

Daily Market Brief

September 6th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD advanced for the second consecutive session, surpassing the 1.1100 hurdle and climbing to multi-day highs following the bearish tone in the US Dollar amidst steady prudence ahead of the release of US Nonfarm Payrolls on Friday.

GBPUSD

GBP/USD climbed for a second straight day on Thursday, setting up for a bullish recovery despite failing to recapture the 1.3200 level. Market sentiment held on the high side as a decline in new jobs growth kept hopes for an extended rate cut from the Fed pinned to the ceiling. UK data remains thin on the economic docket as markets wind into Friday. US NFP jobs additions due in the last US market session of the week promise to be a big event that will draw investors eyes.

USDJPY

The JPY continues its winning streak for the fourth successive session as rising real wages in July fuel speculation that the BoJ may introduce another interest rate hike before the end of 2024. Additionally, the USD/JPY pair has encountered headwinds due to a softer USD, driven by dovish comments from Fed officials.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1115	1.1119	1.1107	0.04	0.61	0.69
GBP-USD	1.3179	1.3182	1.3172	-0.01	0.40	3.52
USD-JPY	142.64	143.48	142.41	-0.57	2.47	-1.12
USD-CHF	0.8422	0.8446	0.8418	-0.21	0.88	-0.10
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2519.42	2521.92	2513.11	0.11	0.64	22.13
Silver	28.79	28.87	28.68	-0.10	-0.25	21.00
Crude Oil	69.33	69.42	69.05	0.26	-8.67	-2.32
Bitcoin	56412.07	56832.43	55664.97	0.60	-3.44	32.71
Etherium	2380.70	2407.83	2351.81	0.57	-4.84	4.31
Period	1 M		3 M		12 M	
EURIBOR	3.54		3.45		3.09	
SOFR	5.12		4.95		4.11	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	3.72		3.71		4.00	
BTP - BUND	0.46		1.43		1.78	
GILTS	4.01		3.92		4.44	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks struggled Thursday as investors dumped risk assets and concerns mounted over the outlook for the U.S. economy ahead of Friday's keynote labor report. The market has shown hypersensitivity to potential growth scares in recent weeks, including Tuesday's sell-off on the heels of weak manufacturing data. That puts heightened scrutiny on labor market data, with all eyes on Friday's August nonfarm payrolls report.

EUROPE

European stock markets closed lower Thursday following another set of weak U.S. jobs data. The regional Stoxx 600 index closed down 0.43%, with major bourses and sectors spread between losses and gains.

ASIA

ASIAN markets drifted on Friday as traders positioned themselves ahead of a highly anticipated US jobs report later in the day and following a mixed bag of economic data on the world's top economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	40755.75	-0.54	4.51	8.14	40839.00	0.06
S&P	5503.41	-0.30	5.03	15.38	5503.75	-0.12
Nasdaq	17127.66	0.25	4.65	14.10	18873.25	-0.42
DJ EuroStoxx50	4815.15	-0.68	5.24	6.50	4825.00	-0.12
FTSE 100	8241.71	-0.34	2.68	6.58	8252.50	-0.20
CAC 40	7431.96	-0.92	4.23	-1.47	7448.00	0.05
DAX	18576.50	-0.08	7.04	10.89	18616.00	-0.09
IBEX 35	11273.50	0.53	8.50	11.60	11292.10	0.00
FTSE MIB	33684.80	0.01	8.29	10.98	33739.00	0.00
Nikkei	36657.09	-0.91	4.76	8.55	36340.00	-0.76
Hang Seng	17444.30	-0.07	4.79	2.33	17431.00	-0.07
DFM General	4371.04	0.14	5.65	7.67	N/A	N/A
MSCI Tadawoul	12099.49	-0.24	3.60	1.10	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	90.05	90.90	90.00	0.28	8.95	1.07
Solidere B	86.85	87.00	86.00	2.18	7.22	-3.45

MUST READ

(Source: Bloomberg/ Forexlive)

Fed's Bostic warns against keeping restrictive policy stance for too long

The U.S. central bank must not keep interest rates too high much longer or it risks causing too much harm to employment, Atlanta Federal Reserve President Raphael Bostic said on Wednesday. "We must not maintain a restrictive policy stance for too long," Bostic said in an essay released on the regional bank's website. Waiting until inflation has actually fallen back to the Fed's 2% goal before reducing borrowing costs "would risk labor market disruptions that could inflict unnecessary pain and suffering," he said. Bostic added that recent price increase reports had bolstered his confidence that inflation is now on a sustainable path to return to the Fed's objective, with pricing pressures diminishing quickly and broadly. Fed Chair Jerome Powell has made it clear that the central bank intends to cut its benchmark interest rate from the current 5.25%-5.50% range, where it has been for more than a year, at its Sept 17-18 policy meeting. The only uncertainty is if weakening labor market conditions merit a quarter-percentage-point cut or a larger-than-normal half-percentage-point reduction. The Fed is trying to engineer a so-called "soft landing" for the economy in which economic growth gradually slows, inflation returns to the 2% target and unemployment does not spike. After being stung by higher-than-expected inflation in the first part of this year, the pace of annual price increases came down, by the Fed's preferred measure, to 2.5% in July. Instead, attention has turned to a jump in the unemployment rate to near a three-year high of 4.3% in July, the fourth straight monthly rise in the jobless rate, amid increasing concerns that high borrowing costs may be dampening demand for labor too much. Bostic said business contacts have mentioned a slowdown in hiring, but only a few have plans for layoffs. The Atlanta Fed chief also said it was too soon to declare victory over inflation and that he and his colleagues must remain vigilant.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
ABM Industries	ABM US	\$ 3.52B	06-Sep-24	Pre-mkt	0.86	0.79
Brady Corporation	BRC US	\$ 3.41B	06-Sep-24	Pre-mkt	1.09	1.04
Oracle Corporatic	ORCL US	\$ 393.01B	09-Sep-24	Aft-mkt	1.33	1.19
Gamestop Corpor	GME US	\$ 9.54B	10-Sep-24	Aft-mkt	-0.09	-0.03
IBEX Limited	IBEX US	\$ 296.6M	11-Sep-24	Aft-mkt	0.53	0.33

ECONOMIC CALENDAR

(06-09-24) EA - GDP SA QoQ / YoY
(06-09-24) CA - Net Change in Employment
(06-09-24) US - Change in Nonfarm Payrolls
(06-09-24) US - Unemployment Rate
(09-09-24) JP - GDP SA QoQ
(09-09-24) JP - BoP Current Account Balance
(09-09-24) US- NY Fed 1-Yr Inflation Expectations

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