight day.

ASIA

Asian shares started the first trading day of the New Year on a steady footing on Tuesday, as investors returning after a holiday lull looked ahead to fresh trading catalysts from key economic releases later in the week.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37689.54	-0.05	3.98	0.00	38037.00	0.07
S&P	4769.83	-0.28	3.81	0.00	4821.00	0.03
Nasdaq	15011.35	-0.56	4.94	0.00	17008.50	-0.09
DJ EuroStoxx50	4521.65	0.16	2.33	0.00	4570.00	0.59
FTSE 100	7733.24	0.14	2.71	0.00	7759.50	0.04
CAC 40	7543.18	0.11	2.68	0.00	7555.00	N/A
DAX	16751.64	0.30	2.16	0.00	16948.00	0.22
IBEX 35	10102.10	0.16	-0.38	0.00	10086.20	N/A
FTSE MIB	30351.62	0.07	1.41	0.00	30521.00	N/A
Nikkei	33464.17	-0.22	0.10	0.00	33250.00	0.00
Hang Seng	17047.39	-1.77	-0.50	-1.77	16808.00	-1.84
DFM General	4059.80	0.03	1.84	0.03	N/A	N/A
MSCI Tadawoul	12037.04	0.58	7.69	0.58	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	89.10	90.00	85.05	-0.83	1.71	0.00
Solidere B	89.95	90.00	87.00	-0.88	1.52	0.00

MUST READ

(Source: Bloomberg/ Forexlive)

Best Performing Stock Of 2023 Was Left For Dead After The Pandemic

This year's top-performing stock was not one of the big technology firms driving much of the discussion about 2023's stock market recovery, but instead was Carvana, a used car hawker which flirted with bankruptcy-though shares of this year's gold medalist remain significantly below their pandemic peak. Carvana's more than 1,000% share price gain year-to-date makes it the biggest gainer of any company listed on the Russell 3000, which follows a majority of publicly traded American stocks. That's almost twice as large a return as the second highest-gaining stock, bitcoin miner Marathon Digital, which gained almost 600%, and easily outperformed the Russell 3000's and the more widely-cited S&P 500 index's 25% respective rises. Carvana stock's surge came as the company warded off concerns it would be forced into bankruptcy as its cash losses mounted, reportedly agreeing to restructure debt and posting its first positive cash flow quarters ever in 2023. Still, Carvana share price of below \$54 remains about 86% below its 2021 peak of \$377, and analysts are far from convinced the auto reseller will reclaim its former glory, with an average price target of \$37 for Carvana.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Unifirst Corporati	UNF US	\$3.4 B	03-Jan-23	Pre-mkt	2.33	2.21
Walgreens Boots	WBA US	\$22.5 B	04-Jan-23	Pre-mkt	0.66	1.16
ConAgra Brands	CAG US	\$13.6 B	04-Jan-23	Pre-mkt	0.67	0.81
RPM Internationa	RPM US	\$14.3 B	04-Jan-23	Pre-mkt	1.23	1.10
Commercial Meta	CMC US	\$5.8 B	08-Jan-23	Pre-mkt	1.42	2.24

ECONOMIC CALENDAR

(02-01-23) DE- HCOB Manufacturing PMI DEC
(02-01-23) CA- S&P Global Manufacturing PMI DEC
(02-01-23) EA- HCOB Manufacturing PMI DEC
(03-01-23) DE- Unemployment Change, Rate s.a. DEC
(03-01-23) US- JOLTS Job Openings NOV
(03-01-23) US- ISM Manufacturing PMI DEC
(03-01-23) US- FOMC Minutes

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