

Daily Market Brief

August 2nd, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD lost a foothold above key technical levels on Thursday, slumping below the 1.0800 handle after a miss in US PMI figures sparked fresh fears of worsening economic data signaling the possibility of a hard landing scenario in the US economy. US NFP jobs report in the pipe for Friday, market attention fixed squarely on hiring numbers.

GBP/USD

GBP/USD found a new hole in the floor on Thursday, declining towards the 1.2700 handle after fresh recession fears off the back of a miss in US PMI figures that mixed poorly with easing Pound Sterling flows after the BoE delivered a broadly-expected quarter-point rate trim. US data sparked fresh fears of a recession, NFP data looms on Friday.

USD/JPY

USD/JPY trades around 149.40 during the Asian session on Friday after rebounding from a four-month low of 148.50 recorded on Thursday. This upside of the USD/JPY pair could be attributed to the improved USD, which could be attributed to the increased risk-off mood following the recent manufacturing and employment data raising concerns about the US economy.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0803	1.0803	1.0782	0.11	-0.49	-2.14
GBP-USD	1.2733	1.2757	1.2713	-0.05	-1.04	0.02
USD-JPY	148.90	149.77	148.88	-0.31	3.26	-5.28
USD-CHF	0.8711	0.8736	0.8711	-0.22	1.44	-3.41
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2465.88	2465.97	2435.08	0.80	3.30	19.53
Silver	28.93	29.00	28.18	1.44	3.61	21.59
Crude Oil	76.98	77.10	76.51	0.88	-0.23	7.91
Bitcoin	64105.70	65584.26	63620.43	-0.91	-5.74	50.81
Etherium	3145.66	3216.81	3134.92	-0.72	-3.49	37.83
Period	1 M	3 M	12 M			
EURIBOR	3.63	3.65	3.39			
SOFR	5.35	5.24	4.72			
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.13	3.95	4.25			
BTP - BUND	0.50	1.40	1.81			
GILTS	3.72	3.88	4.48			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks sold off Thursday, with the Dow Jones Industrial Average tumbling nearly 500 points, as investors' fears over a recession surfaced. The ISM manufacturing index, a barometer of factory activity in the U.S., came in at 46.8%, worse than expected and a signal of economic contraction. The 10-year Treasury yield dropped below 4% for the first time since February.

EUROPE

European markets closed lower on Thursday as investors processed a raft of central bank action and fresh U.S. economic data. Banks shed 4.48%, while retail was among the only sectors to rise, adding 1.27%. Back in Europe, the Bank of England announced it was cutting interest rates, taking the key rate to 5%.

ASIA

Japan's benchmark indexes nosedived as much as 5% on Friday, with most Asia-Pacific markets lower after a sell-off on Wall Street overnight over recession worries. Japanese government bond yields fell, with the yield on the benchmark 10-year JGB falling below the 1% mark and hitting its lowest level since June 20.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	40347.97	-1.21	2.58	7.05	40307.00	-1.30
S&P	5446.68	-1.37	-1.13	14.19	5436.75	-1.16
Nasdaq	17194.14	-2.30	-4.63	14.54	18766.50	-2.19
DJ EuroStoxx50	4765.72	-2.20	-2.87	5.40	4741.00	-3.03
FTSE 100	8283.36	-1.01	2.00	7.11	8261.50	-0.38
CAC 40	7370.45	-2.14	-2.23	-2.29	7382.00	-2.04
DAX	18083.05	-2.30	-0.45	7.95	18017.00	-2.76
IBEX 35	10854.30	-1.90	-0.54	7.45	10861.00	-2.95
FTSE MIB	32857.43	-2.68	-1.86	8.26	33035.00	-2.88
Nikkei	38126.33	-5.63	-10.22	7.52	35980.00	-4.56
Hang Seng	17304.96	-2.48	-5.03	-1.01	17028.00	0.04
DFM General	4279.89	0.28	5.33	5.42	N/A	N/A
MSCI Tadawoul	12045.78	-0.53	3.79	0.66	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.20	84.80	80.10	-2.14	-4.98	-9.99
Solidere B	80.10	80.55	79.60	-1.11	-1.66	-10.95

MUST READ

(Source: Bloomberg/ Forexlive)

Stocks sell off as US data sparks worry, yields plunge

Global equities dropped on Thursday, with Wall Street's major indexes selling off as U.S. data sparked economic worries and financial stocks in Europe saw their biggest one-day rout since March 2023. Treasury yields plunged following the weak data, with the U.S. two-year to 10-year note yields dropping to six-month lows, below 4%. Oil futures finished lower as global supply seemed largely unaffected by worries of a broadening Middle East crisis. The Federal Reserve held interest rates steady on Wednesday but opened the door to a cut in September. The Bank of England stole a march on the U.S. central bank on Thursday by lowering borrowing costs by a quarter-point in a narrow 5-4 vote. The U.S. Institute for Supply Management's (ISM) manufacturing PMI dropped to its lowest since November, below a key level that indicates contraction in a sector that accounts for more than 10% of the economy. The number of Americans filing new applications for unemployment benefits increased to an 11-month high last week, suggesting some softening in the labor market, although seasonal factors also played a role, other data showed. On Wall Street, the DJI fell 1.21%, the S&P 500 lost 1.37%, and the Nasdaq Composite 2.30%. MSCI's gauge of stocks across the globe fell 1.36%. Europe's STOXX 600 index closed more than 1% lower with the banking sector seeing its largest one-day decline since March 2023. Japan's Nikkei however, tumbled 2.5% as a sharp jump in the yen clouded the outlook for exporters. The Japanese yen rallied against the dollar to its strongest level since March, a day after the Bank of Japan raised interest rates for the second time in 17 years and signalled more tightening to come.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Exxon Mobil Corp	XOM US	\$ 524.63B	02-Aug-24	Pre-mkt	2.03	1.94
Chevron Corporat	CVX US	\$ 281.94B	02-Aug-24	Pre-mkt	2.93	3.08
Linde PLC	LIN US	\$ 217.93B	02-Aug-24	Pre-mkt	3.79	3.57
Lyondellbasell Ind	LYD US	\$ 31.96B	02-Aug-24	Pre-mkt	2.22	2.44
Ares Managemen	ARES US	\$ 46.94B	02-Aug-24	Pre-mkt	0.98	0.90

ECONOMIC CALENDAR

(02-08-24) IT - Industrial Production MoM
(02-08-24) US - Change in Nonfarm Payrolls
(02-08-24) US - Unemployment Rate
(02-08-24) US - Factory Orders
(05-08-24) US - S&P Global US Services PMI
(05-08-24) US - S&P Global US Composite PMI
(05-08-24) US - ISM Services Index

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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