

Daily Market Brief

December 7th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair posts modest gains during the early Asian session. However, the upside of the pair might be capped on the renewed US Dollar (USD) demand and weaker-than-expected Eurozone data. ADP private payrolls came in worse than expected. Market players will take more cues from the US employment data this week, including the weekly Jobless Claims and Nonfarm Payroll.

GBP/USD

The GBP/USD pair extends its downside above the mid-1.2500s during the early Asian trading hours on Thursday. The downtick of the pair is backed by the firmer US Dollar (USD) broadly. In the absence of economic data released from the UK docket later this week, the GBP/USD pair remains at the mercy of USD price dynamics. Bank of England (BoE) Governor Andrew Bailey said on Wednesday that interest rates in the UK will need to stay at current levels for some time and the central bank is aware of financial stability risks that may develop from that.

USD/JPY

The USD/JPY is seeing thin trading heading into the back half of the trading week, holding near the 147.50 level ahead of Thursday's US Initial Jobless Claims that will give way to Friday's Japanese Gross Domestic Product (GDP) and the latest US Nonfarm Payrolls (NFP) report that will cap off the trading week. Japanese GDP is forecast to hold steady at a -0.5% contraction for the third quarter, a steady reading with the second quarter.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0765	1.0772	1.0757	0.01	-1.13	0.56
GBP-USD	1.2557	1.2565	1.2545	-0.02	-0.53	3.92
USD-JPY	146.25	147.32	146.15	-0.72	1.33	-10.35
USD-CHF	0.8752	0.8762	0.8744	0.05	0.00	5.63
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2028.34	2030.06	2025.32	0.14	-0.40	11.20
Silver	23.83	23.96	23.79	-0.27	-5.69	-0.50
Crude Oil	69.72	69.83	69.28	0.49	-8.21	-9.21
Bitcoin	43863.82	44049.38	43609.26	0.09	10.82	165.21
Etherium	2259.73	2269.54	2230.74	0.52	4.17	88.41
Period	1 M		3 M		12 M	
USD LIBOR *	5.47		5.64		6.04	
EURIBOR	3.87		3.96		3.79	
SOFR	5.37		5.38		5.03	
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.63		4.18		4.27	
BTP - BUND	0.58		1.74		2.12	
GILTS	4.49		3.94		4.45	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

All three indexes have traded both above and below their respective flatlines in the choppy session. Private payroll data from ADP offered the latest indication that the job market, long considered a pain point for the Federal Reserve, was easing. Investors will monitor jobless claims numbers on Thursday before turning attention to widely followed data on nonfarm payrolls, wages and the unemployment rate due Friday.

EUROPE

European markets closed higher Wednesday, rebounding from mixed trade seen earlier in the week. The regional Stoxx 600 index rose 0.6% by the close, with mining stocks seeing a sharp turnaround to climb 1.6%. Autos also jumped 2.2% while oil and gas stocks dipped 0.9%. Retail stocks dipped as H&M fell 1.8%.

ASIA

Asia-Pacific markets slumped across the board, mirroring moves on Wall Street as investors assessed trade data from China and Australia. China's November trade numbers surprised expectations, with exports climbing 0.5% and imports falling 0.6% year on year. Japan's Nikkei 225 fell 1.72% after leading gains in Asia on Wednesday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	36054.43	-0.19	5.57	8.77	36086.00	-0.07
S&P	4549.34	-0.39	3.90	18.49	4552.25	-0.08
Nasdaq	14146.71	-0.58	3.72	35.16	15798.75	-0.10
DJ EuroStoxx50	4483.26	0.68	7.94	18.18	4473.00	-0.49
FTSE 100	7515.38	0.34	1.42	0.85	7503.50	-0.54
CAC 40	7435.99	0.66	6.44	14.86	7445.50	N/A
DAX	16656.44	0.75	9.92	19.63	16638.00	-0.38
IBEX 35	10258.10	0.19	11.07	24.66	10274.70	N/A
FTSE MIB	30326.29	0.81	6.80	27.92	30364.00	N/A
Nikkei	32858.31	-1.76	1.82	25.92	33010.00	-1.32
Hang Seng	16463.26	-1.01	-7.77	-17.61	16325.00	-1.07
DFM General	3969.17	-0.14	-0.65	18.81	N/A	N/A
MSCI Tadawoul	11174.02	0.27	2.08	6.64	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.50	70.00	68.95	0.58	0.80	14.12
Solidere B	67.70	67.70	67.70	0.00	0.22	12.18

MUST READ

(Source: Bloomberg/ Forexlive)

World in new era of low growth and high interest rates, says BlackRock

The world is in a new era of low growth and high interest rates, according to BlackRock, the world's largest asset manager. It warned that inflation will be far more volatile than it has been in recent years – and economies can no longer grow as quickly as they have in the past without stoking price rises. Alex Brazier, the deputy head of BlackRock Investment Institute and a former Bank of England official, said: “We’re now in an environment of structurally more muted growth and structurally higher rates than we had before the pandemic.” He added: “We’re not going back to how things used to be.” BlackRock, which manages assets worth \$9.4 trillion (£7.5 trillion), said that markets were still adjusting to this new reality. As a result, investors had to be more selective and precise to make returns than in the past 15 years of mostly low inflation, it said. Several big shifts like ageing demographics, greater climate investment and the AI race will push up inflation and make it more volatile, according to the asset manager. However, soaring government spending and debt levels in the wake of the pandemic also constrain central banks, BlackRock said in its global outlook for next year. “We see central banks living with higher inflation amid hefty government spending and debt loads.”

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Dollar General Co	DG US	\$29.39B	07-Dec-23	Pre-mkt	1.18	2.33
Lululemon Athleti	LULU US	\$58.29B	07-Dec-23	Aft-mkt	2.29	1.99
Cooper Cos Inc	COO US	\$16.97B	07-Dec-23	Aft-mkt	3.48	2.75
Broadcom Inc	AVGO US	\$424.20B	07-Dec-23	Aft-mkt	10.92	10.45
Docusign Inc	DOCU US	\$9.62B	07-Dec-23	Aft-mkt	0.63	0.57

ECONOMIC CALENDAR

(07-12-23) DE - Industrial Production SA MoM
(07-12-23) EA - GDP SA QoQ / YoY
(07-12-23) US - Initial Jobless Claims
(08-12-23) JP - GDP SA QoQ / GDP Deflator YoY
(08-12-23) DE - CPI MoM / YoY
(08-12-23) US - Change in Nonfarm Payrolls
(08-12-23) US - Unemployment Rate

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

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.