

# Daily Market Brief

April 5th 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EUR/USD

EUR/USD rises to 1.0858, facing resistance at the 100-day MA, influenced by US data and Eurozone PMIs. Rising US jobless claims and trade deficit, alongside falling Treasury yields, weigh on the Dollar. Fed's cautious stance on rate cuts due to inflation, and stronger Eurozone services PMIs, support the Euro.

### GBP/USD

The GBP/USD pair trades with a mild negative around 1.2640 bias on Friday during the early Asian session. The modest rebound of the USD to 104.20 amid the cautious mood provides some support to the major pair. Investors will closely watch the highly-anticipated US Non-farm Payrolls on Friday, along with the Unemployment Rate and speeches by Fed members. The US weekly Initial Jobless Claims rose last week to the highest since January. Investors expect the BoE to cut the rates in June as UK inflation is slowing consistently.

### USD/JPY

USD/JPY exhibits sideways trading on Thursday, hovering around 151.70 during the European trading hours. The pair may encounter immediate resistance around the recent high of 151.95 marked on Wednesday. The lagging indicators suggest a confirmation of the bullish trend for the pair. The pair could test the support region around the major level of 151.50.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0827   | 1.0844   | 1.0823   | -0.09   | 0.34     | -1.92 |
| GBP-USD     | 1.2625   | 1.2649   | 1.2621   | -0.13   | 0.02     | -0.83 |
| USD-JPY     | 151.12   | 151.35   | 150.81   | -0.15   | 0.15     | -6.67 |
| USD-CHF     | 0.9021   | 0.9028   | 0.9009   | 0.08    | -0.08    | -6.73 |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 2282.68  | 2293.45  | 2267.87  | -0.36   | #N/A N/A | 10.65 |
| Silver      | 26.77    | 26.99    | 26.28    | -0.52   | #N/A N/A | 12.52 |
| Crude Oil   | 86.95    | 87.07    | 86.64    | 0.42    | 4.54     | 20.55 |
| Bitcoin     | 66896.51 | 68747.27 | 66431.37 | -1.55   | -5.57    | 57.37 |
| Etherium    | 3276.55  | 3337.12  | 3244.57  | -1.49   | -9.82    | 43.56 |
| Period      | 1 M      |          | 3 M      |         |          | 12 M  |
| EURIBOR     | 3.85     |          | 3.86     |         |          | 3.65  |
| SOFR        | 5.32     |          | 5.30     |         |          | 5.06  |
| Notes/Bonds | 2 Y      |          | 10 Y     |         |          | 30 Y  |
| US          | 4.64     |          | 4.31     |         |          | 4.47  |
| BTP - BUND  | 0.54     |          | 1.39     |         |          | 1.74  |
| GILTS       | 4.19     |          | 4.02     |         |          | 4.53  |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Stocks tumbled on Thursday in a bout of volatile trading ahead of the March jobs report. A spike in oil prices and fears the Federal Reserve could hold off on interest rate cuts also dented investors' sentiment. Crude oil jumped midday, which coincided with the rollover in stocks Thursday. WTI oil topped \$86 a barrel to reach its highest level since October, raising concerns about energy prices helping to reaccelerate inflation.

### EUROPE

European markets closed slightly higher Thursday as momentum rebuilds following a shaky start to the new trading quarter. Thursday is light on the earnings front, while the release of notes from the ECB's last monetary policy meeting is expected to shine some light on the path for interest rate cuts.

### ASIA

Japan's Nikkei 225 led declines in Asia-Pacific markets on Friday. Japan's household spending in February fell much less-than-expected, down 0.5% year on year in real terms, compared with Reuters' expectations of a 3% fall.

