

Daily Market Brief

May 7th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD churned around 1.0770 to kick off the new trading week, with the pair rising after better-than-expected Purchasing Managers Index (PMI) figures early Monday before settling into familiar chart territory above 1.0750 ahead of Tuesday's pan-European Retail Sales figures due in the upcoming European market session. Friday's US consumer sentiment survey to cap off an otherwise quiet week.

GBP/USD

The GBP/USD pair trades in positive territory for the fifth consecutive day near 1.2560 during the Asian session on Tuesday. The weaker USD provides some support to the major pair. The BoE interest rate decision on Thursday will be in the spotlight, with no change in rate expected. Slower US job growth has triggered speculation that the Fed will cut the interest rate this year. The BoE is expected to hold rates at 5.25% for the fifth time in a row on Thursday.

USD/JPY

The USD/JPY pair trades on a stronger note around 154.10 on Tuesday during the early Asian trading hours. The recovery of the pair is supported by the modest rebound of USD to 105.10 after bouncing off three-week lows. The Federal Reserve Bank of Minneapolis President, Neel Kashkari, is set to speak later on Tuesday.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0758	1.0777	1.0755	-0.10	0.86	-2.55
GBP-USD	1.2540	1.2571	1.2536	-0.18	0.38	-1.50
USD-JPY	154.56	154.65	153.86	0.41	2.10	-8.75
USD-CHF	0.9073	0.9077	0.9056	0.11	1.33	-7.26
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2319.80	2329.94	2319.53	-0.18	1.47	12.45
Silver	27.26	27.51	27.23	-0.67	3.67	14.56
Crude Oil	78.67	79.02	78.49	0.24	-3.98	9.08
Bitcoin	63574.15	63956.63	62870.74	0.43	8.22	49.56
Etherium	3069.66	3096.07	3024.06	-0.24	2.78	34.50
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.83	3.69			
SOFR	5.32	5.32	5.14			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.82	4.48	4.62			
BTP - BUND	0.50	1.34	1.73			
GILTS	4.36	4.22	4.70			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks advanced Monday, with Wall Street building on the previous session's strong gains as traders lifted Federal Reserve rate cut expectations. An announcement from Hamas on Monday that it accepted an Egyptian-Qatari cease-fire proposal to end the war with Israel gave stocks a boost in early afternoon trading. While the peak of the first-quarter earnings season has passed, investors are still watching key companies set to report this week.

EUROPE

European markets are heading for a positive start to trading Tuesday as traders look ahead to a busy day of earnings reports in the region. BP, S4 Capital, Siemens Healthineers, Deutsche Post, Infineon, Bouygues, UBS, Adecco, Banco de Sabadell & Unicredit are among the companies reporting earnings Tuesday.

ASIA

Asian shares made 15-month highs on Tuesday on renewed confidence of U.S. interest rate cuts, while a weaker yen and a small dip in the Australian dollar kept the dollar steady. Australia's central bank left interest rates on hold, as expected.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38852.27	0.46	-0.13	3.09	39010.00	0.03
S&P	5180.74	1.03	-0.45	8.61	5208.00	0.02
Nasdaq	16349.25	1.19	0.62	8.91	18186.00	-0.07
DJ EuroStoxx50	4956.96	0.72	-1.15	9.63	4952.00	0.32
FTSE 100	8213.49	0.51	3.82	6.21	8310.00	1.06
CAC 40	7996.64	0.49	-0.80	6.01	8005.50	0.20
DAX	18175.21	0.96	0.00	8.50	18357.00	0.23
IBEX 35	10917.50	0.58	0.01	8.07	10936.50	0.00
FTSE MIB	33986.90	1.06	-0.07	11.98	33726.00	0.00
Nikkei	38236.07	1.37	-1.75	15.83	38780.00	1.52
Hang Seng	18578.30	-0.42	10.62	8.52	N/A Real Tim	#N/A N/A
DFM General	4155.85	0.32	-2.08	2.37	N/A	N/A
MSCI Tadawoul	12372.50	0.00	-2.62	3.39	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	71.15	71.50	71.00	-1.73	2.67	-20.15
Solidere B	72.45	72.45	72.45	0.00	0.98	-19.46

MUST READ

(Source: Bloomberg/ Forexlive)

Global shares rally on rate cut hopes, yen weakens

A gauge of global stock markets rallied on Monday on optimism that major central banks will cut interest rates this year, while the yen weakened against the dollar after a surge last week from Japan's suspected currency intervention. Stocks on both sides of the Atlantic advanced, and in Asia too, as a softer-than-expected U.S. labor market report on Friday led traders to revive bets that the Federal Reserve would ease monetary policy as early as September. The dollar index, a measure of the U.S. currency against six major trading peers, was lower for a fourth straight session after Friday's data showed the lowest jobs gain since October calmed any angst that the Fed might even hike again. In Europe, the pan-regional STOXX 600, opens new tab closed up 0.53% on signs the European Central Bank is more confident about cutting rates as euro zone inflation continues to decelerate, three ECB policymakers said. Treasury yields ticked lower as investors assessed last week's subdued job creation, which reinforced view that the U.S. economy was not overheating enough to derail a rate cut. Oil prices rose after Saudi Arabia hiked June crude prices for most regions and as the prospect of a quick agreement for a Gaza ceasefire deal appeared slim, reviving fears that combat between Hamas and Israeli forces will resume soon. MSCI's broadest index of Asia-Pacific shares outside Japan, opens new tab peaked at its highest level since February 2023 and closed 0.66% higher, while China's blue-chip index, opens new tab ended up 1.5%. Traders remained on alert for further volatility in the yen, after last week's bouts of suspected intervention from Japanese authorities to stop a sharp slide in the currency.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Walt Disney Co	DIS US	\$ 213.64B	07-May-24	Pre-mkt	1.12	0.93
WK Kellogg	KLG US	\$ 2.02B	07-May-24	Pre-mkt	0.38	N/A
GoPro	GPRO US	\$ 290.90M	07-May-24	Aft-mkt	-0.25	-0.18
Occidental Petrol	OXY US	\$ 58.16B	07-May-24	Aft-mkt	0.58	1.09
Rivian Automotiv	RIVN US	\$ 10.10B	07-May-24	Aft-mkt	-1.15	-1.25

ECONOMIC CALENDAR

(07-05-24) DE - Factory Orders MoM
(08-05-24) DE - Industrial Production SA MoM
(08-05-24) US - MBA Mortgage Applications
(09-05-24) UK - Bank of England Bank Rate
(09-05-24) US - Initial Jobless Claims
(10-05-24) JP - BoP Current Account Balance
(10-05-24) UK - GDP QoQ / YoY

CONTACT

Banque BEMO sal
Asset Management Unit

Ashratieh, 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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