

Daily Market Brief

June 6th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair gains ground around 1.0875 despite the recovery of the US Dollar (USD) during the early Asian session on Thursday. The European Central Bank (ECB) interest rate decision and Press Conference by President Christine Lagarde will take centre stage later on Thursday. The ECB is expected to cut interest rates for the first time in five years on Thursday. The US ISM Services PMI rose to 53.8 in May from 49.4 in April, above the consensus.

GBP/USD

The GBP/USD pair resumes upside near 1.2790 despite the rebound of US Dollar (USD). Traders started to price in two interest rate cuts by the Federal Reserve (Fed) this year as the US economy grew at a slower pace in the first quarter than projected earlier. Later on Thursday, the US weekly Initial Jobless Claims and Balance of Trade will be published. The UK S&P Global Services PMI reached a six-month low of 52.9 from 55.0 in April.

USD/JPY

The USD/JPY recovered some ground and advanced towards the top of the Ichimoku Cloud (Kumo) on Wednesday, gaining some 0.79% and trading at 156.11 at the time of writing. Data from the United States kept the Greenback bid while falling Japanese Government Bond (JGB) yields undermined the Yen. Technical outlook shows a bullish harami pattern, indicating potential for further gains.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0885	1.0896	1.0869	0.15	0.49	-1.40
GBP-USD	1.2793	1.2809	1.2785	0.05	0.48	0.49
USD-JPY	155.91	156.11	155.37	-0.13	0.58	-9.54
USD-CHF	0.8915	0.8941	0.8904	-0.22	1.32	-5.62
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2366.69	2374.96	2354.62	0.48	1.01	14.72
Silver	30.43	30.62	29.97	1.40	-2.38	27.89
Crude Oil	74.49	74.59	74.29	0.57	-4.39	3.50
Bitcoin	70861.60	71292.99	70772.60	-0.50	4.60	66.70
Etherium	3848.02	3878.77	3843.33	-0.42	1.17	68.60
Period	1 M	3 M	12 M			
EURIBOR	3.67	3.77	3.72			
SOFR	5.33	5.34	5.11			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.74	4.29	4.44			
BTP - BUND	0.48	1.31	1.70			
GILTS	4.37	4.18	4.61			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose to a fresh record Wednesday as Nvidia led major tech stocks higher and slightly weak labor market data gave investors hope the Federal Reserve might move to lower interest rates later this year. Friday's jobs report will be the most important data of the week for markets.

EUROPE

European stocks are expected to open higher on Thursday, with traders anticipating that the European Central Bank will cut borrowing costs for the euro area for the first time since September 2019. Although the ECB is widely expected to cut interest rates when policymakers meet, investors will be watching closely to see whether a slightly higher-than-expected euro zone inflation print released last Friday affects the central bank's decision-making.

ASIA

Asia-Pacific stocks rose Thursday as investors expect the European Central Bank to cut rates, with softer U.S. labor market data fueling hopes that the Fed might follow suit, further boosting market sentiment.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38807.33	0.25	-0.12	2.97	38868.00	-0.05
S&P	5354.03	1.18	3.34	12.25	5365.75	-0.01
Nasdaq	17187.90	1.96	5.13	14.50	19085.25	0.05
DJ EuroStoxx50	5035.66	1.66	1.59	11.37	5061.00	0.44
FTSE 100	8246.95	0.18	0.41	6.64	8286.00	0.28
CAC 40	8006.57	0.87	0.12	6.14	8010.00	0.00
DAX	18575.94	0.93	2.20	10.89	18677.00	0.36
IBEX 35	11353.10	0.59	3.99	12.38	11347.10	0.00
FTSE MIB	34507.84	0.68	1.53	13.69	34579.00	0.00
Nikkei	38490.17	0.74	1.41	15.87	38780.00	0.67
Hang Seng	18424.96	-0.08	-0.91	7.99	18327.00	0.10
DFM General	3980.32	-0.14	-4.22	-1.96	N/A	N/A
MSCI Tadawoul	11553.16	-0.51	-6.62	-3.46	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	69.60	0.36	0.72	-21.44
Solidere B	69.70	69.70	69.70	0.58	0.94	-22.51

MUST READ

(Source: Bloomberg/ Forexlive)

Nvidia passes Apple in market cap as second-most valuable public U.S. company

Nvidia passed Apple in market cap on Wednesday as investors continue betting on the chipmaker behind the artificial intelligence boom. It is now the second-most valuable public company, behind Microsoft. Nvidia also hit a \$3 trillion market cap milestone on Wednesday after shares rose over 5%. At market close, Nvidia had a market value of \$3.019 trillion, versus Apple's, which stood at \$2.99 trillion. Microsoft is the most valuable publicly traded company, with a market cap of \$3.15 trillion, as of Wednesday. Nvidia shares have risen more than 24% since the company reported first-quarter earnings in May and have been on a tear since last year. The company has an estimated 80% market share in AI chips for data centers, which are attracting billions of dollars in spending from big cloud vendors. Investors are also becoming more comfortable that Nvidia's huge growth in sales to a handful of cloud companies can persist. For the most recent quarter, revenue in its data center business, which includes its GPU sales, rose 427% from a year earlier to \$22.6 billion, about 86% of the company's overall sales. Nvidia shares have gone parabolic as its AI business has developed, rising more than 3,290% over the past five years. The company announced a 10-for-1 stock split in May.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
ABM Industries In	ABM US	\$ 3.02B	06-Jun-24	Pre-mkt	0.79	0.90
Ciena Corp	CEN US	\$ 6.98B	06-Jun-24	Pre-mkt	0.14	0.74
Nio	NIO US	\$ 11B	06-Jun-24	Pre-mkt	-2.82	-2.96
Argan Inc	AGX US	\$ 912M	06-Jun-24	Aft-mkt	0.50	0.16
Docusign Inc	DOCU US	\$ 11B	06-Jun-24	Aft-mkt	0.79	0.72

ECONOMIC CALENDAR

(06-06-24) DE - Factory Orders MoM
(06-06-24) US - Trade Balance
(06-06-24) US - Initial Jobless Claims
(07-06-24) DE - Industrial Production SA MoM
(07-06-24) EA - GDP SA QoQ / YoY
(07-06-24) CA - Net change in Employment / Unemployment Rate
(07-06-24) US - Change in Nonfarm Payrolls

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