Daily Market Brief

November 5th 2024

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD

The EUR/USD pair is gaining slightly near 1.0880, as the US Dollar weakens ahead of the US presidential election and anticipated Federal Reserve rate cuts. Meanwhile, the Euro is strengthening due to reduced expectations of a larger interest rate cut by the European Central Bank, with markets now pricing in a smaller reduction than previously anticipated.

GBP/USD

The GBP/USD pair is stable near 1.2950, with traders awaiting the US presidential election results and key monetary policy decisions from the Bank of England and Federal Reserve later in the week. The US Dollar weakens, driven by improved polling for Kamala Harris and expectations for a 25 basis point rate cut by the Fed, while the BoE is also expected to reduce rates by 25 basis points, with a more uncertain outlook for further cuts.

USD/JPY

The Japanese Yen is weakening against the US Dollar, with the USD/JPY pair rising towards the mid-152.00s, influenced by expectations of expansionary fiscal policy in Japan and the challenge for the Bank of Japan to raise rates further. Despite this, BoJ Governor Kazuo Ueda's comments suggest a potential rate hike in December, while market uncertainty around the US presidential election and geopolitical risks, along with a narrowing US-Japan rate differential, could provide some support for the Yen.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0878	1.0881	1.0873	0.00	0.55	-1.46
GBP-USD	1.2964	1.2965	1.2948	0.05	-0.39	1.83
USD-JPY	152.39	152.54	152.10	0.17	0.64	-7.45
USD-CHF	0.8644	0.8650	0.8638	0.03	0.34	-2.66

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2737.37	2738.34	2724.79	0.02	-1.35	32.69
Silver	32.55	32.56	32.25	0.30	-5.53	36.79
Crude Oil	71.41	71.68	71.29	-0.08	6.25	1.58
Bitcoin	68666.16	68739.76	67044.26	2.36	-1.82	61.54
Etherium	2426.36	2433.37	2366.80	2.36	-3.63	6.31

Period	1M	3M	6M	12M
SOFR ($)	4.64	4.53	4.38	4.14
ESTR (€)	2.40	3.02	2.73	2.40
SONIA (£)	4.78	4.73	4.62	4.47
SARON (F)	0.93	0.71	0.57	0.40
TONAR (¥)	0.22	0.22	0.15	0.08

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA

Stocks stumbled on Monday as investors geared up for the U.S. presidential election and a potential Federal Reserve rate cut later this week. The moves in stocks Monday came as safe-haven U.S. Treasurys rallied, suggesting that some investors may be reducing risk ahead of Election Day. The benchmark 10-year Treasury was trading at a yield of about 4.3% on Monday, down from roughly 4.36% on Friday.

EUROPE

European markets closed lower on Monday as traders awaited the U.S. presidential election due to take place on Tuesday. Banks led the gains by sector, trading up 0.7%, while technology stocks closed 1.1% lower.

ASIA

Asia-Pacific markets traded mixed on Tuesday as investors prepared for the U.S. presidential election and a possible interest rate cut from the Federal Reserve later this week. The Reserve Bank of Australia held its cash rate steady at 4.35% for the eighth meeting in a row, in line with Reuters' expectations.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41794.60	-0.61	-1.32	10.89	42008.00	-0.47
S&P	5712.69	-0.28	-0.67	19.77	5750.25	-0.14
Nasdaq	18179.98	-0.33	0.23	21.11	20123.25	-0.15
DJ EuroStoxx50	4852.10	-0.53	-2.08	7.31	4876.00	-0.31
FTSE 100	8184.24	0.09	-1.16	5.83	8201.50	0.04
CAC 40	7371.71	-0.50	-2.25	-2.27	7381.00	-0.51
DAX	19147.85	-0.56	0.14	14.30	19271.00	-0.38
IBEX 35	11805.10	-0.32	1.25	16.86	11815.20	-0.03
FTSE MIB	34540.73	-0.39	2.82	13.80	34323.00	-0.41
Nikkei	38053.67	1.11	-0.42	14.97	38620.00	1.36
Hang Seng	20567.52	1.51	-8.18	22.47	20898.00	1.78
DFM General	4585.21	-0.08	3.99	12.86	N/A	N/A
MSCI Tadawoul	12039.31	-0.07	0.68	0.60	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	95.00	96.00	95.00	-2.01	-4.47	6.62
Solidere B	95.00	95.00	95.00	-1.50	-4.28	5.61

MUST READ *(Source: Bloomberg/ Forexlive)*

Nuclear stocks plummet after regulators block Amazon power deal

The Federal Energy Regulatory Commission recently rejected a request to increase power from the Susquehanna nuclear plant to an Amazon data center, marking a setback for technology companies looking to directly power artificial intelligence operations with nuclear energy. This decision blocked a pioneering deal between Amazon and Talen Energy, which had sold the data center campus to Amazon for $650 million, hoping to expand power supply from 300 megawatts to 480 megawatts. The rejection caused Talen Energy's stock to drop over 2%, while other energy companies, such as Constellation Energy and Vistra Corp., saw significant declines amid investor concerns over similar future deals. FERC's decision was partly driven by concerns about grid reliability and consumer costs, with Commissioner Mark Christie highlighting potential risks. Despite this, the Amazon data center can still use the original 300 megawatts from Susquehanna, and Talen is exploring other commercial solutions. The rejection does not impact Constellation's plans to restart the Three Mile Island nuclear plant to supply power to Microsoft's data centers, but it does signal challenges for other power companies considering similar agreements with tech firms. As demand for energy to power AI and cloud computing grows, utilities are increasingly looking to nuclear power due to its reliability and carbon-free nature, with companies like Vistra and Constellation benefiting from these evolving energy needs.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Apollo Global Ma	APO US	$ 79.41B	05-Nov-24	Pre-mkt	1.73	1.71
Devon Energy Cor	DVN US	$ 24.52B	05-Nov-24	Aft-mkt	1.11	1.65
Super Micro Com	SMCI US	$ 15.24B	05-Nov-24	Aft-mkt	0.74	3.43
Qualcomm Inc	QCOM US	$ 184.01B	06-Nov-24	Aft-mkt	2.56	2.02
Arm Holdings PLC	ARM US	$ 148.27B	06-Nov-24	Aft-mkt	0.26	0.36

ECONOMIC CALENDAR

(05-11-24) US - US Presidential Elections
(05-11-24) FR - Industrial Production MoM / YoY
(05-11-24) UK - S&P Global UK Services PMI / Composite PMI
(05-11-24) US - ISM Services Index
(06-11-24) DE - Factory Orders MoM
(07-11-24) US - FOMC Rate Decision
(07-11-24) UK - Bank of England Rate

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9