| Index          | Close    | % Daily | % M   | YTD   | Futures  | % Change |
|----------------|----------|---------|-------|-------|----------|----------|
| DJIA           | 38596.98 | -1.35   | 0.03  | 2.41  | 38973.00 | 0.14     |
| S&P            | 5147.21  | -1.23   | 1.35  | 7.91  | 5210.00  | 0.23     |
| Nasdaq         | 16049.08 | -1.40   | 0.69  | 6.91  | 18126.50 | 0.25     |
| DJ EuroStoxx50 | 5070.76  | 0.03    | 3.63  | 12.15 | 4962.00  | -1.27    |
| FTSE 100       | 7975.89  | 0.48    | 4.31  | 3.14  | 7896.50  | -1.20    |
| CAC 40         | 8151.55  | -0.02   | 2.76  | 8.07  | 8062.00  | -1.26    |
| DAX            | 18403.13 | 0.19    | 3.98  | 9.86  | 18430.00 | -1.19    |
| IBEX 35        | 11090.90 | 0.53    | 9.63  | 9.79  | 11070.80 | 0.00     |
| FTSE MIB       | 34454.58 | -0.08   | 3.95  | 13.52 | 33868.00 | 0.00     |
| Nikkei         | 39773.14 | -2.00   | -2.80 | 16.47 | 39010.00 | -2.08    |
| Hang Seng      | 16725.10 | 0.22    | 1.00  | -1.67 | 16806.00 | 0.34     |
| DFM General    | 4246.67  | 0.16    | 0.02  | 4.60  | N/A      | N/A      |
| MSCI Tadawoul  | 12705.42 | 0.66    | 1.89  | 6.17  | N/A      | N/A      |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD    |
|------------|------------|-------|-------|---------|----------|--------|
| Solidere A | 73.60      | 73.60 | 73.20 | -1.41   | -0.94    | -17.40 |
| Solidere B | 73.00      | 73.00 | 70.15 | -2.70   | -3.03    | -19.96 |

## MUST READ

(Source: Bloomberg/ Forexlive)

### Swelling US debt could tip US markets into crisis as soon as next year

Congress needs to act fast to slow the alarming pace of US debt growth. If it doesn't adjust its fiscal trajectory soon, 2025 could be the year when markets start to roil, Wharton professor Joao Gomes warned. "That's something that could definitely happen to us next year," Gomes told CNBC on Thursday. "We announce a fiscal path that markets just wake up to it and say 'it's unsustainable.'" Mounting US debt and an oversupply of Treasury bonds were among cited factors. Today, Washington's debt load now stands at \$34 trillion, an all-time high fueled by massive spending and rapidly rising debt-servicing costs. According to Bank of America estimates last month, the US is adding \$1 trillion to its debt every 100 days. In an era of higher interest rates, that's compounding a real risk that the US spirals into a default crisis within this century. Last year, a Penn Wharton Budget Model determined that the country has 20 years to address this issue, after which no amount of tax hikes or spending cuts will help. For that reason, Gomes expects 2017's tax cuts to be a significant point of contention next year, given that this program is set to expire next year, unless Congress elects to extend it. The reform was introduced under the Trump Administration, easing tax burdens on corporations. In large part, the fate of this program relies heavily on who takes over the White House in November; so far, neither candidate has outlined specific plans for to tackle the fiscal issue. But others have warned that a solution wouldn't only reside in taxes. Wall Street giants such as Jamie Dimon and Ken Griffin have also made warnings about a coming crisis.

## MAIN WEEKLY EARNINGS

| Company            | Ticker  | Market Cap | Date      | Time    | Estimate | Year Ago |
|--------------------|---------|------------|-----------|---------|----------|----------|
| Byrna Technolog    | BYRN US | \$ 312.9M  | 05-Apr-24 | Pre-mkt | -0.07    | -0.10    |
| Seachange Intern   | SEAC US | \$ 12.6M   | 05-Apr-24 | Pre-mkt | -0.55    | N/A      |
| Greenbrier Comp    | GBX US  | \$ 1.63B   | 05-Apr-24 | Pre-mkt | 0.86     | 0.97     |
| Silvergate Capital | SICP US | \$ 11.1M   | 05-Apr-24 | Pre-mkt | 0.19     | 0.48     |
| Seastar Medical H  | ICU US  | \$ 39.4M   | 12-Apr-24 | Pre-mkt | -0.13    | N/A      |

## ECONOMIC CALENDAR

(05-04-24) DE - Factory Orders MoM  
(05-04-24) FR - Industrial Production MoM  
(05-04-24) CA - Unemployment Rate  
(05-04-24) US - Change in Nonfarm Payrolls  
(05-04-24) US - Unemployment Rate  
(08-04-24) DE - Industrial Production SA MoM  
(10-04-24) JP - PPI YoY

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