

Daily Market Brief

May 8th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD extends its losses for the second successive session, trading around 1.0750 during the Asian session on Wednesday. The USD gains ground due to the expectations of the Fed prolonging higher interest rates. However, the softer US labor data from the last week has reignited hopes for potential interest rate cuts by the Fed in 2024.

GBP/USD

The GBP/USD pair trades on a softer note around 1.2500 on Wednesday during the early Asian session. The DXY recovers modestly to 105.40, which drags the major pair lower. The Fed Philip Jefferson, Susan Collins, and Lisa Cook are scheduled to speak later on Wednesday. The BoE interest rate decision will take centre stage on Thursday. The BoE is expected to leave the interest rate unchanged at 5.25% at its May meeting on Thursday.

USD/JPY

The USD/JPY pair trades in positive territory for the third consecutive day around 154.75 during the early Asian session on Wednesday. The higher-for-longer US rate narrative continues to support the USD and lift the pair. BoJ Governor said he will closely monitor the JPY's weakness and will consider taking more steps if the currency continues to slide.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0740	1.0756	1.0738	-0.14	0.26	-2.71
GBP-USD	1.2487	1.2516	1.2484	-0.18	-0.32	-1.92
USD-JPY	155.23	155.27	154.55	0.35	-0.43	-9.14
USD-CHF	0.9091	0.9094	0.9080	0.08	0.72	-7.45
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2319.84	2321.48	2307.15	0.25	0.01	12.45
Silver	27.38	27.44	27.08	0.51	2.74	15.07
Crude Oil	77.96	78.40	77.91	-0.54	-1.32	8.10
Bitcoin	62675.99	63176.49	62142.76	-0.47	-0.40	47.45
Etherium	3025.36	3062.69	2996.67	-0.74	-2.87	32.56
Period	1 M	3 M	12 M			
EURIBOR	3.85	3.82	3.66			
SOFR	5.32	5.32	5.15			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.84	4.47	4.62			
BTP - BUND	0.51	1.34	1.75			
GILTS	4.31	4.13	4.60			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The DJIA and the S&P 500 rose Tuesday, lifted in part by declining Treasury yields, as traders looked for more clues on when the Federal Reserve may start cutting rates. The yield on the 10-year Treasury was down more than 4 basis points at 4.445%. Shares of Palantir and Disney plunged roughly nearly 15% and 10% respectively on weaker-than-expected guidance.

EUROPE

European markets saw solid gains Tuesday, hitting their highest level in over a month, as traders reacted to a flurry of earnings reports in the region. Swiss banking giant UBS beat analyst expectations and ended the day around 7.6% higher. Shares in BP fell around 1.3%, however, following the oil major's results.

ASIA

South Korean stocks led gains in Asia-Pacific markets on Tuesday after Wall Street rose overnight on expectations that the Federal Reserve could cut interest rates soon. The Reserve Bank of Australia held its benchmark lending rate at 4.35% for the fourth meeting in a row.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38884.26	0.08	-0.02	3.17	39010.00	-0.04
S&P	5187.70	0.13	-0.28	8.76	5211.75	-0.04
Nasdaq	16332.56	-0.10	0.48	8.80	18189.50	-0.05
DJ EuroStoxx50	5016.10	1.19	-0.59	10.94	4990.00	-0.18
FTSE 100	8313.67	1.22	4.66	7.51	8345.00	0.16
CAC 40	8075.68	0.99	-0.54	7.06	8066.50	0.00
DAX	18430.05	1.40	0.61	10.02	18568.00	-0.10
IBEX 35	11080.90	1.50	1.55	9.69	11092.60	0.00
FTSE MIB	34242.49	0.75	-0.21	12.82	33978.00	0.00
Nikkei	38835.10	-1.52	-2.80	14.29	38250.00	-1.62
Hang Seng	18479.37	-0.52	9.87	7.84	N/A Real Tim	#N/A N/A
DFM General	4156.29	0.01	-2.07	2.38	N/A	N/A
MSCI Tadawoul	12357.99	-0.12	-2.73	3.26	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.20	70.00	-1.62	-4.24	-21.44
Solidere B	67.00	67.00	67.00	-7.52	0.68	-25.51

MUST READ

(Source: Bloomberg/ Forexlive)

Citi CEO Jane Fraser on achieving a soft landing and inflation

It's going to be tough for the US to stick an economic soft landing, and rampant inflation is hitting lower-income Americans hard, Citi CEO Jane Fraser said. "It's hard to get a soft landing," Fraser told CNBC on Monday. "We're hopeful, but it is always hard to get one. So far the Fed is trying to navigate a quite complicated system." At the latest Federal Reserve policy meeting, officials held the interest rates steady and ruled out a rate hike in response to sticky inflation. Markets have seen renewed hope of a soft landing since the April jobs report showed hiring and wage growth slowed, though not to recessionary levels. Yet, Fraser cautioned against declaring a soft landing was a done deal. "We have to see where wage inflation goes. We have to see what happens to services inflation. And I think we need some more data points," she said. "I think, like everyone here, we're hoping to see the economic conditions that will allow rates to come down sooner rather than later." The Citi executive also said she's seeing a "K-shaped consumer" pattern, with affluent consumers ramping up their spending while low-income households are struggling with the higher cost of living. "We're seeing a much more cautious low-income consumer," Fraser said. "They're feeling more of the pressure of the cost of living, which has been high and increased for them. So while there is employment for them, debt servicing levels are higher than they were before."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Uber	UBER US	\$ 146.60B	08-May-24	Pre-mkt	0.26	-0.08
Arm Holdings	ARM US	\$ 110.70B	08-May-24	Aft-mkt	0.29	0.00
Airbnb	ABNB US	\$ 103.41B	08-May-24	Aft-mkt	0.30	0.18
Beyond Meat inc	BYND US	\$ 536.9M	08-May-24	Aft-mkt	-0.69	-0.92
AMC enterainermei	AMC US	\$ 881.7M	08-May-24	Aft-mkt	-0.79	-1.30

ECONOMIC CALENDAR

(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
(10-05-24) UK - Industrial Production MoM

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