

Daily Market Brief

March 7 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD managed to surpass the key 1.0900 barrier, advancing to multi-week tops on the back of heightened selling pressure hurting the US Dollar, particularly after discouraging prints from the ADP report and the lack of surprises from Fed Powell's testimony. Powell suggested that interest rate reductions are probable within the year. Such cuts will only be implemented once the Fed acquires greater confidence in the trajectory of inflation returning to its annual target of 2%.

GBP/USD

The GBP/USD pair breaks above the 1.2700 barrier, the uptick of the major pair is bolstered by the weaker US Dollar (USD) and encouraging news from the UK Spring Budget. Powell's comment indicated that the Fed officials remain cautious about not losing the progress made against inflation, and the decision-making will be based on incoming data. The encouraging comments and the high-for-longer rate narrative in the UK lift the GBP and act as a tailwind for the GBP/USD pair.

USD/JPY

The USD/JPY pair has been a broad, sweeping sideways trend since peaking in October 2022. Rumors that the BoJ could be preparing to raise interest rates have reignited speculative interest in the Yen and led many to hail a renaissance in the currency.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0901	1.0907	1.0894	0.02	0.89	-1.25
GBP-USD	1.2738	1.2740	1.2723	0.06	0.90	0.06
USD-JPY	148.30	149.38	148.29	-0.73	1.13	-4.90
USD-CHF	0.8813	0.8829	0.8809	-0.09	0.36	-4.53
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2154.01	2161.49	2144.30	0.27	5.37	4.41
Silver	24.05	24.27	24.01	-0.48	6.06	1.07
Crude Oil	79.22	79.36	78.98	0.11	1.23	10.01
Bitcoin	65865.05	66527.95	65628.63	-0.93	6.28	54.95
Etherium	3760.56	3853.79	3737.81	-2.30	10.23	64.77
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.93	3.75			
SOFR	5.32	5.32	5.01			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.56	4.11	4.25			
BTP - BUND	0.53	1.32	1.75			
GILTS	4.25	3.99	4.43			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose Wednesday as investors attempted to turn a corner following back-to-back losing sessions on Wall Street. Traders kept an eye on the first of two Capitol Hill appearances this week from Fed Reserve Chair Jerome Powell, who said on Wednesday in prepared remarks that the central bank could lower interest rates this year. However, the Fed chief said the bank is not immediately ready to cut the cost of borrowing money.

EUROPE

European markets bounced back to close higher on Wednesday as investors in the U.K. digested the 2024 budget statement. The U.K. budget was presented by British Finance Minister Jeremy Hunt, and contained announcements on the abolition of non-domiciled tax status as well as a reduction in National Insurance.

ASIA

Asia-Pacific markets were mixed Wednesday, with Hong Kong stocks leading gains in the region and up over 2%. Mainland Chinese stocks slid, sending the CSI 300 down 0.6%, after a tech slide on Wall Street led by Apple, following a report that iPhone sales dropped in China.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38661.05	0.20	-0.04	2.58	38664.00	-0.11
S&P	5104.76	0.51	2.20	7.02	5102.00	-0.19
Nasdaq	16031.54	0.58	1.74	6.80	17973.00	-0.39
DJ EuroStoxx50	4915.49	0.46	5.06	8.72	4921.00	-0.02
FTSE 100	7679.31	0.43	0.66	-0.70	7659.00	0.02
CAC 40	7954.74	0.28	4.51	5.46	7964.00	N/A
DAX	17716.71	0.10	4.70	5.76	17723.00	-0.07
IBEX 35	10197.20	0.79	3.12	0.94	10212.00	N/A
FTSE MIB	33363.84	0.66	7.71	9.92	33413.00	N/A
Nikkei	39598.71	-1.23	9.63	18.33	39600.00	-1.20
Hang Seng	16438.09	-1.15	1.04	-4.68	16269.00	-1.03
DFM General	4248.30	-0.66	1.40	3.95	N/A	N/A
MSCI Tadawoul	12561.90	0.74	3.25	4.97	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	75.90	79.90	73.55	-2.25	-2.32	-14.81
Solidere B	72.60	72.65	72.55	-6.62	-0.48	-19.29

MUST READ

(Source: Bloomberg/ Forexlive)

The Fed insists it will cut rates this year

Fed Chair Jerome Powell on Wednesday silenced the growing chorus of forecasters questioning the prospect of rate cuts this year. He said the central bank is still on pace to lower interest rates in 2024, but is waiting for to see more data and a continued cooling of inflation before doing so. "We will carefully assess the incoming data, the evolving outlook, and the balance of risks," Powell said during a Q&A session with the House Financial Services Committee. "The Committee does not expect that it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%." The S&P 500 reached intraday highs on Powell's remarks, and closed up roughly 0.5% on the day. Powell highlighted that the "good" inflation readings the Fed expects don't have to be better than previous data, but that there just needs to be more of them. Which means all eyes are on the next CPI print slated for March 12. "We don't want a situation where the six months of good inflation data we had last year, that that didn't turn out to be an accurate signal of where underlying inflation is," he said. Powell's remarks contrast with some of the more bearish takes that have recently seeped into Wall Street chatter. Experts like Torsten Slok have forecasted no rate cuts may arrive at all in 2024. Some have even floated the possibility of a rate hike.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
American Eagle O	AEO US	\$ 4.63B	07-Mar-24	Pre-mkt	0.50	0.37
Kroger Co	KR US	\$ 36.32B	07-Mar-24	Pre-mkt	1.11	0.99
Costco Wholesale	COST US	\$ 343.11B	07-Mar-24	Aft-mkt	3.62	3.30
DocuSign Inc	DOCU US	\$ 10.7B	07-Mar-24	Aft-mkt	0.64	0.65
MongoDB	MDB US	\$ 29.56B	07-Mar-24	Aft-mkt	0.46	0.57

ECONOMIC CALENDAR

(07-03-24) DE - Factory Orders MoM
(07-03-24) EA - ECB Main Refinancing Rate
(07-03-24) US - Trade Balance
(07-03-24) US - Initial Jobless Claims
(08-03-24) JP - BoP Current Account Balance
(08-03-24) DE - Industrial Production SA MoM
(08-03-24) EA - GDP SA QoQ/ YoY

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