Daily Market Brief

November 6th 2024

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

EUR/USD

The EUR/USD pair falls to its lowest level since July, pressured by a strong US Dollar, which surges amid expectations of a potential victory for Donald Trump and rising US Treasury yields. However, a risk-on sentiment in global equities and improving Eurozone economic data, including inflation and GDP growth, may limit further losses for the Euro despite the overall bearish outlook.

GBP/USD

GBP/USD reverses its recent gains as the US Dollar strengthens, driven by growing support for Donald Trump in the US presidential race and expectations of a 25 basis point rate cut by the Federal Reserve. Meanwhile, the Bank of England is also expected to reduce interest rates by 25 basis points in its upcoming decision, adding further pressure on the British Pound.

USD/JPY

The Japanese Yen recovers partially from significant intraday losses against the US Dollar, supported by concerns of potential Japanese government intervention and hawkish Bank of Japan signals. However, a pullback in US Treasury yields and the prospect of a Republican victory in the US presidential election help limit JPY gains, while political challenges in Japan may hinder further BoJ rate hikes.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0715	1.0937	1.0703	-1.97	-1.30	-2.94
GBP-USD	1.2851	1.3048	1.2847	-1.46	-0.86	0.94
USD-JPY	154.21	154.38	151.30	1.68	-0.51	-8.54
USD-CHF	0.8739	0.8754	0.8620	1.21	-0.82	-3.72
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2708.85	2749.77	2701.61	-1.28	-2.83	31.31
Silver	31.69	32.81	31.46	-2.96	-6.17	33.18
Crude Oil	70.52	72.15	70.23	-2.04	2.78	0.31
Bitcoin	74582.45	75371.67	68903.51	7.84	7.79	75.46
Etherium	2594.93	2632.57	2408.68	7.43	3.02	13.70

Period	1M	3M	6M	12M
SOFR ($)	4.63	4.52	4.38	4.15
ESTR (€)	2.31	3.01	2.67	2.31
SONIA (£)	4.75	4.71	4.60	4.43
SARON (F)	0.92	0.72	0.60	0.45
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

The S&P 500 rose solidly on Tuesday in a broad rally for stocks as traders awaited the results from a high-stakes U.S. presidential election. Beyond the election, investors await the Federal Reserve's November rate decision due Thursday and fresh commentary from Chair Jerome Powell on the central bank's policy moves going forward. Traders are pricing in a roughly 98% likelihood of a quarter-point cut following September's half-point reduction.

EUROPE

European stocks closed slightly higher Tuesday as global markets braced for the outcome of the U.S. presidential election. Industrial stocks added 1.2% while autos fell 1.82%.

ASIA

Asia-Pacific markets were mixed Wednesday after Wall Street surged overnight ahead of the U.S. presidential election results. In a meeting on Tuesday, the head of the People's Bank of China said that the central bank planned to maintain supportive monetary policy, according to state media.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42221.88	1.02	-0.31	12.03	43079.00	2.67
S&P	5782.76	1.23	0.55	21.24	5902.25	2.76
Nasdaq	18439.17	1.43	1.66	22.83	20637.00	2.74
DJ EuroStoxx50	4870.33	0.38	-1.71	7.72	4882.00	0.08
FTSE 100	8172.39	-0.14	-1.31	5.68	8251.00	0.47
CAC 40	7407.15	0.48	-1.78	-1.80	7415.50	0.47
DAX	19256.27	0.57	0.71	14.95	19317.00	0.19
IBEX 35	11839.20	0.29	1.54	17.20	11829.40	0.12
FTSE MIB	34472.06	-0.20	2.61	13.58	34251.00	-0.21
Nikkei	38474.90	2.61	2.19	17.98	39580.00	3.67
Hang Seng	21006.97	-2.34	-9.77	20.34	20512.00	-0.33
DFM General	4594.53	0.44	4.74	13.67	N/A	N/A
MSCI Tadawoul	12014.94	-0.20	2.09	0.40	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.35	94.35	94.35	-0.68	-1.41	5.89
Solidere B	94.35	94.35	94.35	-0.68	-0.74	4.89

MUST READ *(Source: Bloomberg/ Forexlive)*

Super Micro stock slides over 10%

Super Micro Computer (SMCI) saw its stock drop over 10% in after-hours trading on Tuesday after reporting weaker-than-expected earnings and sales for its fiscal second quarter. The company projected adjusted earnings per share of $0.56 to $0.65, below Wall Street's $0.80 estimate, and net sales between $5.5 billion and $6.1 billion, missing the $6.79 billion forecast. Adding to investor concerns, Super Micro has still not filed its 10-K annual report, which was delayed since August, and remains uncertain about when it will be submitted. The company also faces uncertainty following the resignation of Ernst & Young (EY) as its auditor, citing a lack of confidence in the financial statements. This follows a short-seller report from Hindenburg Research alleging accounting issues and other concerns, which led to the resignation and the stock's significant decline. Super Micro responded with an independent investigation that found no evidence of fraud, though it acknowledged governance issues and recommended remedial actions. Additionally, the company is under investigation by the U.S. Department of Justice over potential accounting violations. Once a strong performer due to its AI data center prospects, SMCI shares have fallen over 60% in the past six months, reflecting growing investor skepticism.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Arm Holdings PLC	ARM US	$ 184.82B	06-Nov-24	Aft-mkt	0.26	0.36
Qualcomm Inc	QCOM US	$ 144.13B	06-Nov-24	Aft-mkt	2.56	2.02
Gilead Sciences Ir	GILD US	$ 112.32B	06-Nov-24	Aft-mkt	1.50	2.29
Mckesson Corpor	MCK US	$ 68.12B	06-Nov-24	Aft-mkt	6.88	6.23
Applovin Corpora	APP US	$ 55.21B	06-Nov-24	Aft-mkt	0.92	0.32

ECONOMIC CALENDAR

(06-11-24) DE - Factory Orders MoM
(07-11-24) US - FOMC Rate Decision
(07-11-24) UK - Bank of England Rate
(08-11-24) CA - Net Change in Employment
(08-11-24) US - University of Michigan Sentiment
(11-11-24) JP - BoP Current Account Balance
(12-11-24) GE - CPI YoY / MoM

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