Daily Market Brief

December 2nd 2024

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair faces selling pressure due to a stronger US Dollar, with investors focusing on speeches from ECB President Christine Lagarde and the upcoming US ISM Manufacturing PMI. Inflation in the Eurozone exceeded expectations, and while the ECB is expected to cut rates in December, the Fed's cautious stance may support the US Dollar.

GBP/USD

The GBP/USD pair experiences selling pressure as it reverses much of last week's gains, driven by a stronger US Dollar amid geopolitical concerns and potential trade war risks under President-elect Trump. However, the downside is limited by reduced expectations of a Bank of England rate cut and rising UK inflation, with traders awaiting key US macroeconomic data, including the Nonfarm Payrolls report, for further direction.

USD/JPY

The USD/JPY pair rises during the Asian session, supported by higher US Treasury yields and concerns over potential tariffs under President-elect Trump, which boost demand for the US Dollar. However, the JPY's losses are limited by expectations of a Bank of Japan rate hike and market uncertainty ahead of key US economic data, including the Nonfarm Payrolls report.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0532	1.0589	1.0515	-0.43	0.35	-4.59
GBP-USD	1.2698	1.2747	1.2680	-0.29	1.03	-0.26
USD-JPY	150.34	150.75	149.51	0.38	2.59	-6.19
USD-CHF	0.8841	0.8854	0.8803	0.35	0.25	-4.83

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2626.06	2652.82	2622.01	-0.65	0.04	27.29
Silver	30.16	30.70	30.06	-1.52	-0.46	26.74
Crude Oil	68.56	68.57	67.92	0.82	-3.76	-1.97
Bitcoin	96355.86	98191.70	96160.67	-1.50	-0.05	126.68
Etherium	3678.14	3762.14	3653.01	-0.82	1.10	61.16

Period	1M	3M	6M	12M
SOFR ($)	4.53	4.47	4.38	4.25
ESTR (€)	2.09	2.81	2.47	2.09
SONIA (£)	4.70	4.66	4.55	4.38
SARON (F)	0.67	0.59	0.43	0.23
TONAR (¥)	0.22	0.22	0.17	0.10

	Rates
U.S. Federal Fund Target Rate	4.75
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average and S&P 500 rose to new heights on Friday amid a shortened trading day that capped a strong month for equities. Some of the upward momentum came from chip stocks, which popped after Bloomberg reported that the Biden administration was considering additional barriers on the sale of semiconductor equipment to China that weren't as strong as previously expected.

EUROPE

European stocks closed higher Friday afternoon, following a mixed morning session as investors assessed the latest euro zone inflation data. Euro zone inflation rose from 2% in October to 2.3% in November, flash data from statistics agency Eurostat showed on Friday, above the ECB's 2% target.

ASIA

Asia-Pacific markets traded slightly higher on Monday as the region kick-started a data-heavy week, with investors focused on economic readings from several countries, including Japan, South Korea and China.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44910.65	0.42	6.80	19.16	44958.00	0.28
S&P	6032.38	0.56	5.30	26.47	6037.00	0.35
Nasdaq	19218.17	0.83	5.36	28.02	20945.25	0.61
DJ EuroStoxx50	4804.40	0.96	-1.50	6.26	4773.00	0.10
FTSE 100	8287.30	0.07	1.35	7.16	8305.50	0.07
CAC 40	7235.11	0.78	-2.35	-4.08	7243.00	0.77
DAX	19626.45	1.03	1.93	17.16	19607.00	0.71
IBEX 35	11641.30	0.26	-1.70	15.24	11661.90	0.25
FTSE MIB	33414.56	0.46	-3.64	10.09	33480.00	0.43
Nikkei	38208.03	0.73	1.14	15.01	38490.00	0.16
Hang Seng	19423.61	0.11	-5.17	14.07	19506.00	0.57
DFM General	4847.34	0.50	5.72	19.40	N/A	N/A
MSCI Tadawoul	11741.74	0.86	-2.33	-1.59	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	93.35	100.00	88.20	4.01	3.84	4.77
Solidere B	94.10	99.00	93.00	4.56	4.79	4.61

MUST READ

(Source: Bloomberg/ Forexlive)

Trump threatens 100% tariff on the BRIC bloc of nations if they act to undermine US dollar

President-elect Donald Trump threatened to impose 100% tariffs on nine nations, part of the BRICS alliance (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, and the UAE), if they attempt to undermine the dominance of the U.S. dollar. The BRICS group, along with other developing nations, has voiced frustration with U.S. control over the global financial system and has pushed for alternatives to the dollar, such as de-dollarization. Despite the dollar's current dominance, representing around 58% of global foreign exchange reserves, the alliance seeks to trade in other currencies, with Russia pushing for a new payment system to bypass Western sanctions. Trump dismissed these efforts, asserting that any country attempting to replace the dollar would face severe economic consequences, including a loss of access to the U.S. market. While the U.S. dollar's position as the global reserve currency remains secure in the short to medium term, Trump's tariffs are part of a broader approach to influence international trade, previously seen in threats against Mexico, Canada, and China. These moves follow his broader agenda to leverage tariffs as a tool to achieve political and economic goals.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Zscaler Inc	ZS US	$ 31.70B	02-Dec-24	Aft-mkt	0.64	0.67
Salesforce Inc	CRM US	$ 315.47B	03-Dec-24	Aft-mkt	2.44	2.11
Marvell Technolo	MRVL US	$ 80.29B	03-Dec-24	Aft-mkt	0.41	0.41
Synopsys Inc	SNPS US	$ 85.79B	04-Dec-24	Aft-mkt	3.30	3.17
Lululemon Athleti	LULU US	$ 41.01B	05-Dec-24	Aft-mkt	2.71	2.53

ECONOMIC CALENDAR

(02-12-24) US - S&P Global Manufacturing PMI
(02-12-24) US - Construction Spending MoM
(02-12-24) US - ISM Manufacturing
(03-12-24) US - JOLTS Job Openings
(04-12-24) UK - S&P Global UK Services/ Composite PMI
(04-12-24) US - ADP Employment Change
(04-12-24) US - Factory Orders

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