

Daily Market Brief

April 2nd 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair remains under selling pressure, reaching nearly weekly lows of 1.0730 on Tuesday during the early Asian trading hours. The uptick of the US DXY above the 105.00 mark and higher US Treasury bond yields weigh on the major pair. The US Manufacturing PMI climbed to 50.3 in March against 47.8 in the previous reading, better than expected. ECB's Stournaras said it could cut rates by a total of 100 basis points this year.

GBP/USD

The GBP/USD pair remains on the defensive around 1.2545 during the early Asian session on Tuesday. The US DXY rises above the 105.00 mark, and the US Treasury bond yields edges higher sharply overnight following the upbeat US ISM data, which creates a headwind for the GBP/USD pair. The dovish stance of the BoE drags the GBP lower against the USD.

USD/JPY

USD/JPY remains calm and hovers around 151.40 during the early European hours on Friday. Tokyo CPI YoY for March climbed 2.6% following a 2.5% rise in February. Meanwhile, the Core Tokyo CPI climbed 2.9% year-over-year, down from a 3.1% rise in February. The strength of the US Dollar is bolstered by hawkish statements from Fed officials.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0732	1.0745	1.0729	-0.10	-0.91	-2.78
GBP-USD	1.2547	1.2559	1.2541	-0.04	-0.64	-1.45
USD-JPY	151.73	151.80	151.51	0.05	-0.11	-7.05
USD-CHF	0.9063	0.9065	0.9040	0.22	-0.25	-7.16
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2254.44	2259.87	2246.78	0.13	3.47	9.28
Silver	25.34	25.38	25.08	1.01	3.61	6.48
Crude Oil	84.11	84.17	83.85	0.48	2.64	16.61
Bitcoin	66540.45	69935.51	66044.60	-4.63	-5.90	56.54
Etherium	3357.17	3515.64	3322.57	-4.01	-5.76	47.09
Period	1 M		3 M		12 M	
EURIBOR	3.86		3.89		3.67	
SOFR	5.32		5.30		5.03	
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.70		4.32		4.46	
BTP - BUND	0.58		1.38		1.79	
GILTS	4.17		3.93		4.42	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average dipped Monday to kick off the second quarter, with traders weighing fresh U.S. inflation data amid fears that the market rally could slow down. Investors remain cautious about the pace of the Federal Reserve's rate-cutting timeline this year and how soon central bankers will be able to meet their 2% inflation target. Federal Reserve Chair Jerome Powell said Friday that economic growth remains strong and inflation is still above target.

EUROPE

European markets closed Q1 of 2024 around 6.8% higher Thursday as recent inflation data continues to show pressures from higher prices are cooling. GDP figures Thursday confirmed that the U.K. economy fell into a recession in the final quarter of 2023. Markets closed for Good Friday and Easter Monday.

ASIA

Japan and China stocks closed higher Friday, while most markets in the Asia-Pacific region stay shut for a public holiday. The Japanese yen will be closely watched during the session amid speculation of a possible intervention after the currency recently hit 34-year lows against the U.S.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39566.85	-0.60	1.23	4.98	39749.00	-0.36
S&P	5243.77	-0.20	2.08	9.94	5286.25	-0.17
Nasdaq	16396.83	0.11	0.75	9.23	18462.75	-0.19
DJ EuroStoxx50	5083.42	0.03	4.22	12.43	5048.00	0.06
FTSE 100	7952.62	0.26	4.23	2.84	7990.50	0.03
CAC 40	8205.81	0.01	3.51	8.78	8223.50	#N/A N/A
DAX	18492.49	0.08	4.61	10.39	18771.00	-0.04
IBEX 35	11074.60	-0.33	10.73	9.63	11067.10	#N/A N/A
FTSE MIB	34750.35	-0.03	6.66	14.49	34211.00	#N/A N/A
Nikkei	39803.09	0.03	-0.24	18.97	39830.00	-0.08
Hang Seng	16541.42	2.26	2.44	-0.78	16494.00	#N/A N/A
DFM General	4263.29	0.40	-2.14	5.01	N/A	N/A
MSCI Tadawoul	12423.01	0.17	-1.65	3.81	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	73.15	73.15	73.15	-0.95	-1.42	-17.90
Solidere B	74.20	74.95	74.00	3.13	-0.74	-17.51

MUST READ

(Source: Bloomberg/ Forexlive)

Gold pares gains as higher US dollar, bond yields weigh

Gold prices pared gains on Monday as the dollar and bond yields rose, after the bullion surged to a fresh record high on growing expectation that the U.S. Federal Reserve could deliver the first interest rate cut in June. Spot gold hit an all-time high of \$2,265.49 earlier in the session. U.S. gold futures settled 0.9% higher at \$2,236.5. "The view out there is that the Fed will likely start cutting rates significantly before the time we reach the 2% (inflation) target based on what we've seen on the PCE data," said Bart Melek, head of commodity strategies at TD Securities. Data on Friday showed U.S. prices moderated in February, keeping a June interest rate cut from the Fed on the table. Fed Chair Jerome Powell said February's inflation data was "more along the lines of what we want to see." Gold tends to gain when interest rates are low, which reduces the opportunity cost of holding non-yielding bullion. Growing rate cut expectations, safe-haven demand and central bank purchases amid geopolitical tensions have boosted gold by more than 8% this year. However, the dollar rose 0.5% to a more than four-month peak against rivals, making gold more expensive for other currency holders, while yields on 10-year Treasury notes also climbed. "(Fed officials) will probably caution the market that they don't necessarily have to get aggressive on cuts. There's no guarantee that the U.S. central bank will start cutting rates, and I think they'll make that quite apparent and that may cause some reversals here," Melek added. Bullion prices have also hit record highs in other currencies, including the euro, the yuan, Japanese yen, Indian rupee and the British pound sterling.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Paychex Inc	PAYX US	\$ 43.76B	02-Apr-24	Pre-mkt	1.37	1.29
Dave & Buster's E	PLAY US	\$ 2.59B	02-Apr-24	Aft-mkt	-0.17	0.04
Cal Maine Foods I	CALM US	\$ 2.89B	02-Apr-24	Aft-mkt	2.45	6.62
Acuity Brands Inc	AYI US	\$ 8.17B	03-Apr-24	Pre-mkt	3.18	3.06
Levi Strauss and C	LEVI US	\$ 8.08B	03-Apr-24	Aft-mkt	0.21	0.34

ECONOMIC CALENDAR

(02-04-24) UK - Nationwide House PX MoM
(03-04-24) EA - CPI MoM / CPI Core YoY
(03-04-24) US - MBA Mortgage Applications
(03-04-24) US - ADP Employment Change
(03-04-24) US - S&P Global US Services PMI
(04-04-24) UK - HCOB France Composite PMI
(04-04-24) US - Trade Balance

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