

Daily Market Brief

January 4th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD remains on the defensive during the early Asian session on Thursday. The backdrop of the stronger Greenback and higher US Treasury bond yields exert some selling pressure on the major pair. On Wednesday, the German Unemployment Rate remained steady at 5.9%, as estimated. The Unemployment Change showed that the number of unemployed people increased by 5K against the market consensus of 20K and in the previous reading of 21K. The (HICP) for December is projected to rebound to 3.0% from 2.4%.

GBPUSD

The GBP/USD pair posts modest losses during the early Asian session on Thursday. On Wednesday, the US ISM Manufacturing PMI arrived at 47.4 versus 46.7 prior, better than the expectation of 47.1. Additionally, the labour market gauge of JOLTs Job Openings came in weaker than the estimation of 8.79M in November.

USDJPY

The (JPY) turns lower for the third successive day on Thursday and drops to a fresh two-week low against the (USD) heading into the European session. Data released earlier today showed that factory activity in Japan contracted at the steepest pace in 10 months during December. This comes on the back of a devastating 7.6 magnitude earthquake on New Year's Day and turns out to be a key undermining the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0923	1.0935	1.0916	0.01	-1.25	-1.05
GBP-USD	1.2671	1.2676	1.2657	0.05	-0.49	-0.47
USD-JPY	143.66	143.88	142.86	0.26	-1.57	-1.82
USD-CHF	0.8494	0.8516	0.8483	0.04	-0.54	-0.94
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2046.07	2048.68	2040.19	0.22	-0.95	-0.82
Silver	23.01	23.03	22.92	0.08	-4.03	-3.31
Crude Oil	73.41	73.47	72.90	0.98	-0.94	2.46
Bitcoin	43239.14	43301.36	42619.21	0.70	2.21	1.72
Etherium	2245.82	2246.53	2198.09	0.84	-2.41	-1.60
Period	1 M	3 M	12 M			
EURIBOR	3.86	3.91	3.53			
SOFR	5.35	5.33	4.80			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.31	3.92	4.08			
BTP - BUND	0.60	1.68	2.11			
GILTS	4.10	3.64	4.29			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. chip stocks added to a string of losses on Wednesday, with Wall Street's main semiconductor benchmark tumbling from record highs following its strongest year since 2009, when the sector bounced back after the financial crisis. Drops of over 2% in AMD, Qualcomm and Broadcom weighed most on the PHLX semiconductor index, which was down 2.1%.

EUROPE

Europe's benchmark stock index dropped to a three-week low in a broad-based sell-off on Wednesday, testing 2023's rally spurred by hopes of major central banks pivoting to easier monetary policy this year. German unemployment slightly rises in Dec.

ASIA

Asian shares fell on Thursday and the dollar was near a three-week high as traders dialled back bets of steep and early rate cuts this year, with the min of the Fed last meeting providing few clues on when U.S. cuts might start.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37430.19	-0.76	3.39	-0.69	37738.00	0.09
S&P	4704.81	-0.80	2.95	-1.36	4752.75	0.10
Nasdaq	14592.21	-1.18	2.87	-2.79	16564.50	0.10
DJ EuroStoxx50	4448.13	-1.43	0.75	-1.63	4477.00	0.00
FTSE 100	7682.33	-0.51	2.25	-0.66	7699.00	0.12
CAC 40	7411.86	-1.58	1.08	-1.74	7424.50	N/A
DAX	16538.39	-1.38	0.81	-1.27	16681.00	-0.01
IBEX 35	10053.40	-1.26	-1.23	-0.48	10035.20	N/A
FTSE MIB	30100.84	-1.39	0.62	-0.83	30234.00	N/A
Nikkei	33288.29	-0.53	-0.43	-0.53	33230.00	-0.66
Hang Seng	16646.41	-0.38	-0.38	-2.72	16703.00	-0.30
DFM General	4077.58	0.23	2.49	0.67	N/A	N/A
MSCI Tadawoul	11928.89	-1.60	6.59	-0.32	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	85.10	89.00	84.10	-4.38	-1.16	-4.49
Solidere B	88.55	90.00	86.00	1.90	2.55	-1.56

MUST READ

(Source: Bloomberg/ Forexlive)

Congress massively outperforms stock market

The US Congress once again outperformed the stock market in 2023. In a rare display of bipartisanship, members from both sides of the political aisle had bumper years. It is the third year running that Congress has now beat the market. The biggest standout was Democratic New York Representative Brian Higgins, who saw the highest returns out of both houses, beating the market by 214% and seeing approximately double the return rate of the runner up. Higgins has a background in finance and large holdings in Nvidia, a stock in which Pelosi's husband has also controversially invested. The portfolios of Democratic members of Congress outperformed the market by about 10% on average in 2023, while Republicans were about six points below the market. Republicans invested more in financials and oil, which had a lean year, while Democrats preferred tech investments. Some representatives who have previously expressed support for restrictions on Congressional stock continued to benefit from the practice in 2023. For ex, Democratic Rep. Ro Khanna has publicly supported a stock trade ban for members of Congress, but his family disclosed more than 1,500 separate stock market transactions in 2023 worth well over \$10 M. Several top beneficiaries of the stock trade within Congress have defended the practice in recent years as participation in the free market, including Pelosi and Dan Crenshaw.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
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
Lamb Weston Hol	LW US	\$15.6 B	04-Jan-23	Pre-mkt	1.40	1.28
Constellation Brar	STZ US	\$44.4 B	05-Jan-23	Pre-mkt	3.04	2.83

ECONOMIC CALENDAR

(04-01-23) DE- HCOB Composite, Services PMI DEC
(04-01-23) EA- HCOB Composite PMI DEC
(04-01-23) DE- Harmonized Index of Consumer Prices DEC preliminar
(04-01-23) DE- Consumer Price Index DEC preliminar
(04-01-23) US- ADP Employment Change DEC
(04-01-23) US- S&P Global Composite PMI DEC
(05-01-23) CA- Unemployment Rate DEC

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