

# Daily Market Brief

March 6th 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EURUSD

The EUR/USD pair extends its consolidative price move for the second straight day. Spot prices did get a minor lift on Tuesday amid a modest (USD) weakness led by the disappointing release of the US ISM Services PMI. Traders seem reluctant to place aggressive USD bearish bets and prefer to wait for more clarity about the (Fed) rate-cut path. Hence, Powell's congressional testimony will play a key role in influencing the USD price dynamics and provide a fresh impetus to the pair.

### GBPUSD

GBP/USD retraces daily losses and seems to continue its winning streak, hovering around 1.2700 during the Asian trading session before the UK Chancellor Jeremy Hunt's Budget Report on Wednesday. Hunt is slated to unveil the government's fiscal agenda, outlining tax and spending plans ahead of the general election.

### USDJPY

The (JPY) attracts some buyers for the second straight day on Wednesday, though lacks follow-through amid the uncertainty about the (BoJ) policy outlook. A rise in consumer prices in Tokyo Japan's capital city revived bets for an imminent shift in the BoJ's stance. That said, an unexpected recession in Japan might force the BoJ to delay its plan to pivot away from the ultra-easy monetary policy.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0860   | 1.0860   | 1.0842   | 0.03    | 0.20     | -1.62 |
| GBP-USD     | 1.2705   | 1.2708   | 1.2690   | 0.00    | 0.34     | -0.20 |
| USD-JPY     | 149.90   | 150.08   | 149.81   | -0.10   | 0.53     | -5.91 |
| USD-CHF     | 0.8843   | 0.8853   | 0.8830   | 0.10    | -0.62    | -4.85 |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 2126.26  | 2128.52  | 2123.76  | -0.08   | 4.51     | 3.07  |
| Silver      | 23.71    | 23.75    | 23.57    | 0.16    | 5.57     | -0.37 |
| Crude Oil   | 78.45    | 78.48    | 77.99    | 0.38    | -0.11    | 8.94  |
| Bitcoin     | 65993.34 | 66531.51 | 62554.01 | 4.20    | 5.44     | 55.25 |
| Etherium    | 3767.35  | 3789.72  | 3474.30  | 6.92    | 9.84     | 65.07 |
| Period      | 1 M      | 3 M      | 12 M     |         |          |       |
| EURIBOR     | 3.84     | 3.93     | 3.73     |         |          |       |
| SOFR        | 5.32     | 5.33     | 5.04     |         |          |       |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US          | 4.56     | 4.15     | 4.30     |         |          |       |
| BTP - BUND  | 0.59     | 1.39     | 1.83     |         |          |       |
| GILTS       | 4.29     | 4.01     | 4.45     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Wall Street three major indexes all retreated more than 1% on Tuesday, with weakness in megacap growth companies such as Apple Inc and the chip sector weighing most on the Nasdaq ahead of this week's crop of economic data and remarks from Federal Reserve Chair Jerome Powell.

### EUROPE

Europe's main index dipped on Tuesday, as mining shares weakened with metal prices on a lack of substantial stimulus from top consumer China, while investors awaited this week's euro zone and U.S. economic data and an ECB policy decision. Euro zone business activity closer to recovery in Feb.

### ASIA

Most Asian stocks fell on Wednesday with an underwhelming economic outlook from China providing little support, while overnight losses in Wall Street spilled over as markets grew skittish before more signals on U.S. rates.

