

Daily Market Brief

January 3rd 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD attracts some buying and, seems to have snapped a three-day losing streak to over a one-week low touched the previous day. The (DXY), erodes a part of Tuesday's strong gains amid some repositioning trade ahead of important US macro data and the crucial FOMC meeting minutes. In the meantime, doubts over early rate cuts by the (Fed) might hold back traders from placing aggressive bearish bets around the buck and keep a lid on any further gains for the pair.

GBPUSD

GBP/USD rebounds after posting losses at the previous three successive sessions amid a stable (USD). The GBP/USD pair trades higher near 1.2630 during the Asian session on Wednesday. The USD could face downward pressure again on the moderate comments by the (IMF) Managing Director Kristalina Georgieva.

USDJPY

The (JPY) remains on the defensive for the second successive day against its American counterpart. A powerful 7.6 magnitude earthquake in Japan on New Year's Day, which, in turn, is seen as a key factor undermining the domestic currency. That said, the anticipation of a reversal in policy divergence between the (BoJ) and the (Fed) in 2024, along with geopolitical risks and China's economic woes, helps limit losses for the safe-haven JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0959	1.0963	1.0940	0.16	-1.31	-0.72
GBP-USD	1.2644	1.2646	1.2616	0.21	-1.20	-0.68
USD-JPY	142.09	142.18	141.86	0.07	-0.18	-0.74
USD-CHF	0.8503	0.8505	0.8488	-0.01	-0.86	-1.05
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2064.73	2066.03	2058.69	0.28	-0.61	0.08
Silver	23.66	23.73	23.61	-0.02	-2.50	-0.57
Crude Oil	70.38	70.70	70.08	0.00	-6.87	-1.77
Bitcoin	45331.82	45423.83	44836.05	0.45	8.10	6.64
Etherium	2379.16	2385.53	2348.91	0.54	4.09	4.24
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	4.32	3.93	4.07			
BTP - BUND	0.57	1.65	2.08			
GILTS	4.05	3.64	4.27			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and Nasdaq Composite closed the first trading session of 2024 lower, weighed by a fall in Apple shares after a broker downgrade and declines among other big-tech names triggered by a move higher by Treasury yields. Moderna gains help healthcare index to highest in year.

EUROPE

Europe's benchmark stock index capped off the first trading day of the New Year lower with technology stocks amongst top decliners on Tuesday, as traders bid adieu to an upbeat 2023 that was fuelled by expectations of nearing interest rate cuts.

ASIA

Asian shares extended a global sell-off on Wednesday, while the dollar held gains, as market optimism about early and aggressive U.S. interest rate cuts ebbed ahead of the release of Fed minutes and jobs data.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37715.04	0.07	4.05	0.07	37965.00	-0.06
S&P	4742.83	-0.57	3.23	-0.57	4784.00	-0.05
Nasdaq	14765.94	-1.63	3.22	-1.63	16707.25	-0.04
DJ EuroStoxx50	4512.81	-0.20	2.13	-0.19	4532.00	-0.22
FTSE 100	7721.52	-0.15	2.55	-0.15	7711.50	-0.16
CAC 40	7530.86	-0.16	2.51	-0.16	7523.00	N/A
DAX	16769.36	0.11	2.27	0.11	16889.00	-0.24
IBEX 35	10182.10	0.79	0.41	0.79	10162.90	N/A
FTSE MIB	30524.63	0.57	1.99	0.57	30667.00	N/A
Nikkei	33464.17	-0.22	0.10	0.00	33250.00	-0.60
Hang Seng	16788.55	-1.01	-1.25	-2.51	16696.00	-1.04
DFM General	4091.05	0.34	2.94	1.11	N/A	N/A
MSCI Tadawoul	12123.08	0.71	8.06	1.30	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	89.00	89.00	87.00	-0.11	-0.95	-0.11
Solidere B	86.90	87.00	86.00	-3.39	-1.70	-3.39

MUST READ

(Source: Bloomberg/ Forexlive)

IMF Chief Says Fed Is 'Definitely' Securing Soft Landing

The head of the IMF said the US economy is "definitely" headed for a soft landing thanks to the Fed's "decisiveness" in taming inflation despite some pain from higher interest rates. "It has brought the desired impact without pushing the economy into recession," Managing Director Kristalina Georgieva said. A cooling of both inflation and the labor market in the US after the steepest cycle of interest rate hikes in a generation has raised hopes that the world's biggest economy may avoid a deep recession and opened the door for the Fed to cut rates this year. Bloomberg Economics says borrowing-cost reductions may start as soon as March. Asked about Donald Trump's 2024 election prospects and the potential return of his protectionist trade policies, Georgieva said policymakers need to help those hurt by globalization or risk stoking resentment and isolationism. "We will see in the U.S, in Europe, everywhere, a pushback against what makes us all wealthier and more secure - an integrated global economy," she said As strategic rivalry ramps up between the US and China, the IMF has warned about the economic damage from fragmentation, which it has estimated may sacrifice as much as 7% of global gross domestic product. Georgieva said this threatens to cut off access to critical minerals needed for tomorrow's green technologies.

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

(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
(04-01-23) DE- HCOB Composite, Services PMI DEC; Consumer Prcie Index MoM DEC
(04-01-23) EA- HCOB Composite, Services PMI DEC
(04-01-23) US- ADP Employment Change DEC

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