

Daily Market Brief

October 8th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD remained below 1.1000 on Monday, showing little movement after last week's decline and a slight dip in European Retail Sales. Market focus is on expectations for rate cuts, fueled by positive US labor data, while European economic indicators are weak. Traders await Wednesday's FOMC Meeting Minutes and Thursday's US CPI inflation report for further direction.

GBPUSD

The GBP/USD pair found some support from a recent seven-week high, but reduced expectations for significant Federal Reserve interest rate cuts, combined with a resilient US labor market, may limit USD bearish bets. Ongoing concerns about Middle East tensions and cautious remarks from China's National Development and Reform Commission have dampened investor risk appetite, which could lead to safe-haven flows toward the USD and cap GBP/USD gains. Market focus will be on the FOMC meeting minutes and upcoming US CPI and PPI reports.

USDJPY

The Japanese Yen (JPY) is struggling to gain traction against the USD. Diminished expectations for a Bank of Japan interest rate hike in 2024, coupled with potential aggressive easing from the Federal Reserve, are supporting the currency pair. However, concerns about possible Japanese government intervention to stabilize the JPY, alongside rising geopolitical tensions in the Middle East, are limiting significant downside for the Yen as traders await the FOMC meeting minutes and US inflation data this week.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0985	1.0987	1.0973	0.08	-0.75	-0.49
GBP-USD	1.3092	1.3104	1.3073	0.07	-1.46	2.84
USD-JPY	148.03	148.19	147.51	-0.10	-3.01	-4.72
USD-CHF	0.8536	0.8557	0.8531	-0.11	-0.82	-1.43
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2646.00	2649.25	2633.88	0.13	-0.65	28.26
Silver	31.50	31.78	31.02	-0.59	0.13	32.37
Crude Oil	75.83	78.46	75.36	-1.70	8.59	7.33
Bitcoin	62341.32	63377.93	62133.17	-1.06	2.58	46.66
Etherium	2417.33	2457.49	2403.37	-0.99	3.21	5.92
Period	1M	3M	6M	12M		
SOFR (\$)	4.82	4.64	4.39	4.05		
ESTR (€)	2.56	3.15	2.92	2.56		
SONIA (£)	4.96	4.79	4.61	4.28		
SARON (F)	0.94	0.84	0.72	0.56		
TONAR (¥)	0.22	0.19	0.13	0.06		

Rates

U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.65
ECB Deposit Facility Announcement Rate	3.50
ECB Marginal Lending Facility Announcement Rate	3.90
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks struggled Monday as rising oil prices and higher Treasury yields weighed on market sentiment. Key releases in the week ahead include the Federal Reserve meeting minutes on Wednesday and the consumer price index report on Thursday.

EUROPE

European stocks started the new trading week on a positive note, buoyed by gains in Asia overnight and last Friday's rally on Wall Street, as investors monitor oil prices and await fresh data. Key releases for the remainder of the week include Fed minutes and German trade on Wednesday, U.S. inflation on Thursday and U.K. economic growth on Friday.

ASIA

The rally in Chinese markets lost steam on Tuesday after a briefing from the country's National Development and Reform Commission provided few details on further stimulus. Other Asia-Pacific markets mostly fell on Tuesday, with investors watching August pay and spending data out from Japan.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41954.24	-0.94	3.99	11.32	42210.00	-1.02
S&P	5695.94	-0.96	5.32	19.42	5743.50	-0.98
Nasdaq	17923.90	-1.18	7.39	19.40	19977.50	-1.24
DJ EuroStoxx50	4969.71	0.30	4.89	9.91	4942.00	-0.78
FTSE 100	8303.62	0.28	1.49	7.38	8293.50	-0.45
CAC 40	7576.02	0.46	3.04	0.44	7619.50	0.43
DAX	19104.10	-0.09	4.38	14.04	19067.00	-1.03
IBEX 35	11717.50	0.50	4.87	15.99	11705.60	0.55
FTSE MIB	33814.52	0.66	1.57	11.41	33695.00	0.64
Nikkei	39332.74	-1.09	6.91	16.26	38930.00	0.96
Hang Seng	23099.78	-7.94	21.91	24.75	21313.00	-6.74
DFM General	4395.05	-0.25	0.51	8.26	N/A	N/A
MSCI Tadawoul	11913.62	1.23	-0.57	-0.45	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.35	94.50	92.15	1.02	3.68	5.89
Solidere B	93.55	94.00	91.15	1.68	-1.16	4.00

MUST READ

(Source: Bloomberg/ Forexlive)

Oil edges lower after rallying to highest in over a month on Middle East war risk

Oil prices dipped in early Asian trading on Tuesday as traders took profits following a significant rally on Monday, driven by concerns over escalating tensions in the Middle East. Brent crude fell by 23 cents to \$80.70 per barrel, while U.S. West Texas Intermediate dropped by 20 cents to \$76.94. The previous day, both contracts surged over 3%, reaching their highest levels since late August, after Iran's missile attacks on Israel on October 1st heightened fears of regional conflict. The potential for Israel to expand its offensive into Lebanon amid increased fighting has added to market anxiety. Analysts note that while Israel may consider targeting Iranian oil infrastructure in retaliation, such actions are deemed unlikely. They also highlight that OPEC has a spare capacity of 7 million barrels per day, which could offset any significant loss from Iranian output. In the Gulf of Mexico, Hurricane Milton intensified into a Category 5 storm, prompting shutdowns of oil and gas platforms. Meanwhile, U.S. crude inventories are anticipated to rise by 1.9 million barrels for the week ending October 4, with key stockpile data expected from the American Petroleum Institute and the Energy Information Administration later in the week.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Pepsico Inc	PEP US	\$ 230.72B	08-Oct-24	Pre-mkt	2.30	2.25
Delta Airlines	DAL US	\$ 31.81B	10-Oct-24	Pre-mkt	1.48	2.03
JPMorgan Chase & Co	JPM US	\$ 600.96B	11-Oct-24	Pre-mkt	4.01	4.33
Blackrock Inc	BLK US	\$ 139.34B	11-Oct-24	Pre-mkt	10.27	10.91
Bank of New York	BK US	\$ 53.46B	11-Oct-24	Pre-mkt	1.41	1.27

ECONOMIC CALENDAR

(08-10-24) JP - BoP Current Account Balance
(09-10-24) US - MBA Mortgage Applications
(10-10-24) JP - PPI YoY / MoM
(10-10-24) US - CPI MoM / Core CPI
(11-10-24) DE - CPI YoY / MoM
(11-10-24) UK - Industrial Production MoM / YoY
(11-10-24) CA - Net Change in Employment / 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

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