

Daily Market Brief

December 4th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair snaps its three-day losing streak during the early Asian trading hours on Monday. The rebound of the pair is baked by the weaker US Dollar (USD) and lower US Treasury bond yields amid speculation that the Federal Reserve (Fed) has reached its peak of the rate hike cycle and will ease policy soon. The dovish comments from Fed Chairman Jerome Powell on Friday dragged the Greenback lower.

GBP/USD

The GBP/USD pair holds below the 1.2700 mark during the Asian session on Monday. However, the downside of the pair seems limited as the speculation that the Federal Reserve (Fed) is done with its tightening cycle exerts pressure on the US Dollar (USD) and creates a tailwind for the GBP/USD pair.

USD/JPY

The Japanese Yen (JPY) rose to its highest level since September 11 against the US Dollar (USD) on Monday, albeit struggled to capitalize on its intraday strength. Bank of Japan (BoJ) policymakers last week downplayed speculations about an exit from the decade-long accommodative regime and end negative interest rates, which, in turn, is seen as a key factor undermining the JPY. Apart from this, the emergence of some USD buying, bolstered by an uptick in the US Treasury bond yields, assists the USD/JPY pair to rebound over 65 pips from the daily trough.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0869	1.0895	1.0867	-0.14	-0.78	1.53
GBP-USD	1.2676	1.2725	1.2667	-0.27	0.39	4.91
USD-JPY	146.77	146.89	146.23	-0.03	1.31	-10.66
USD-CHF	0.8710	0.8712	0.8667	0.21	1.07	6.14
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2075.73	2135.39	2071.89	0.17	3.06	13.80
Silver	25.35	25.76	25.33	-0.55	2.82	5.80
Crude Oil	73.43	75.03	73.31	-0.86	-1.91	-4.38
Bitcoin	41495.97	41745.51	39702.32	4.45	9.96	150.89
Etherium	2255.22	2264.52	2182.00	3.27	11.15	88.03
Period	1 M	3 M	12 M			
USD LIBOR *	5.46	5.64	6.04			
EURIBOR	3.87	3.96	3.90			
SOFR	5.35	5.38	5.12			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.59	4.24	4.41			
BTP - BUND	0.57	1.74	2.06			
GILTS	4.54	4.14	4.67			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average and the S&P 500 hit new closing highs for 2023 on Friday, as stocks rose again to wrap a fifth straight week of gains for the three major U.S. indexes. The 10-year Treasury yield slid to 4.226%, after peaking around 5% in October. Stocks turned higher after an appearance by Federal Reserve Chair Jerome Powell. Though Powell didn't take rate hikes off the table, if needed, his comments overall included some dovish notes.

EUROPE

Major bourses ended on an upbeat note after flash data estimated euro zone inflation has now fallen to 2.4%, down from 2.9% in October and significantly lower than forecast. European Central Bank officials have repeatedly pushed back against investor expectations of rate cuts next year, insisting it is too soon to discuss when they might come.

ASIA

Asian shares traded mixed Monday as investors awaited a slew of U.S. economic data set for release later in the week. China Evergrande's Hong Kong traded shares were up 7% after a Hong Kong court postponed until Jan. 29 a hearing on its plan to restructure its massive debts.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	36245.50	0.82	6.41	9.35	36279.00	-0.07
S&P	4594.63	0.59	5.42	19.67	4592.50	-0.18
Nasdaq	14305.03	0.55	6.13	36.67	15970.25	-0.33
DJ EuroStoxx50	4418.51	0.82	5.84	16.47	4425.00	0.05
FTSE 100	7529.35	1.01	1.50	1.04	7533.50	-0.15
CAC 40	7346.15	0.48	4.24	13.48	7350.00	N/A
DAX	16397.52	1.12	7.95	17.77	16445.00	0.19
IBEX 35	10140.80	0.82	9.11	23.23	10129.50	N/A
FTSE MIB	29928.45	0.64	4.37	26.24	29963.00	N/A
Nikkei	33231.27	-0.60	4.01	27.35	33160.00	-0.78
Hang Seng	16830.30	-0.55	-5.24	-15.39	16799.00	-0.58
DFM General	3987.75	-0.12	1.47	19.53	N/A	N/A
MSCI Tadawoul	11219.02	0.37	3.37	7.07	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	68.00	68.00	66.15	1.42	-2.02	11.66
Solidere B	65.05	65.05	65.05	-3.70	-2.91	7.79

MUST READ

(Source: Bloomberg/ Forexlive)

Countries pledge to triple nuclear energy at Cop28

More than 20 countries, including the UAE and Morocco, have committed to tripling global nuclear energy capacity by 2050 at Cop28 in Dubai. The Declaration to Triple Nuclear Energy was endorsed by nations across four continents. The US Energy Department said the declaration is a crucial step towards achieving net-zero greenhouse gas emissions and maintaining the critical 1.5-degree temperature goal. It also underscores nuclear energy's role in carbon neutrality efforts as it offers a scalable source of clean, dispatchable baseload power essential for energy security. The participants also adhered to the highest safety, sustainability, security, and non-proliferation standards. The declaration covers managing nuclear fuel waste and promoting resilient supply chains. It also emphasises the need for high-level political engagement and innovative financing mechanisms to mobilise investments in nuclear power. This includes encouraging international financial institutions and regional development banks to have nuclear energy in their lending policies. The UAE's involvement is significant given its strategic investments in nuclear energy, positioning it as a key player in the global shift towards sustainable energy sources. The Barakah Nuclear Energy Plant, the Arab world's first nuclear energy plant in the UAE, exemplifies the country's commitment to diversifying its energy mix and reducing carbon emissions. Egypt has started constructing its nuclear power project at El-Dabaa, and Saudi Arabia is tendering a contract to build the kingdom's first large-scale nuclear power plant.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
AutoZone Inc	AZO US	\$46.58B	05-Dec-23	Pre-mkt	30.78	27.45
NIO Inc.	NIO US	\$11.93B	05-Dec-23	Pre-mkt	-0.46	-0.36
Chewy, Inc.	CHWY US	\$7.9B	06-Dec-23	Aft-mkt	-0.06	0.01
GameStop Corpor	GME US	\$4.67B	06-Dec-23	Aft-mkt	-0.12	-0.31
C3.ai, Inc	AI US	\$3.65B	06-Dec-23	Aft-mkt	-0.65	-0.63

ECONOMIC CALENDAR

(04-12-23) US - Factory Orders/ Durable Goods Orders
(05-12-23) JP - Tokyo CPI Ex Fresh Food YoY
(05-12-23) FR - Industrial Production MoM
(05-12-23) DE - HCOB Germany Services PMI
(05-12-23) US - S&P Global US Composite PMI
(06-12-23) DE - Factory Orders MoM
(06-12-23) US - MBA Mortgage Applications

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