

Daily Market Brief

June 4th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD jumps to 1.0870 in Monday's New York session. The major currency pair strengthened after the US ISM reported that the Manufacturing PMI surprisingly dropped to 48.7 from the estimates of 49.8 and the former release of 49.2. A figure below the 50.0 threshold is itself considered a contraction in the sector. The ECB is widely anticipated to announce interest rate cuts on Thursday. The US NFP will provide fresh cues about Fed rate-cut timing on Friday.

GBP/USD

The GBP/USD pair climbs to its highest level since March 14 during the Asian session on Tuesday, albeit struggles to capitalize on the move and is currently placed just above the 1.2800 mark. The near-term bias, meanwhile, seems tilted in favor of bullish traders in the wake of the prevalent selling bias surrounding the USD. Fed rate cut bets keep the USD bulls on the defensive and lend some support to the major. The technical setup validates the positive outlook and supports prospects for further gains.

USD/JPY

The USD/JPY retreated more than 0.70% on Monday following softer-than-expected business activity data in the US. That, along with last Friday's inflation report, the Fed's Core PCE, reignited speculation that the US central bank could slash rates toward the end of the year. The pair trades at 156.14.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0904	1.0916	1.0901	0.00	0.43	-1.22
GBP-USD	1.2803	1.2817	1.2802	-0.04	0.32	0.57
USD-JPY	156.16	156.49	155.99	0.05	0.65	-9.68
USD-CHF	0.8955	0.8961	0.8947	-0.02	1.90	-6.04
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2348.80	2352.87	2343.30	-0.08	-0.53	13.85
Silver	30.57	30.89	30.51	-0.54	-4.78	28.47
Crude Oil	73.39	74.13	73.26	-1.12	-8.07	1.97
Bitcoin	69009.18	69342.51	68669.63	-0.13	0.79	62.34
Etherium	3763.60	3784.04	3733.41	-0.19	0.69	64.90
Period	1 M	3 M	12 M			
EURIBOR	3.72	3.79	3.71			
SOFR	5.33	5.34	5.18			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.82	4.41	4.55			
BTP - BUND	0.48	1.30	1.69			
GILTS	4.36	4.22	4.67			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Cyclical stocks whose fortunes are closely tied to economic growth slid, with the energy, industrials and materials sectors closing in the red. Earlier, the U.S. manufacturing sector showed signs of slowing, with the ISM manufacturing index measuring 48.7 in May, sending Treasury yields and the dollar lower. A reading below 50 is an indication of a contraction. On Monday, Nvidia rose nearly 5% after announcing a new suite of artificial intelligence chips.

EUROPE

European stocks gained on Monday, rebounding from a second straight weekly decline, as investor attention turned to a pivotal ECB meeting this week. Most industry sub-groups were in the green, with the construction, technology and telecom sectors outperforming, while health declined.

ASIA

Asian shares retreated on Tuesday after a report showed that U.S. manufacturing contracted in May, in the latest sign the economy is slowing. Oil prices fell and U.S. futures edged higher.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38571.03	-0.30	-0.27	2.34	38649.00	-0.02
S&P	5283.40	0.11	3.03	10.77	5297.25	0.00
Nasdaq	16828.67	0.56	4.16	12.11	18643.25	-0.01
DJ EuroStoxx50	5003.54	0.40	1.67	10.66	5005.00	-0.14
FTSE 100	8262.75	-0.15	0.60	6.85	8256.50	-0.20
CAC 40	7998.02	0.06	0.51	6.03	7998.50	0.00
DAX	18608.16	0.60	3.37	11.08	18603.00	-0.27
IBEX 35	11397.20	0.66	5.00	12.82	11420.20	0.00
FTSE MIB	34670.06	0.52	3.10	14.23	34751.00	0.00
Nikkei	38923.03	-0.28	1.52	15.99	38810.00	-0.33
Hang Seng	18403.04	0.40	0.01	8.39	18370.00	0.14
DFM General	3993.03	0.38	-3.61	-1.64	N/A	N/A
MSCI Tadawoul	11808.25	1.58	-4.40	-1.33	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.70	70.00	69.50	-0.50	-0.43	-21.77
Solidere B	69.70	69.70	69.70	0.00	2.50	-22.51

MUST READ

(Source: Bloomberg/ Forexlive)

NYSE reports bizarre glitch

The New York Stock Exchange said Monday that a technical issue that halted trading for some major stocks and caused Berkshire Hathaway to be down 99.97% has been resolved. In an update, NYSE said impacted stocks have reopened and "all systems are currently operational." Intercontinental Exchange, the parent company of NYSE, has found no indication the glitch was caused by a cyberattack, a senior executive at a major bank in touch with ICE told CNN. Dozens of stocks were paused earlier in the day, an indication they traded outside those so-called limit up-limit down bands, according to NYSE's website. That list includes Chipotle and Berkshire Hathaway, the holding company run by legendary investor Warren Buffett. Barrick Gold was displayed as trading at just 25 cents — down 98.5% on the day, according to Refinitiv. By midday, Barrick was back to normal, trading at \$17.28 — up 1.1% on the day.

GameStop shares gain

Shares of GameStop climbed 21% on Monday as the renewed frenzy around meme stocks shows little sign of abating. The video game retailer's stock soared hours after a Reddit post by stocks influencer Keith Gill — also known as "Roaring Kitty" — revealed that he had bought nearly \$116 million worth of the stock. GameStop's stock surged as much as 75% earlier in the day before parings its gains.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Bath & Body Worl	BBWI US	\$ 11.59B	04-Jun-24	Pre-mkt	0.33	0.33
Core & Main Inc	CNM US	\$ 11.29B	04-Jun-24	Pre-mkt	0.52	0.50
Ferguson PLC	FERG US	\$ 40.95B	04-Jun-24	Pre-mkt	2.30	2.20
CrowdStrike	CRWD US	\$ 75.07B	04-Jun-24	Aft-mkt	0.90	0.57
Hewlett Packard E	HPE US	\$ 23.34B	04-Jun-24	Aft-mkt	0.39	0.52

ECONOMIC CALENDAR

(04-06-24) US - JOLTS Job Openings
(04-06-24) US - Durable Goods Orders
(05-06-24) FR - Industrial Production YoY / MoM
(05-06-24) US - ADP Employment Change
(05-06-24) CA - Bank of Canada Rate Decision
(05-06-24) US - S&P Global US Services PMI
(06-06-24) DE - Factory Orders MoM

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