

Daily Market Brief

January 5th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair trades with a positive bias for the second successive day on Friday. The flash inflation figures for the Eurozone are due for release and will be followed by the crucial US monthly employment details, popularly known as the (NFP) later during the early North American session. The crucial data will play a key role in influencing market expectations about the next policy moves by the ECB and (Fed), which, in turn, should determine the near-term trajectory for the pair.

GBPUSD

GBP/USD continues its winning streak for the third successive day, trading higher around 1.2690 during the Asian session. The Sterling gained ground possibly on the improved data released on Thursday from the (UK). However, the upbeat data from the (US) might have contributed to capping the advance of the pair.

USDJPY

The (JPY) declines to over a two-week low against the US Dollar (USD) on Friday. The crucial (NFP) report could offer cues about the timing of when the Federal Reserve (Fed) may begin cutting interest rates. This, in turn, will play a key role in influencing the USD price dynamics and provide a fresh directional impetus to the USD/JPY pair.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0929	1.0956	1.0925	-0.15	-1.00	-1.00
GBP-USD	1.2674	1.2697	1.2665	-0.06	-0.45	-0.45
USD-JPY	145.10	145.37	144.56	0.32	-2.80	-2.80
USD-CHF	0.8515	0.8521	0.8487	0.15	-1.19	-1.19
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2043.90	2048.33	2040.96	0.01	-0.92	-0.92
Silver	23.07	23.20	23.00	0.27	-3.04	-3.04
Crude Oil	72.61	72.86	72.21	0.58	1.17	1.34
Bitcoin	43861.81	44792.29	42563.56	-1.41	3.19	3.19
Etherium	2263.61	2289.62	2217.15	-0.54	-0.82	-0.82
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.93	3.55			
SOFR	5.34	5.33	4.82			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.39	4.01	4.16			
BTP - BUND	0.59	1.69	2.11			
GILTS	4.20	3.73	4.36			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and Nasdaq Composite closed lower on Thursday, extending their losing streak that kicked off 2024, although the Dow eked out a win on the back of financial stocks and strong jobs data. For the S&P, the worst start to a year since it began 2015 with a three-session skid, as tech-focused investors continued to take profits after a rally in the final weeks of last year.

EUROPE

European shares recouped some losses on Thursday after hitting three-week lows in the previous session, with banks and utilities leading the charge as investors assessed the latest economic data across the continent. Adidas, Puma slip after JD Sports warns on profit.

ASIA

Most Asian stocks moved little on Friday as they steadied after a weak start to the new year, although anticipation of key U.S. payrolls data and persistent concerns over China kept investors on edge.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37440.34	0.03	3.64	-0.66	37697.00	-0.07
S&P	4688.68	-0.34	2.66	-1.70	4726.25	-0.09
Nasdaq	14510.30	-0.56	1.97	-3.34	16417.75	-0.19
DJ EuroStoxx50	4474.01	0.58	0.48	-1.05	4474.00	-0.64
FTSE 100	7723.07	0.53	3.11	-0.13	7686.00	-0.59
CAC 40	7450.63	0.52	0.86	-1.23	7431.50	N/A
DAX	16617.29	0.48	0.51	-0.80	16663.00	-0.66
IBEX 35	10182.40	1.28	-0.55	0.79	10122.00	N/A
FTSE MIB	30403.96	1.01	1.07	0.17	30355.00	N/A
Nikkei	33377.42	0.27	1.84	-0.26	33320.00	0.27
Hang Seng	16645.98	-0.79	1.14	-3.13	16567.00	-0.68
DFM General	4087.35	-0.30	2.43	0.37	N/A	N/A
MSCI Tadawoul	12145.45	1.82	8.99	1.49	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.85	85.00	80.55	-2.64	-6.07	-7.01
Solidere B	80.10	80.20	80.10	-9.54	-11.74	-10.95

MUST READ

(Source: Bloomberg/ Forexlive)

Stocks are suffering from a New Year's 'hangover' for 3 reasons

It's early 2024 and stocks are already down. The Nasdaq Composite had its fourth-worst first day of a new year ever. The Russell 2000, a darling of the recent market rally, just had its third-worst two-day start to a year ever. The famed Santa Claus Rally, simply put, didn't arrive. "It's fair to say that financial markets have started 2024 with something of a mild hangover," Jonas Goltermann wrote in a note. Goltermann pointed out that after a roaring rally that saw stocks close 2023 near record highs, some version of a correction isn't abnormal. Other key areas that could be weighing on stocks: uneasiness around Fed policy and growing concerns about how unrest on the Red Sea could disrupt supply chains and, potentially, be an issue for inflation's path downward. Invesco chief global market strategist Kristina Hooper points out that while the market has excitedly priced in a Fed pivot to easing monetary policy, the central bank hasn't actually made that call. "We're going to naturally have jitters, as we wait for the true policy pivot," Hooper told. "To me, this is a pretty short-term blip. Fundstrat head of global research Tom Lee, known as one of the most bullish strategists on Wall Street flagged last Friday that a pullback early in the year wouldn't be a surprise. A key part of his reasoning was also that the Fed pivot hasn't fully occurred yet.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Constellation Brar	STZ US	\$44.4 B	05-Jan-23	Pre-mkt	3.04	2.83
Greenbrier Comp	GBX US	\$1.3 B	05-Jan-23	Pre-mkt	0.71	0.05
AngioDynamics	ANGO US	\$320 M	05-Jan-23	Pre-mkt	-0.09	0.01
Jefferies Financial	JEF US	\$8.4 B	08-Jan-23	after-mkt	0.26	0.57

ECONOMIC CALENDAR

(05-01-23) DE- Retail Sales NOV
(05-01-23) EA- Harmonized Index of Consumer Prices DEC preliminar
(05-01-23) EA- Producer Price Index NOV
(05-01-23) US- Average Hourly Earnings DEC
(05-01-23) US- Nonfarm Payrolls DEC
(05-01-23) US- ISM Services PMI DEC
(05-01-23) CA- Unemployment Rate DEC

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