

Daily Market Brief

July 4th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD jumps higher above the round-level resistance of 1.0800 in Wednesday's American session after a strong recovery from the key support of 1.0700 on Tuesday. The major currency pair extends its recovery as sticky preliminary Eurozone service inflation for June deepens fears of price pressures remaining elevated for a longer period. The US Dollar declines as US private labor demand slows and the Services PMI contracts in June.

GBP/USD

GBP/USD extended a near-term rebound on Wednesday, bolstered by a broad softening in US economic figures in the midweek market session. Thursday's upcoming UK election will draw plenty of attention from Cable traders as US markets hunker down for the wait through Thursday's market holiday. US data broadly missed the mark, signs of further softening mount.

USD/JPY

The USD/JPY pair finished Wednesday's session with minuscule gains of 0.14% after dipping to a daily low of 160.77, sponsored by traders increasing bets that the Federal Reserve might cut rates in 2024, following dismal data revealed during the day. The uptrend remains intact in the USD/JPY pair amid increasing risks that Japanese authorities or the Bank of Japan could intervene in the FX markets.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0786	1.0795	1.0784	0.00	0.77	-2.29
GBP-USD	1.2745	1.2759	1.2741	0.02	0.84	0.11
USD-JPY	161.42	161.69	161.14	-0.17	-0.41	-12.63
USD-CHF	0.9005	0.9018	0.9000	-0.11	-0.20	-6.56
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2355.34	2362.56	2355.05	-0.04	1.19	14.17
Silver	30.28	30.59	30.26	-0.74	4.50	27.23
Crude Oil	83.33	83.69	83.28	-0.66	1.95	16.24
Bitcoin	58819.25	60426.01	57949.51	-1.22	-3.50	38.37
Etherium	3217.04	3309.77	3160.58	-1.19	-4.79	40.95
Period	1 M		3 M		12 M	
EURIBOR	3.65		3.71		3.59	
SOFR	5.33		5.31		5.02	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.71		4.36		4.53	
BTP - BUND	0.56		1.40		1.78	
GILTS	4.17		4.17		4.67	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose to new highs in Wednesday's shortened trading session as investors appeared to shrug off sluggish economic data. ADP data showed less private payroll growth than expected in June, while weekly jobless claims numbers came in higher than economists forecast. The exchange will be shut on Thursday for Independence Day.

EUROPE

European stocks closed higher Wednesday, as sentiment remains on edge ahead of two major elections. Investors are bracing themselves for two national parliamentary elections, with the U.K. heading to the polls on Thursday followed by France on Sunday.

ASIA

Asian shares were mostly higher on Wednesday after Tesla shares zoomed up more than 10%, helping to drive U.S. benchmarks to new records. Asian investors were cheered by hopes for an interest rate cut in the U.S.

Index	Close	% Daily	% M	YTD	Futures	3D % Change
DJIA	39308.00	-0.06	1.54	4.29	39641.00	-0.12
S&P	5537.02	0.51	4.64	16.08	5590.50	0.39
Nasdaq	18188.30	0.88	7.90	21.16	20404.50	0.74
DJ EuroStoxx50	4965.80	1.21	0.25	9.83	5008.00	1.38
FTSE 100	8171.12	0.61	-0.74	5.66	8214.00	0.77
CAC 40	7632.08	1.24	-3.85	1.18	7680.00	1.69
DAX	18374.53	1.16	-0.17	9.69	18571.00	1.40
IBEX 35	11056.80	1.32	-2.03	9.45	11014.30	1.32
FTSE MIB	33844.95	1.09	-1.26	11.51	34048.00	1.10
Nikkei	40580.76	0.91	5.44	22.37	40960.00	2.12
Hang Seng	17978.57	0.13	-2.40	5.60	17968.00	1.63
DFM General	4079.21	0.39	2.34	0.48	N/A	N/A
MSCI Tadawoul	11595.20	-0.09	-0.14	-3.11	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.00	70.00	68.40	-0.22	-1.36	-22.56
Solidere B	67.00	67.00	67.00	-2.90	-3.25	-25.51

MUST READ

(Source: Bloomberg/ Forexlive)

The U.S. is worried about Microsoft's deal with a UAE-based AI firm

Microsoft's partnership with a United Arab Emirates-based artificial intelligence firm is reportedly at risk over U.S. national security concerns. In April, Microsoft invested \$1.5 billion in Abu Dhabi's Group 42 Holding (G42) to bring its AI technology to the UAE and wider region, and in May, the two companies announced a \$1 billion package of digital investments in Kenya, which included input from both the U.S. and Emirati governments. In April, Microsoft invested \$1.5 billion in Abu Dhabi's Group 42 Holding (G42) to bring its AI technology to the UAE and wider region, and in May, the two companies announced a \$1 billion package of digital investments in Kenya, which included input from both the U.S. and Emirati governments. Microsoft's investment in G42 was reportedly in exchange for the firm agreeing to stop working with Chinese companies. However, officials at the Pentagon are worried that G42 won't fully cut ties with China, Bloomberg reported, citing unnamed people familiar with the matter. In January, G42 came under scrutiny over concerns of the firm's connections to blacklisted Chinese firms, such as Huawei and Beijing Genomics Institute, China's military, and its intelligence services. U.S. officials are also reportedly worried about Microsoft's cybersecurity failures, which the company recently accepted responsibility for. U.S. officials are reportedly looking to restrict advanced chip exports to countries in the Middle East, and have slowed down issuing licenses to Nvidia, AMD, and other chipmakers for shipping large-scale AI accelerators to the region. U.S. officials are currently debating approving shipments of Nvidia's H100 chips to the Middle East, Bloomberg reported.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Greenbrier Comp:	GBX US	\$ 1.56B	08-Jul-24	Pre-mkt	1.14	0.63
Manchester Unite	MANU US	\$ 2.63B	10-Jul-24	Pre-mkt	-0.17	-0.07
AZZ Inc	AZZ US	\$ 2.28B	10-Jul-24	Aft-mkt	1.33	1.14
Pricesmart Inc	PSMT US	\$ 2.43M	10-Jul-24	Aft-mkt	1.01	0.96
WD-40 Co	WDFC US	\$ 2.89B	10-Jul-24	Aft-mkt	1.39	1.38

ECONOMIC CALENDAR

(04-07-24) DE - Factory Orders MoM
(05-07-24) DE - Industrial Production SA MoM
(05-07-24) FR - Industrial Production MoM
(05-07-24) CA - Net change in Employment
(05-07-24) CA - Unemployment Rate
(05-07-24) US - Change In Nonfarm Payrolls
(05-07-24) 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.