

Daily Market Brief

December 5th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair snaps the four-day losing streaks during the Asian trading hours on Tuesday. That being said, the renewed US Dollar (USD) lends some support to the pair. On Monday, the US Census Bureau showed that the US factory orders fell in October. Traders will keep an eye on the ISM Services PMI and JOLTS Job Openings data on Tuesday. Later this week, Wednesday's ADP will be released.

GBP/USD

The GBP/USD pair edges higher during the Asian session on Tuesday. Expectations that the Federal Reserve (Fed) will not hike interest rates again and may start easing its policy as early as March 2024 triggered a fresh leg down in the US Treasury bond yields and keeps the USD bulls on the defensive, which, in turn, is seen as a key factor acting as a tailwind for the GBP/USD pair.

USD/JPY

The Japanese Yen (JPY) struggles to gain any meaningful traction on Tuesday and seesaws between tepid gains/minor losses against the US Dollar (USD) through the Asian session on Tuesday. Bank of Japan board members downplayed speculations of an imminent shift in the policy stance and ending the negative interest rate regime. Investors, however, seem convinced that the Japanese central bank will eventually begin tightening its ultra-loose policy and end its yield curve control measures during the first few months of 2024.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0828	1.0847	1.0828	-0.07	-1.50	1.15
GBP-USD	1.2628	1.2645	1.2627	-0.04	-0.52	4.51
USD-JPY	146.85	147.38	146.75	-0.25	0.43	-10.71
USD-CHF	0.8727	0.8730	0.8715	-0.01	0.61	5.94
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2034.36	2041.26	2028.52	0.24	-0.32	11.53
Silver	24.53	24.63	24.46	0.09	-1.99	2.40
Crude Oil	73.08	73.45	72.97	0.05	-4.36	-4.83
Bitcoin	41639.72	42393.19	41624.90	-0.94	10.30	151.76
Etherium	2224.85	2252.88	2219.90	-0.45	8.74	85.50
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		5.36		5.04	
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.62		4.23		4.39	
BTP - BUND	0.57		1.77		2.11	
GILTS	4.62		4.19		4.72	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks slipped on Monday as investors questioned whether the market was getting ahead of itself following five straight winning weeks. As stocks stagnated, bitcoin and gold rallied to start the week. Bitcoin passed the \$41,000 mark to notch a 19-month high, while gold reached its highest nominal intraday level ever. Marathon Digital and Riot Platforms each jumped more than 8% as bitcoin advanced.

EUROPE

Miners and energy stocks dragged Europe's benchmark index marginally lower on Monday, hurt by weak commodity prices, after the benchmark index notched strong gains last week on escalating bets of interest rate cuts. Investors will keep an eye out for a slew of data this week, including eurozone PMI, producer prices, retail sales and gross domestic product, to gauge the inflation and economic outlook.

ASIA

Asian stocks slid as traders dialed back bets that the federal reserve will aggressively cut rates next year and as an extended sell off in China hurt sentiment. The dollar held gains. An index of the region's stocks was on pace for a third daily drop with benchmarks in Hong Kong and Japan slid the most.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	36204.44	-0.11	6.29	9.22	36180.00	-0.24
S&P	4569.78	-0.54	4.85	19.02	4559.75	-0.37
Nasdaq	14185.49	-0.84	5.25	35.53	15785.00	-0.53
DJ EuroStoxx50	4414.95	-0.08	5.76	16.38	4418.00	-0.09
FTSE 100	7512.96	-0.22	1.28	0.82	7498.00	-0.31
CAC 40	7332.59	-0.18	4.05	13.27	7327.00	N/A
DAX	16404.76	0.04	8.00	17.82	16430.00	-0.02
IBEX 35	10178.30	0.37	9.52	23.69	10186.00	N/A
FTSE MIB	29914.09	-0.05	4.32	26.18	29971.00	N/A
Nikkei	32775.82	-1.37	2.59	25.60	32780.00	-1.15
Hang Seng	16646.05	-2.30	-7.93	-17.78	16312.00	-2.54
DFM General	3987.75	-0.16	1.31	19.34	N/A	N/A
MSCI Tadawoul	11191.39	-0.25	2.31	6.80	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	67.90	67.95	66.20	-0.15	-2.51	11.49
Solidere B	65.20	65.30	65.00	0.23	-6.32	8.04

MUST READ

(Source: Bloomberg/ Forexlive)

Bitcoin is 150% up, gold flirts with new record

Bitcoin has reached almost \$42,000 as it rides a wave of momentum on expectations about US interest rate cuts and as traders anticipate the imminent approval of US stock market-traded bitcoin funds. The world's biggest cryptocurrency jumped more than 8% above \$42,000 on Monday, its highest since April 2022. Bitcoin is up by over 150% so far this year - with its price standing at \$17,140 a year ago - though the current price is still more than 40% lower than its all-time high in 2021. Meanwhile, gold has been shining once again, as safe haven investments do in periods of geopolitical volatility. An attack on an American warship and commercial vessels in the Red Sea on Sunday kept investors on their toes and inflamed fears that the Israel-Hamas war could widen into a broader conflict. The precious metal reached a new record, amidst expectations that the US Federal Reserve (Fed) will cut interest rates next year, as well as tension in the Middle East and a weaker dollar. The price shortly visited \$2,144 an ounce, an all-time high, before easing back around \$2,090 in the Monday morning trade. "The market is sensitive to any expansion of this conflict," said Quincy Krosby, chief global strategist at LPL Financial. "I think active managers in any event are more likely to lock in their gains if this is a harbinger of a deeper military conflict that involves the US."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
AutoZone Inc	AZO US	\$46.98B	05-Dec-23	Pre-mkt	30.78	27.45
NIO Inc.	NIO US	\$12.22B	05-Dec-23	Pre-mkt	-0.46	-0.36
Chewy, Inc.	CHWY US	\$8.01B	06-Dec-23	Aft-mkt	-0.06	0.01
GameStop Corpor	GME US	\$5.18B	06-Dec-23	Aft-mkt	-0.12	-0.31
C3.ai, Inc	AI US	\$3.58B	06-Dec-23	Aft-mkt	-0.65	-0.63

ECONOMIC CALENDAR

(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/ ADP Employment Change
(06-12-23) CA - Bank of Canada Rate Decision

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