

Daily Market Brief

December 6th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD is down around four-tenths of a percent on Tuesday, with the Euro (EUR) declining 0.65% peak-to-trough against the US Dollar (USD) as markets see a fresh round of risk-off flows into safe havens. Eurozone economic data broadly beat the street early Tuesday, but with the majority of investors seeing souring risk appetite following a Moody's credit downgrade on China, data releases had limited impact and sentiment flows dominated the FX charts.

GBPUSD

The GBP/USD held mostly flat on Tuesday before seeing a decline below the 1.2600 handle during the American trading session, slipping to a one-week low. Broader markets are seeing a favorable bid for the (USD), with the Greenback climbing against most of the major currencies on Tuesday. US data came in mixed, complicating market flows but keeping the USD bid through the American trading session.

USDJPY

USD/JPY is trading better bid above 147.00 in the Asian session on Wednesday, finding support from a modest uptick in the US Treasury bond yields and dovish comments from Bank of Japan (BoJ) Deputy Governor Ryozo Himino.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0790	1.0802	1.0788	-0.06	-1.63	0.79
GBP-USD	1.2603	1.2614	1.2591	0.06	-0.72	4.30
USD-JPY	147.21	147.40	147.05	0.04	0.02	-10.93
USD-CHF	0.8750	0.8755	0.8742	0.00	-0.13	5.66
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2026.58	2027.18	2017.32	0.36	-0.86	11.11
Silver	24.26	24.30	24.14	0.42	-3.03	1.28
Crude Oil	72.29	72.60	72.08	-0.04	-7.15	-5.86
Bitcoin	43604.51	44490.65	43463.50	-0.67	12.39	163.64
Etherium	2269.52	2312.29	2259.33	-0.17	8.52	89.23
Period	1 M		3 M		12 M	
USD LIBOR *	5.46		5.62		6.04	
EURIBOR	3.86		3.96		3.79	
SOFR	5.36		5.38		5.05	
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.60		4.19		4.31	
BTP - BUND	0.58		1.74		2.12	
GILTS	4.51		4.03		4.57	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street finished mixed on Tuesday after fresh employment data bolstered bets that the U.S. Federal Reserve will cut interest rates as soon as March. Take-Two Interactive falls on 'GTA VI' trailer release. CVS Health climbs after upbeat annual revenue outlook.

EUROPE

German shares hit a fresh record high on Tuesday, supported by gains in industrial stocks and insurers, while data showed a services sector downturn in the euro zone's largest economy eased in November. Ericsson jumps after AT&T network deal, Nokia slides.

ASIA

China's blue-chip stocks slumped to an almost five-year trough on Wednesday while the yuan currency extended losses, as markets grappled with Moody's cut to China's credit outlook at a time of growing worries about the economy's stuttering recovery.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	36124.56	-0.22	5.95	8.98	36238.00	0.14
S&P	4567.18	-0.06	4.61	18.95	4586.75	0.26
Nasdaq	14229.91	0.31	5.26	35.96	15973.50	0.41
DJ EuroStoxx50	4452.77	0.86	7.07	17.38	4473.00	0.38
FTSE 100	7489.84	-0.31	0.97	0.51	7518.50	0.28
CAC 40	7386.99	0.74	5.32	14.11	7396.50	N/A
DAX	16533.11	0.78	9.23	18.74	16602.00	0.31
IBEX 35	10238.40	0.59	10.79	24.42	10243.60	N/A
FTSE MIB	30082.88	0.56	5.21	26.89	30127.00	N/A
Nikkei	33445.90	2.04	2.25	28.17	33450.00	1.98
Hang Seng	16327.86	1.07	-8.14	-16.57	16569.00	1.09
DFM General	3978.20	0.06	0.59	19.31	N/A	N/A
MSCI Tadawoul	11143.83	-0.42	1.78	6.35	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.10	70.00	66.00	1.77	0.22	13.46
Solidere B	67.70	68.00	60.00	3.83	2.58	12.18

MUST READ

(Source: Bloomberg/Forexlive)

Someone bet against the Israeli stock market days before 'Oct. 7 attack

5 days before the deadliest attack in Israel's history, a warning may have appeared on stock exchanges. A study by researchers from Columbia University and NYU called "Trading on Terror?" suggests that a trader may have been aware of the coming attack, bet against the Israeli economy and walked away with a profit by short selling on the U.S. and Israeli stock exchanges. The study looked at the Israel Exchange-Traded Fund, a common way for people to make investments in Israel, which on any given day has around 2k shares shorted. On Oct. 2, that number shot up to over 227k shares. According to Professor Joshua Mitts, "that's extremely unusual." It was also profitable: the shares sold short for one Israeli company alone yielded a profit of nearly \$900k. Professor Robert Jackson, ran a number of comparisons over the past 13 years to see whether the same thing had happened before other major moments of instability in Israel, like the 2014 Israel-Gaza war, the COVID-19 pandemic, or the judicial reform initiative that led millions of Israelis to take to the streets in protest. They found that the short-selling activity in early October was "really extraordinary, even when you compare it to those periods of instability, which there were many. Something similar had happened before, though on April 3, a couple of days before the Jewish holiday of Passover. The study links this to an Israeli media report claiming Hamas had initially planned its attack for the eve of Passover.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Veeva Systems	VEEV US	\$29.7 B	06-Dec-23	After-mkt	0.77	0.69
Chewy Inc.	CHWY US	\$7.8 B	06-Dec-23	After-mkt	-0.06	0.01
Thor Industries	THO US	\$5.6 B	06-Dec-23	Pre-mkt	0.87	2.53
Gamestop Corp	GME US	\$4.6 B	06-Dec-23	After-mkt	-0.12	-0.31
C3 ai, inc	AI US	\$3.6 B	06-Dec-23	After-mkt	-0.65	-0.63

ECONOMIC CALENDAR

(06-12-23) DE- Factory Orders s.a. OCT
(06-12-23) GB- Financial Stability Report
(06-12-23) EA- Retail Sales OCT
(06-12-23) US- ADP Employment Change NOV; Unit Labor Costs Q3
(06-12-23) US- Nonfarm Productivity Q3
(06-12-23) CA- BoC Monetary Policy Statement report
(06-12-23) CA- BoC Interest Rate Decision

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

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