| Index          | Close      | % Daily | % M   | YTD     | Futures  | % Change |
|----------------|------------|---------|-------|---------|----------|----------|
| DJIA           | 38585.19   | -1.04   | 0.17  | 2.38    | 38609.00 | 0.01     |
| S&P            | 5078.65    | -1.02   | 2.51  | 6.47    | 5090.25  | 0.09     |
| Nasdaq         | 15939.59   | -1.65   | 2.12  | 6.18    | 17980.00 | 0.29     |
| DJ EuroStoxx50 | 4893.07    | -0.40   | 4.31  | 8.22    | 4900.00  | 0.04     |
| FTSE 100       | 7646.16    | 0.08    | -0.45 | -1.13   | 7630.50  | 0.10     |
| CAC 40         | 7932.82    | -0.30   | 3.85  | 5.17    | 7943.50  | N/A      |
| DAX            | 17698.40   | -0.10   | 3.91  | 5.65    | 17736.00 | 0.08     |
| IBEX 35        | 10117.10   | 0.47    | 1.14  | 0.15    | 10126.60 | N/A      |
| FTSE MIB       | 33146.16   | 0.71    | 6.52  | 9.21    | 33184.00 | N/A      |
| Nikkei         | 40090.78   | -0.02   | 10.87 | 19.80   | 40080.00 | -0.12    |
| Hang Seng      | 16162.64   | 1.79    | 1.96  | -3.49   | 16406.00 | 2.01     |
| DFM General    | 4245.80    | -0.35   | 1.86  | 4.22    | N/A      | N/A      |
| MSCI Tadawoul  | 12470.15   | 0.29    | 3.30  | 4.20    | N/A      | N/A      |
| Leb. Mkts      | Closing Px | High    | Low   | % Daily | % Weekly | YTD      |
| Solidere A     | 77.65      | 79.00   | 76.00 | 6.37    | 3.81     | -12.85   |
| Solidere B     | 77.75      | 78.00   | 72.05 | 2.50    | 9.97     | -13.56   |

## MUST READ

(Source: Bloomberg/ Forexlive)

### Magnificent 7 shed \$233 B in market cap, dragging down the market

It has been a not-so magnificent Tuesday. The "Magnificent Seven" group of technology companies that have helped underpin the stock-market rally for months shed a combined \$233 billion in market capitalization on Tuesday, fueling a rout in U.S. equities. Apple Inc. shares lost 2.8%, while Amazon.com declined almost 2%. Shares of Microsoft fell 3%, while those of GOOGL, Meta Platforms Inc. and Tesla Inc. dropped 0.5%, 1.6% and 3.9%, respectively. Out of the group of seven popular tech stocks, only Nvidia Corp ended higher, tacking on 0.9%. Tuesday's retreat marked the third-largest daily loss in market cap for the Magnificent Seven group this year, with the largest one-day rout being the \$375 billion reversal logged on Jan. 31. "We are in the midst of a pullback," said Peter Cardillo. "How far we go down depends. If there is a curveball by Powell tomorrow and employment numbers are stronger than expectations, than the Ides of March are upon us." Investors have dialed back the expected timing and magnitude of potential rate cuts this year, after Fed officials said they were in no hurry to be early or aggressive with reversing its policies of higher interest rates, with inflation still running above the central bank's 2% yearly target. "This isn't some panic selling," said Michael Sansoterra, which focuses on shares of large-cap and U.S. small-cap companies. With stocks recently hitting a series of fresh records, he said the pullback by companies driving the "narrow leadership" in stocks isn't surprising.

## MAIN WEEKLY EARNINGS

| Company           | Ticker  | Market Cap | Date      | Time      | Estimate | Year Ago |
|-------------------|---------|------------|-----------|-----------|----------|----------|
| JD.com, Inc       | JD US   | \$36.1 B   | 06-Mar-24 | Pre-mkt   | 0.56     | 0.54     |
| Brown Forman Cc   | BF.B US | \$18.5 B   | 06-Mar-24 | Pre-mkt   | 0.56     | 0.47     |
| Campbell Soup Cc  | CPB US  | \$12.5 B   | 06-Mar-24 | Pre-mkt   | 0.77     | 0.80     |
| The Descartes Sys | DSGX US | \$7.5 B    | 06-Mar-24 | After-mkt | 0.30     | 0.34     |
| Abercrombie       | ANF US  | \$6.3 B    | 06-Mar-24 | Pre-mkt   | 2.81     | 0.81     |

## ECONOMIC CALENDAR

(06-03-24) DE- Trade Balance s.a. JAN  
(06-03-24) EA- Retail Sales JAN  
(06-03-24) US- ADP Employment Change FEB  
(06-03-24) CA- BoC Interest Rate Decision  
(06-03-24) CA- BoC Monetary Policy Statement  
(06-03-24) US- Fed's Chair Powell Testifies speech  
(06-03-24) US- JOLTS Job Openings JAN

## 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

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.