

Daily Market Brief

October 3rd 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
EUR/USD continues to lose ground for the fifth straight day amid sustained USD buying interest. Diminishing odds for an aggressive Fed policy easing and geopolitical risks underpin the buck. Bets that the ECB will cut rates in October weigh on the Euro and exert pressure on the major.

GBPUSD
GBP/USD extends its losing streak for the third consecutive day, trading around 1.3200 during the Asian session on Thursday. The risk-sensitive GBP/USD pair receives downward pressure due to the safe-haven flows amid escalating Middle-East tensions. The improved US Treasury yields are supporting the US Dollar and undermining the GBP/USD pair. The Bank of England has been advocating a cautious approach to reducing interest rates, considering the still-high inflation in the services sector and relatively robust economic growth.

USDJPY
The Japanese Yen continues to decline on Thursday following straightforward comments on monetary policy from new Prime Minister Shigeru Ishiba, who met with Bank of Japan Governor Kazuo Ueda on Wednesday. Japan's Prime Minister Ishiba stated, "I do not believe that we are in an environment that would require us to raise interest rates further," according to Reuters. Futures indicate that there is less than a 50% chance the Bank of Japan will raise rates by 10 basis points by December. Additionally, rates are projected to reach only 0.5% by the end of next year, up from the current 0.25%, per Reuters.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1029	1.1049	1.1025	-0.14	-1.32	-0.09
GBP-USD	1.3187	1.3274	1.3169	-0.61	-1.70	3.58
USD-JPY	146.52	147.24	146.29	0.03	-1.17	-3.74
USD-CHF	0.8499	0.8511	0.8493	0.02	-0.44	-1.00
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2653.19	2663.01	2652.00	-0.21	-0.72	28.61
Silver	31.58	31.91	31.54	-0.80	-1.37	32.71
Crude Oil	70.93	71.17	70.71	1.18	4.82	0.40
Bitcoin	61126.51	61467.94	60430.98	0.36	-6.90	43.80
Etherium	2381.00	2403.18	2352.72	-0.19	-11.02	4.32
Period	1M	3M	6M	12M		
SOFR (\$)	4.86	4.60	4.28	3.82		
ESTR (€)	2.44	3.17	2.91	2.44		
SONIA (£)	4.96	4.81	4.64	4.28		
SARON (F)	0.94	0.85	0.73	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
The major averages ended Wednesday just above the flatline as rising tensions in the Middle East weighed on markets. ADP data released Wednesday showed better-than-expected private payroll growth in September. That comes ahead of Friday's closely followed nonfarm payroll report.

EUROPE
European stocks closed mixed on Wednesday as investors assessed the ongoing conflict in the Middle East and parsed fresh unemployment data in the euro zone. Unemployment across the euro zone held steady on the month at a record-low 6.4% in August, Eurostat data showed Wednesday.

ASIA
Mainland China markets were closed Wednesday for the Golden Week holiday and will remain closed for the rest of the week. However, Hong Kong's Hang Seng index traded more than 6% higher, signaling more optimism about Beijing's stimulus policies.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42196.52	0.09	3.08	11.96	42435.00	-0.09
S&P	5709.54	0.01	3.27	19.70	5747.50	-0.20
Nasdaq	17925.12	0.08	4.60	19.41	19940.00	-0.17
DJ EuroStoxx50	4963.29	0.18	1.03	9.77	4957.00	-0.36
FTSE 100	8290.86	0.17	-0.09	7.21	8341.50	0.14
CAC 40	7577.59	0.05	0.03	0.46	7625.00	0.02
DAX	19164.75	-0.25	2.23	14.41	19198.00	-0.82
IBEX 35	11609.80	-0.55	2.93	14.92	11598.40	-0.50
FTSE MIB	33675.26	-0.28	-0.56	10.95	33580.00	-0.31
Nikkei	37808.76	2.18	-0.14	15.44	38640.00	-0.28
Hang Seng	22443.73	-1.71	24.97	29.40	22134.00	4.00
DFM General	4440.27	-0.83	1.61	9.37	N/A	N/A
MSCI Tadawoul	12044.07	-1.71	-1.12	0.64	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.45	94.50	90.00	0.75	5.71	6.00
Solidere B	93.75	95.00	90.00	4.17	7.14	4.22

MUST READ (Source: Bloomberg/ Forexlive)

Tesla stock drops 3% after Q3 deliveries fall short of estimates
Tesla announced third quarter deliveries on Wednesday that slightly missed expectations, sending the stock down about 3%. The EV maker delivered 462,890 vehicles in the three months ending Sept. 30, up 6.4% quarter over quarter to mark the first quarter of delivery growth this year. The numbers also came in ahead of the 435,059 EVs the company delivered in the year-ago period. Wall Street had expected Tesla to deliver closer to 463,897, according to Bloomberg. The Model 3 and Model Y represented the bulk of Tesla's overall total, with those two vehicles combining for 439,975 deliveries. Prior to the delivery numbers' release, Tesla stock had been up around 20% in the past month, fueled by optimism about its upcoming robotaxi event on Oct. 10 and good news coming out of China indicating rising sales there. But investors have also debated a "notably lower" annual vehicle growth rate, which Tesla warned about after the first quarter. The company is currently dealing with stiff competition in China from Chinese automakers like BYD and Xpeng. Recent price cuts have also squeezed profit margins as competition intensifies. Analysts have said next week's robotaxi event will serve as a pivotal moment for the company's future and its plans to further utilize artificial intelligence. "We believe Robotaxi Day will be seminal and historical day for Musk and Tesla and marks a new chapter of growth around autonomous, FSD, and AI future at Tesla," Wedbush analyst Dan Ives wrote in a note to clients on Tuesday. Tesla will report third quarter earnings on Oct. 23.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Constellation brar	STZ US	\$ 46.59B	03-Oct-24	Pre-mkt	4.07	3.70
Apogee Enterpris	APOG US	\$ 1.52B	04-Oct-24	Pre-mkt	1.23	1.36
Duckhorn Portfoli	NAPA US	\$ 810.3M	07-Oct-24	Aft-mkt	0.10	0.14
Pepsico Inc	PEP US	\$ 232.89B	08-Oct-24	Pre-mkt	2.30	2.25
Helen of Troy LTD	HELE US	\$ 1.39B	09-Oct-24	Pre-mkt	1.07	1.74

ECONOMIC CALENDAR

(03-10-24) DE - HCOB Germany Services PMI
(03-10-24) EA - HCOB Eurozone Services PMI
(03-10-24) EA - PPI MoM / YoY
(03-10-24) US - S&P Global US Services PMI / Composite PMI
(03-10-24) US - Durable Goods Orders
(04-10-24) US - Change in Nonfarm Payrolls
(04-10-24) US - Unemployment Rate

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

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.