

Daily Market Brief

November 03 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD accelerated to the upside and climbed to 1.0667, reaching a fresh daily high. This upward movement gained momentum after the release of US data and the positive Wall Street opening. The US Dollar continues to be weighed down by an improvement in risk sentiment and a decline in Treasury yields.

GBPUSD

The GBP/USD pair ticks lower during the Asian session on Friday and erodes a part of the previous day's positive move to the 1.2225 region, or a one-and-half-week high. Traders now look forward to the release of the US monthly employment details for some meaningful impetus.

USDJPY

The USD/JPY pair struggles to build on the overnight modest bounce from the 149.85-149.80 region and oscillates in a narrow trading band during the Asian session on Friday. Market participants opt to remain on the sidelines and wait for the release of the closely-watched US monthly employment details, or the NFP report. The downside for the USD/JPY, however, seems limited in the wake of a dovish stance adopted by the Bank of Japan (BoJ).

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0631	1.0634	1.0615	0.08	0.62	-0.69
GBP-USD	1.2208	1.2209	1.2185	0.04	0.71	1.03
USD-JPY	150.27	150.55	150.24	-0.12	-0.41	-12.74
USD-CHF	0.9052	0.9066	0.9050	-0.09	-0.32	2.13
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1989.10	1989.12	1983.31	0.17	-0.86	9.05
Silver	22.70	22.78	22.64	-0.29	-1.82	-5.24
Crude Oil	82.84	82.90	82.36	0.46	-3.16	7.15
Bitcoin	34502.64	34978.00	34342.54	-1.19	-0.26	108.61
Etherium	1801.00	1805.49	1777.93	-0.21	0.17	50.16
Period	1 M	3 M	12 M			
USD LIBOR *	5.44	5.65	6.04			
EURIBOR	3.89	3.95	4.04			
SOFR	5.33	5.39	5.36			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.99	4.66	4.81			
BTP - BUND	0.74	1.91	2.12			
GILTS	4.74	4.38	4.87			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks roared higher on Thursday as traders shook off the market's recent struggles on hopes the Federal Reserve is done raising interest rates. The Dow Jones Industrial Average soared more than 560 points, or 1.7%. WTI crude snaps a three-day losing streak and gains 2.5% to \$82.46 a barrel as markets digest an apparent softening of the U.S. Fed's rhetoric. Apple Inc increases 2.07% after beating expectations. The next big test for markets is Jobs Friday.

EUROPE

European markets closed higher Thursday as investors reacted positively to the U.S. Federal Reserve's decision to hold interest rates steady. Stocks maintained gains after the Bank of England announced at midday it would hold interest rates steady. The decision was widely expected after the Fed and European Central Bank also paused hikes.

ASIA

Asia-Pacific markets rose at the end of the week, with investors accessing a fresh round of data for more clues on the health of business activity through the region. China, a services industry survey showed a slight improvement in October.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33839.08	1.70	2.54	2.09	33958.00	0.13
S&P	4317.78	1.89	2.09	12.46	4332.75	-0.07
Nasdaq	13294.19	1.78	1.80	27.02	14959.00	-0.26
DJ EuroStoxx50	4169.62	1.90	1.81	9.91	4197.00	0.36
FTSE 100	7446.53	1.42	-0.32	-0.07	7486.00	0.38
CAC 40	7060.69	1.85	0.91	9.07	7098.00	N/A
DAX	15143.60	1.48	0.39	8.76	15264.00	0.33
IBEX 35	9260.40	2.04	1.04	12.53	9306.00	N/A
FTSE MIB	28479.39	1.77	3.63	20.13	28480.00	N/A
Nikkei	31949.89	1.10	2.28	22.44	32330.00	0.00
Hang Seng	17230.59	2.62	2.02	-10.61	17696.00	2.34
DFM General	3913.42	0.42	-6.47	17.80	N/A	N/A
MSCI Tadawoul	10853.36	0.36	-0.90	3.58	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	68.00	#N/A N/A	#N/A N/A	0.00	-1.45	11.66
Solidere B	69.25	#N/A N/A	#N/A N/A	0.00	0.36	14.75

MUST READ

(Source: Bloomberg/ Forexlive)

Government Shutdown Risk Looms Again This November

As in September 2023, another government shutdown deadline approaches on November 17. It's likely, though not certain, that a continuing resolution, or other budgetary measures will be passed to avoid a shutdown. However, a broader budget debate may drag on over the coming weeks and possibly into 2024 when automatic budget cuts could take effect. This ongoing topic could weigh on both stock and bond markets. The chance of a November government shutdown is about 30% currently, according to event trading site Kalshi. The probability has risen slightly with the appointment of new House Speaker Mike Johnson (R-La.). However, if a shutdown were to occur, its estimated duration is just four days. The considerable disruption that a shutdown entails would perhaps be relatively brief. The market impact is likely multifaceted. On the one hand, continued delay to a complete budgetary process is likely to stoke some investor uncertainty. That's because the prospects of a later government shutdown or mandatory budget cuts remain, even if November's deadline passes without incident. In addition, bond markets will react to the overall U.S. fiscal position after a run of government deficits in recent years. What some people perceive as too much debt is a concern for bond markets.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Kellanova	K US	\$17.71 B	08-Nov-23	Pre-mkt	0.91	1.01
WK Kellogg Co	KLG US	\$853 M	08-Nov-23	Pre-mkt	0.27	N/A
Ralph Lauren Corp	RL US	\$7.34 B	08-Nov-23	Pre-mkt	1.96	2.23
Under armour	UAA US	\$3.02 B	08-Nov-23	Pre-mkt	0.21	0.20
Walt Disney	DIS US	\$152.40 B	08-Nov-23	Aft-mkt	0.69	0.30

ECONOMIC CALENDAR

(03-11-23) FR - Industrial Production MoM / YoY
(03-11-23) EA - Unemployment Rate
(03-11-23) CA - Net change in Employment / Unemployment Rate
(03-11-23) US - Change in Nonfarm Payrolls/ Unemployment Rate
(06-11-23) DE - Factory Orders MoM
(06-11-23) FR - HCOB France Composite PMI
(07-11-23) DE - Industrial Production SA MoM

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