# Daily Market Brief

December 3rd 2024

BANQUE BEMO

## FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

**EUR/USD**
The EUR/USD pair weakens to around 1.0490 due to political uncertainty in France, where a budget standoff and potential government collapse raise concerns about the Eurozone's second-largest economy. Meanwhile, strong US economic data, including improved manufacturing activity, supports the US Dollar, as traders await the upcoming Nonfarm Payrolls report for clues on the Federal Reserve's rate decisions.

**GBP/USD**
The GBP/USD pair remains under pressure but lacks significant selling momentum, trading just below the mid-1.2600s, influenced by weakening UK consumer confidence and a slight uptick in the US dollar. The US dollar benefits from concerns about global trade wars and inflation, while traders await key US economic data and speeches for further guidance on interest rates, limiting GBP/USD downside risks.

**USD/JPY**
The USD/JPY pair extends gains above the 150.00 mark due to a weaker Japanese Yen and modest US Dollar strength, though speculation about a potential Bank of Japan rate hike in December may limit further JPY losses. USD bulls are cautious ahead of key US economic data and Federal Reserve signals, which could cap further upside for the pair.

| Fx rates | Last | High | Low | % Daily | % Weekly | % YTD |
|---|---|---|---|---|---|---|
| EUR-USD | 1.0487 | 1.0502 | 1.0481 | -0.10 | -0.02 | -5.00 |
| GBP-USD | 1.2652 | 1.2662 | 1.2639 | -0.02 | 0.66 | -0.62 |
| USD-JPY | 149.99 | 150.24 | 149.50 | 0.26 | 2.06 | -5.97 |
| USD-CHF | 0.8878 | 0.8889 | 0.8862 | 0.15 | -0.15 | -5.23 |
| **Commodities** | **Last** | **High** | **Low** | **% Daily** | **% Weekly** | **% YTD** |
| Gold | 2646.75 | 2650.11 | 2634.20 | 0.29 | 0.52 | 28.30 |
| Silver | 30.91 | 30.94 | 30.46 | 1.30 | 1.54 | 29.89 |
| Crude Oil | 68.37 | 68.39 | 67.91 | 0.40 | -0.83 | -2.24 |
| Bitcoin | 95551.98 | 96305.89 | 95145.51 | 0.14 | 0.44 | 124.79 |
| Etherium | 3628.92 | 3671.67 | 3600.75 | 0.33 | 1.57 | 59.00 |

| Period | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| SOFR ($) | 4.52 | 4.46 | 4.38 | 4.23 |
| ESTR (€) | 2.06 | 2.82 | 2.47 | 2.06 |
| SONIA (£) | 4.70 | 4.66 | 4.55 | 4.38 |
| SARON (F) | 0.63 | 0.56 | 0.40 | 0.21 |
| TONAR (¥) | 0.22 | 0.22 | 0.18 | 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 S&P 500 and the Nasdaq Composite rose to new records to begin December trading as the indexes added to November's hefty gains. Super Micro Computer surged nearly 29% after a special committee found "no evidence of misconduct" and that the firm's financial statements were "materially accurate." Economic data released indicated that the U.S. manufacturing sector improved in November, although it still remained in contraction.

**EUROPE**
European markets broadly closed higher Monday, as investors assessed the global economic and interest rate outlook heading into the final trading month of the year. Data releases showed a deterioration in manufacturing sector activity in both the euro zone and the U.K., while the unemployment rate in the European Union remained steady in October.

**ASIA**
Asia-Pacific markets rose Tuesday, tracking gains on Wall Street after the S&P 500 and the Nasdaq Composite rose to new records overnight.

| Index | Close | % Daily | % M | YTD | Futures | % Change |
|---|---|---|---|---|---|---|
| DJIA | 44782.00 | -0.29 | 6.49 | 18.82 | 44876.00 | -0.40 |
| S&P | 6047.15 | 0.24 | 5.56 | 26.78 | 6062.25 | 0.18 |
| Nasdaq | 19403.95 | 0.97 | 6.38 | 29.26 | 21222.25 | 1.08 |
| DJ EuroStoxx50 | 4846.73 | 0.88 | -0.64 | 7.19 | 4867.00 | 1.06 |
| FTSE 100 | 8312.89 | 0.31 | 1.66 | 7.50 | 8335.50 | 0.32 |
| CAC 40 | 7236.89 | 0.00 | -2.32 | -4.06 | 7235.50 | -0.10 |
| DAX | 19933.62 | 1.57 | 3.52 | 19.00 | 19959.00 | 1.47 |
| IBEX 35 | 11735.30 | 0.81 | -0.91 | 16.17 | 11726.30 | 0.55 |
| FTSE MIB | 33483.17 | 0.21 | -3.44 | 10.32 | 33545.00 | 0.19 |
| Nikkei | 39248.86 | 1.91 | 3.14 | 17.29 | 39150.00 | 2.57 |
| Hang Seng | 19550.29 | 0.66 | -4.04 | 15.44 | 19722.00 | 1.13 |
| DFM General | 4847.34 | 0.50 | 5.72 | 19.40 | N/A | N/A |
| MSCI Tadawoul | 11739.35 | -0.02 | -2.56 | -1.61 | N/A | N/A |

| Leb. Mrkts | Closing Px | High | Low | % Daily | % Weekly | YTD |
|---|---|---|---|---|---|---|
| Solidere A | 92.05 | 99.00 | 92.00 | -1.39 | 3.49 | 3.31 |
| Solidere B | 98.00 | 98.00 | 98.00 | 4.14 | 8.89 | 8.95 |

## MUST READ *(Source: Bloomberg/ Forexlive)*

### Super Micro Computer's price surges after key review

Super Micro Computer (SMCI) saw its stock surge 28% after an independent review of its business found no evidence of fraud or misconduct. The server maker, which partners with Nvidia for AI chip servers, also announced plans to search for a new CFO based on the special committee's recommendations. The review, lasting over three months, involved 68 interviews with employees, management, and other stakeholders, and concluded that there were no significant concerns regarding the integrity of senior management or the company's financial statements. This comes after short-seller Hindenburg Research accused Super Micro of accounting manipulation in August, prompting delays in its annual report and the resignation of its auditor, Ernst & Young (EY). The company disagrees with EY's conclusions, citing a lack of supporting evidence. In response, Super Micro hired new auditor BDO and submitted a compliance plan to the SEC to avoid delisting from the Nasdaq. Despite the stock's recovery, analysts at JPMorgan maintain an "Underweight" rating, citing concerns about the new auditors' acceptance of the review's findings and the company's compliance status with Nasdaq listing requirements.

## MAIN WEEKLY EARNINGS

| Company | Ticker | Market Cap | Date | Time | Estimate | Year Ago |
|---|---|---|---|---|---|---|
| Marvell Technolo | MRVL US | $ 83.9B | 03-Dec-24 | Aft-mkt | 0.41 | 0.41 |
| Salesforce Inc | CRM US | $ 316.45B | 03-Dec-24 | Aft-mkt | 2.44 | 2.11 |
| Okta Inc | OKTA US | $ 13.73B | 03-Dec-24 | Aft-mkt | 0.59 | 0.44 |
| Synopsys Inc | SNPS US | $ 86.93B | 04-Dec-24 | Aft-mkt | 3.30 | 3.17 |
| Lululemon Athleti | LULU US | $ 42.77B | 05-Dec-24 | Aft-mkt | 2.71 | 2.53 |

## ECONOMIC CALENDAR

**(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
**(04-12-24) US** - ISM Services Index
**(04-12-24) US** - Durable Goods Orders
**(05-12-24) FR** - Industrial Production MoM / YoY


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