

Daily Market Brief

October 2nd 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD trades with mild gains around 1.1070 during the Asian trading hours on Wednesday. Meanwhile, any signs of rising geopolitical tensions in the Middle East could weigh on riskier assets like the Euro (EUR). Investors will keep an eye on the US ADP Employment Change data for September, which is due later on Wednesday.

GBPUSD

The GBP/USD pair remains tepid following the losses registered in the previous session, trading around 1.3280 during the Asian hours on Wednesday. This downside could be attributed to the risk aversion due to the rising geopolitical tensions in the Middle East, which undermines the risk-sensitive Pound Sterling (GBP). Iran launched over 200 ballistic missiles at Israel on Tuesday, shortly after the US had warned that a strike was imminent. The Israel Defense Forces reported that several of the missiles were intercepted.

USDJPY

The Japanese Yen (JPY) edges lower against the (USD) on Wednesday as rising doubts over further interest rate hikes by the Bank of Japan (BoJ). On Tuesday, BoJ's Summary of Opinions from September's Monetary Policy Meeting indicates no immediate plans for additional rate hikes. The central bank intends to maintain its accommodative stance but remains open to adjustments if economic conditions show significant improvement.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1061	1.1074	1.1054	-0.06	-0.65	0.20
GBP-USD	1.3266	1.3296	1.3261	-0.15	-0.44	4.20
USD-JPY	143.61	144.19	143.43	0.03	0.79	-1.79
USD-CHF	0.8452	0.8472	0.8449	-0.17	0.62	-0.45
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2646.27	2663.48	2644.62	-0.64	-0.40	28.27
Silver	31.05	31.45	31.00	-1.31	-2.41	30.47
Crude Oil	71.09	71.33	70.57	1.80	2.01	0.62
Bitcoin	61354.51	61871.01	60634.48	0.93	-6.78	44.34
Etherium	2473.81	2498.53	2441.04	0.92	-8.19	8.39
Period	1M	3M	6M	12M		
SOFR (\$)	4.85	4.61	4.28	3.82		
ESTR (€)	2.43	3.19	2.92	2.43		
SONIA (£)	4.96	4.82	4.65	4.29		
SARON (F)	0.94	0.87	0.74	0.56		
TONAR (¥)	0.22	0.18	0.13	0.06		

Rates

U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.65
ECB Deposit Facility Announcement Rate	3.50
ECB Marginal Lending Facility Announcement Rate	3.90
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks ended lower, with the Nasdaq losing more than 1%, on Tuesday as investors grew more cautious after Iran fired missiles at Israel. US job openings rebound in August. Port strike halts half of ocean shipping.

EUROPE

European shares reversed initial gains to close lower on Tuesday, as investors moved out of riskier assets amid escalating geopolitical fears that Iran was planning an attack on Israel. Germany's Covestro jumps on \$16 billion buyout deal.

ASIA

Most Asian stock markets sank on Wednesday, catching up with the sell-off on Wall Street after Iran's ballistic missile strike on Israel provoked fears of a wider regional conflict, while crude oil pushed higher on the risk of supply disruptions.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42156.97	-0.41	1.43	11.85	42318.00	-0.78
S&P	5708.75	-0.93	1.07	19.68	5740.25	-1.29
Nasdaq	17910.36	-1.53	1.11	19.31	19887.00	-1.86
DJ EuroStoxx50	4954.15	-0.93	-0.38	9.57	4988.00	-0.85
FTSE 100	8276.65	0.48	-1.04	7.03	8341.00	0.63
CAC 40	7574.07	-0.81	-0.95	0.41	7587.00	-0.82
DAX	19213.14	-0.58	1.49	14.69	19380.00	-0.64
IBEX 35	11673.50	-1.72	2.44	15.56	11656.20	-1.98
FTSE MIB	33771.08	-1.04	-1.60	11.27	33685.00	-1.08
Nikkei	38651.97	-2.32	-2.44	12.82	37790.00	-0.45
Hang Seng	21133.68	5.39	23.81	30.65	22365.00	5.15
DFM General	4477.27	-0.58	2.77	10.28	N/A	N/A
MSCI Tadawoul	12253.54	0.22	0.71	2.39	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	93.75	94.50	89.00	3.02	2.35	5.22
Solidere B	90.00	94.90	89.00	-4.91	-0.50	0.06

MUST READ

(Source: Bloomberg/ Forexlive)

Oil and gold soar as Iran fires missiles at Israel, MEA conflict escalates

Investors retreated to safer corners of the market after Iran fired a barrage of missiles at Israel following "targeted ground raids" into Lebanon. Haven assets gained with bonds, oil, gold and the U.S. dollar all advancing while stocks dropped. The U.S is actively supporting preparations to defend Israel against the attack, according to an earlier report. Gold briefly climbed above US\$2,670 an ounce as oil topped US\$71 a barrel. In the equities market, tech stocks were the worst performers with Apple Inc. and Nvidia Corp. sinking more than three per cent. The Nasdaq 100 lost 1.6% and the S&P 500 fell 1% as Treasuries advanced. Economic data sent mixed signals. The U.S. ISM price index fell by the most since May 2023, while U.S. job openings rose in August to a three-month high, at odds with other data indicating slowing demand for workers. Treasury yields were lower across the board with the 10-year hovering around 3.73%. "Today's reports should weigh down the 10-year yield, dollar, and employment service stocks, though the payroll release is more influential, alluding to Friday's highly anticipated employment readout. "However, geopolitical stories out of the Mideast are more important for Treasury markets." A longshoremen's strike was also stirring up angst as the longer traffic at major U.S. container ports is shuttered, the bigger the economic losses. JPMorgan Chase & Co. estimates the stoppage will cost between \$3.8B to \$4.5B a day.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
RPM Intrernation	RPM US	\$15.6 B	02-Oct-24	Pre-mkt	1.76	1.64
ConAgra Brands,	CAG US	\$15.5 B	02-Oct-24	Pre-mkt	0.59	0.66
Levi Strauss & Co	LEVI US	\$8.6 B	02-Oct-24	After-mkt	0.31	0.28
Novagold Ressour	NG US	\$1.4 B	02-Oct-24	After-mkt	N/A	-0.03
Constellation Brz	STZ US	\$46.9 B	03-Oct-24	Pre-mkt	4.11	3.70

ECONOMIC CALENDAR

(02-10-24) US- Fed's Barkin, Bostic, Collins speech
(02-10-24) EA- Unemployment Rate AUG
(02-10-24) EA- ECB's De Guindos, Lane, Elderson speech
(02-10-24) US- ADP Employment Change SEP
(02-10-24) CH- SNB Quarterly Bulletin Q3 report
(03-10-24) CH- Consumer Price Index SEP
(03-10-24) GB- BoE Monetary Policy Report Hearings

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