

Daily Market Brief

October 4th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair remains on the defensive above the mid 1.0400s. Market players await the Eurozone Producer Price Index (PPI) and Retail Sales for fresh impetus. Also, the European Central Bank (ECB) President Lagarde's speech on Wednesday will be in the spotlight. The annual Eurozone Retail Sales for August is expected to drop 1.2% from the previous reading of a 1% fall.

GBPUSD

GBP/USD pair extends its consolidative price move for the second successive day on Wednesday and remains well within the striking distance of the lowest level since March. The (USD) stands tall near a 10-month high in the wake of the (Fed) hawkish view and turns out to be a key factor acting as a headwind for the pair. Investors seem convinced that the US central bank will continue to tighten its monetary policy and keep interest rates higher for longer.

USDJPY

USD/JPY gains some positive traction during the Asian session on Wednesday and moves further away from its lowest level since September though lack bullish conviction in the wake of jawboning by Japanese authorities to defend the domestic currency.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0470	1.0476	1.0457	0.03	-0.31	-2.20
GBP-USD	1.2080	1.2084	1.2060	0.02	-0.45	-0.02
USD-JPY	149.20	149.32	148.98	0.12	0.29	-12.12
USD-CHF	0.9216	0.9226	0.9204	0.07	-0.03	0.31
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1822.18	1825.10	1819.69	-0.05	-2.82	-0.10
Silver	21.08	21.22	20.96	-0.46	-6.52	-12.02
Crude Oil	88.94	89.59	88.91	-0.33	-5.06	14.30
Bitcoin	27400.55	27500.22	27233.50	0.01	1.85	65.67
Etherium	1639.88	1660.07	1626.65	-1.03	-1.67	36.73
Period	1 M		3 M			12 M
USD LIBOR *	5.44		5.65			6.04
EURIBOR	3.86		3.95			4.20
SOFR	5.33		5.41			5.48
Notes/Bonds	2 Y		10 Y			30 Y
US	5.16		4.84			4.97
BTP - BUND	0.86		1.97			2.24
GILTS	4.99		4.60			5.05

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 index closed at its lowest level since June 1 on Tuesday as economic data underscored the view the Federal Reserve may need to keep interest rates high. US job openings unexpectedly rise in August. Amazon, Microsoft down as UK regulator push for probe.

EUROPE

European shares sank to fresh six-month lows on Tuesday, dragged lower by rate-sensitive utilities and miners as bets that U.S. interest rates will remain elevated for a prolonged period boosted Treasury yields and the dollar. Boohoo slides on sales warning.

ASIA

Japan's Nikkei share average touched a more than four-month low on Wednesday, tracking Wall Street declines overnight after U.S. Treasury yields surged to fresh 16-year peaks amid the outlook for higher Federal Reserve interest rates for longer.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33002.38	-1.29	-5.27	-0.44	33109.00	-0.28
S&P	4229.45	-1.37	-6.34	10.16	4248.50	-0.38
Nasdaq	13059.47	-1.87	-6.93	24.77	14648.25	-0.45
DJ EuroStoxx50	4095.59	-1.02	-4.31	7.96	4110.00	-0.19
FTSE 100	7470.16	-0.54	0.23	0.25	7503.50	-0.19
CAC 40	6997.05	-1.01	-3.88	8.08	7011.50	N/A
DAX	15085.21	-1.06	-4.67	8.34	15171.00	-0.29
IBEX 35	9165.50	-1.65	-2.66	11.38	9171.90	N/A
FTSE MIB	27482.21	-1.32	-4.07	15.92	27502.00	N/A
Nikkei	31237.94	-1.80	-6.87	17.56	30670.00	-1.73
Hang Seng	17331.22	-1.03	-8.97	-13.29	17182.00	-0.99
DFM General	4201.84	0.45	3.27	25.95	N/A	N/A
MSCI Tadawoul	10952.34	-0.49	-4.19	4.52	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	76.95	77.00	76.00	1.18	1.52	26.35
Solidere B	76.90	77.00	68.00	2.53	1.25	27.42

MUST READ

(Source: Bloomberg/ Forexlive)

Airbnb on the spot

Airbnb (ABNB) shares were down nearly 3% premarket Tuesday after KeyBanc downgraded the company to Sector Weight from Overweight, as reported in real time on InvestingPro. Other companies such as Norfolk Southern and Bread Financial have been subject to downgrades by Bank of America and Goldman Sachs respectively causing their share prices to tumble. Airbnb Inc. CEO Brian Chesky hasn't had an easy 2023. First there was the "Airbnbust" frenzy in March, in which hosts took up arms on Twitter (now X) about shrinking profit margins and a potential short-term rental bubble. Then competitor Vrbo beat Airbnb to a feature that customers have long requested with a loyalty program. And in September, New York City vastly tightened its rules on short-term rentals, nearly squeezing Airbnb out of a market that in the early days represented roughly 80% of its business. Airbnb closed at \$127.73 has dropped from its 52-week high \$154.95 (IB data) on 28 July 2023. CEO Brian Chesky who has established the firm back in 2008 has admitted that the company's foundations are weak relative the firm's growth and has vowed to fix what he describes as a "fundamentally broken" company. Efforts will be directed towards providing affordable and quality customer service to put "our house back in order" as quoted by the CEO. It is expected that Airbnb will be back on track by the next travel season (next summer) and providing a variety of new things.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
RPM International	RPM US	\$11.9 B	04-Oct-23	Pre-mkt	1.56	1.47
Acuity Brands, Inc	AYI US	\$5.2 B	04-Oct-23	Pre-mkt	3.29	3.72
Tilray Brands, Inc.	TLRY US	\$1.7 B	04-Sep-23	Pre-mkt	-0.05	-0.08
ConAgra Brands, I	CAG US	\$13.3 B	05-Oct-23	Pre-mkt	0.60	0.57
Levi Strauss & co.	LEVI U S	\$5.2 B	05-Oct-23	After-mkt	0.27	0.40

ECONOMIC CALENDAR

(04-10-23) JP- Jibun Bank Services PMI SEP
(04-10-23) DE- HCOB Composite, Services PMI SEP
(04-10-23) EA- HCOB Composite, Services PMI SEP; Producer Price Index AUG
(04-10-23) EA- Retail Sales AUG; ECB's De Guidos speech
(04-10-23) US- ADP Employment Change SEP; S&P Global Composite PMI SEP
(04-10-23) US- ISM Services PMI SEP; Factory Orders MoM AUG
(04-10-23) EA- ECB's President Lagarde speech

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