

Daily Market Brief

July 5th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD has chalked in a sixth consecutive trading day in green as Friday's economic data docket looms large ahead. European Retail Sales and the latest round of US Nonfarm Payrolls jobs data could see a significant amount of chart churn. US markets will be returning to the fold after taking Thursday off for the US Independence Day holiday, and market activity is set to tick back up noticeably during Friday's US trading window.

GBP/USD

GBP/USD is fighting back into the high end as the Greenback broadly recedes on Thursday. Market volumes are drawn tight with US exchanges shuttered in observation of the US Independence Day holiday, and Cable traders found little reason to head for the hills after UK Parliamentary Election results came in broadly as-expected.

USD/JPY

The USD/JPY pair remains strong near 161.40 on Friday during the early Asian session. USD continues to strengthen to nearly fresh 38-year highs against the JPY amid the wide rate differential between Japan and the US. Later on Friday, traders will closely watch the US June employment data, including NFP, Unemployment Rate, and Average Hourly Earnings.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0822	1.0825	1.0809	0.09	1.02	-1.97
GBP-USD	1.2770	1.2773	1.2754	0.08	0.99	0.31
USD-JPY	160.68	161.40	160.54	-0.37	0.12	-12.22
USD-CHF	0.8984	0.9007	0.8983	-0.19	0.04	-6.34
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2364.33	2365.04	2354.32	0.32	1.62	14.61
Silver	30.63	30.63	30.35	0.77	5.11	28.73
Crude Oil	83.70	84.20	83.02	-0.21	2.40	16.75
Bitcoin	54645.88	58733.48	53602.01	-6.31	-11.73	28.55
Etherium	2893.35	3166.80	2811.73	-7.93	-15.30	26.77
Period	1 M	3 M	12 M			
EURIBOR	3.64	3.71	3.60			
SOFR	5.33	5.31	5.02			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.69	4.35	4.53			
BTP - BUND	0.56	1.39	1.79			
GILTS	4.19	4.20	4.68			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The exchange was shut on Thursday for Independence Day.

EUROPE

European shares rose on Thursday amid optimism around U.S. interest rate cuts following soft economic data, while London markets gained as voting began in the UK general election with polls predicting a historic victory for the Labour party. German industrial orders fell unexpectedly in May, while another report showed Swiss inflation fell last month, encouraging markets to shorten their odds that the central bank will cut interest rates again later this year.

ASIA

Asia-Pacific markets were largely lower on Friday, with Japan's Nikkei 225 paring gains after crossing the 41,000 mark and hitting fresh record highs. Japan's household spending for May unexpectedly dipped 1.8% in real terms compared to the same period last year. Economists polled by Reuters had estimated a 0.1% rise. Household spending data is a key metric for the Bank of Japan's to assess its goal of realizing a "virtuous cycle" of rising wages and prices.

Index	Close	% Daily	% M	YTD	Futures	3D % Change
DJIA	39308.00	-0.06	1.54	4.29	39701.00	0.16
S&P	5537.02	0.51	4.64	16.08	5596.00	0.10
Nasdaq	18188.30	0.88	7.90	21.16	20429.75	0.09
DJ EuroStoxx50	4987.48	0.44	-0.96	10.31	5033.00	0.50
FTSE 100	8241.26	0.86	-0.07	6.57	8289.00	1.04
CAC 40	7695.78	0.83	-3.88	2.02	7706.50	0.80
DAX	18450.48	0.41	-0.68	10.14	18620.00	0.38
IBEX 35	11066.30	0.09	-2.53	9.54	11085.70	0.65
FTSE MIB	34106.01	0.77	-1.16	12.37	34295.00	0.73
Nikkei	40913.65	-0.24	6.04	21.97	40830.00	0.52
Hang Seng	18028.28	-0.87	-3.01	4.83	17823.00	-0.18
DFM General	4065.82	-0.33	2.15	0.15	N/A	N/A
MSCI Tadawoul	11658.66	0.55	0.91	-2.58	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	67.15	69.00	67.10	-2.68	-3.10	-24.64
Solidere B	67.50	67.50	67.50	0.75	-2.17	-24.96

MUST READ

(Source: Bloomberg/ Forexlive)

China supports Kazakhstan joining BRICS, eyes energy reserves

China's President Xi Jinping said he supports Kazakhstan joining the BRICS bloc, Chinese state media reported on Wednesday, as the group of developing nations mulls further expansion to rival a Western-dominated world order it sees as outdated. Speaking to the press alongside Kazakh President Kassym-Jomart Tokayev following a meeting in the Central Asian state's capital, Xi encouraged Kazakhstan to "play the role of a middle power on the international stage and make its due contribution to global governance", while endorsing Astana's accession. China and Russia are pushing for the expansion of the BRICS grouping, which also includes Brazil, India and South Africa, as they seek to counter Western economic dominance. Last August, the BRICS bloc agreed to admit Saudi Arabia, Iran, Ethiopia, Egypt, and the United Arab Emirates. However, Saudi Arabia has not yet joined the group. China and Kazakhstan also agreed to double their two-way trade as soon as possible and deepen cooperation in oil and gas exploration, extraction and processing, the report added. Crude oil and petroleum gases made up the bulk of Kazakhstan's exports to China last year, with outbound shipments to the world's No.2 economy worth \$3.8 billion and \$1.5 billion, respectively. As such, Xi and Tokayev agreed to take measures to ensure the long-term, safe and stable operation of the crude oil pipeline running between their respective countries. The two leaders also pledged to strengthen cooperation in clean energy, including wind, solar and nuclear power, with Chinese companies stepping in to help upgrade Kazakhstan's energy grid and power stations.

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

(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
(08-07-24) JP - BoP Current Account Balance

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