

Daily Market Brief

February 8th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD saw a thin grind higher on Wednesday amidst a mid-day dip-and-rally in the US market session. Rate cut seekers will be keeping a close eye on Thursday's European Central Bank (ECB) Economic Bulletin for clues about how close the ECB is to giving markets a rate cut after rates in the euro area hit their current peak last September. Friday's Germany HICP inflation to be key release this week.

GBP/USD

The GBP/USD pair gains traction during the early Asian session on Thursday. The uptick in the major pair is bolstered by rising house prices in the UK, which supported bets that the Bank of England (BoE) was not likely to cut interest rates any time soon. The BoE Catherine L. Mann is set to speak on Thursday. Market players will keep an eye on the US weekly Initial Jobless Claims, and Wholesale Inventories.

USD/JPY

USD/JPY is caught in consolidation near the 148.00 handle in the midweek market session as a thin economic calendar leaves markets to churn on rate cut expectations and the odd appearance from central bank policymakers. The Japanese Yen (JPY) saw a broad-market pullback in the midweek, but improving risk sentiment also kept the US Dollar (USD) pinned on the low side.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0785	1.0788	1.0770	0.12	-0.80	-2.30
GBP-USD	1.2631	1.2639	1.2623	0.04	-0.89	-0.79
USD-JPY	148.74	148.75	147.93	0.38	-1.55	-5.18
USD-CHF	0.8733	0.8747	0.8725	-0.13	-1.77	-3.65
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2033.24	2038.76	2031.24	-0.10	-1.06	-1.44
Silver	22.36	22.38	22.18	0.61	-3.55	-6.05
Crude Oil	74.17	74.28	73.86	0.42	0.47	3.24
Bitcoin	44450.76	44761.61	44120.04	0.59	3.30	4.57
Etherium	2415.48	2443.38	2411.09	-0.60	5.03	5.83
Period	1 M	3 M	12 M			
EURIBOR	3.89	3.93	3.67			
SOFR	5.32	5.31	4.87			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.42	4.11	4.33			
BTP - BUND	0.64	1.57	1.99			
GILTS	4.48	3.99	4.57			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose Wednesday and edged closer to the 5,000 level for the first time, hitting a new intraday record. Stocks rallied as investors weighed a fresh batch of strong corporate profits and major technology behemoths continued their march higher. In other news, New York Community Bancorp shares were volatile after Moody's downgraded its credit rating to junk.

EUROPE

European markets retreated Wednesday amid ongoing uncertainty over the rate cut outlook. Doubts over the timetable for interest rate cuts have crept in after U.S. Federal Reserve Chair Jerome Powell signaled last week that investors may have to wait longer than expected for a central bank pivot.

ASIA

Asia-Pacific stocks were mostly higher Wednesday as investors assessed corporate earnings and China's efforts to bolster its market. Electric vehicles shares listed in Hong Kong rose after China's commerce ministry released a document that laid out its plan for "healthy development of new energy vehicles" in the country.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38677.36	0.40	2.64	2.62	38791.00	0.04
S&P	4995.06	0.82	4.86	4.72	5016.00	0.00
Nasdaq	15756.64	0.95	6.15	4.96	17861.50	0.08
DJ EuroStoxx50	4678.85	-0.26	4.31	3.48	4706.00	0.26
FTSE 100	7628.75	-0.68	-0.85	-1.35	7608.00	0.09
CAC 40	7611.26	-0.36	2.16	0.90	7636.50	N/A
DAX	16921.96	-0.65	1.23	1.02	17047.00	0.30
IBEX 35	9888.20	-1.15	-3.14	-2.12	9898.10	N/A
FTSE MIB	30976.02	-0.45	1.33	2.06	31114.00	N/A
Nikkei	36863.28	2.06	10.44	10.16	36860.00	2.02
Hang Seng	16081.89	-1.39	-2.26	-6.98	15873.00	-1.26
DFM General	4161.94	0.58	2.36	3.11	N/A	N/A
MSCI Tadawoul	12165.93	0.78	-0.70	1.66	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.85	87.30	82.05	0.91	-8.55	-7.01
Solidere B	82.05	82.05	82.05	-7.65	-9.93	-8.78

MUST READ

(Source: Bloomberg/ Forexlive)

NYCB's slide sparks fears of more banking & commercial real estate turmoil

Moody's slashed NYCB's credit rating to junk on Tuesday, per Bloomberg. The credit-ratings agency cited myriad financial risks, as well as governance issues after the departure of audit and risk executives in recent months. NYCB's deteriorating financials, combined with the Moody's cut, spurred investors to slash its stock price by 60% in five days to its lowest level since 1997, reducing its market capitalization by \$4.5 billion. The stock was 8.5% higher in premarket trading Wednesday. NYCB's unexpected loss, combined with its decision to pare shareholder payouts and make a large provision for bad loans, has fanned fears that its loans and assets in the commercial and multi-family real estate sectors are in trouble. Investors are undoubtedly wary of that after smaller lenders were caught off-guard last year by the Federal Reserve's rapid interest rate hikes. The increases hit the value of their fixed-income and commercial real estate portfolios. In particular, commercial real estate is under pressure from ongoing remote working, tighter credit availability as lenders have pulled back, and higher debt costs, all of which have weighed on asset values. Treasury Secretary Janet Yellen told lawmakers this week she expects the commercial real estate pressures to "put a loss of stress" on property owners, although she expected it to be manageable, Bloomberg reported. In short, investors appear worried that NYCB could be a canary in the coal mine for regional banks and commercial real estate, and are bracing for the next domino to fall.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Thomson Reuters	TRI US	\$ 67.53B	08-Feb-24	Pre-mkt	0.92	0.76
Hershey Co	HSY US	\$ 39.73B	08-Feb-24	Pre-mkt	1.95	2.02
Philipp Morris	PM US	\$ 141.95B	08-Feb-24	Pre-mkt	1.46	1.39
Kellanova	K US	\$ 18.39B	08-Feb-24	Pre-mkt	0.74	0.94
Coca Cola	KO US	\$ 259.36B	13-Feb-24	Pre-mkt	0.49	0.45

ECONOMIC CALENDAR

(08-02-24) US - Initial Jobless Claims
(09-02-24) DE - CPI YoY / MoM
(09-02-24) CA - Net Change in Employment
(09-02-24) CA - Unemployment Rate
(13-02-24) JP - PPI YoY
(13-02-24) UK - Claimant Count Rate
(13-02-24) UK - Jobless Claims Change

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