

Daily Market Brief

December 8th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair remains capped below the 1.0800 mark during the early Asian session on Friday. The Eurozone's prospects remain gloomy and the markets believe the European Central Bank (ECB) will front-run the Federal Reserve (Fed) for rate cuts, which weigh on the Euro (EUR). Investors will keep an eye on the US employment report on Friday, including Nonfarm Payrolls (NFP), Unemployment Rate, Average Hourly Earnings, and the University of Michigan's Consumer Sentiment Index.

GBP/USD

The GBP/USD pair consolidates in a narrow range of 1.2583–1.2600 during the early Asian session on Friday. Traders prefer to wait on the sidelines ahead of the highly anticipated US Nonfarm Payrolls report. BoE Governor Bailey said interest rates would need to remain high for an extended period, and we are not currently in a position to discuss interest rate cuts. Traders will take cues from the US employment data on Friday.

USD/JPY

The USD/JPY finished Thursday down around 2%, with the Yen heading into Friday's market session deep in the green for the week. Markets have pared back over-eager Yen bids fueled by a potential end of BoJ negative rates. US NFP Friday still looms over broader markets, high-impact data to close out the week.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0783	1.0801	1.0782	-0.10	-0.93	0.73
GBP-USD	1.2584	1.2601	1.2583	-0.08	-0.99	4.15
USD-JPY	144.12	144.32	142.50	-0.01	1.87	-9.02
USD-CHF	0.8756	0.8760	0.8744	0.02	-0.73	5.58
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2029.36	2034.08	2026.96	0.04	-2.07	11.26
Silver	23.82	23.90	23.73	0.06	-6.55	-0.58
Crude Oil	70.79	70.90	69.50	2.09	-4.43	-7.81
Bitcoin	43371.01	43546.15	43147.99	-0.05	9.17	162.23
Etherium	2371.90	2390.89	2350.82	0.07	8.62	97.76
Period	1 M	3 M	12 M			
EURIBOR	3.86	3.95	3.73			
SOFR	5.36	5.37	5.03			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.61	4.15	4.26			
BTP - BUND	0.60	1.75	2.11			
GILTS	4.52	3.97	4.46			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rose Thursday, allowing the DJIA and S&P 500 to break three-day losing streaks as Friday's all-important jobs report loomed. Weekly jobless claims released Thursday were below economist expectations and a reading of continuing jobless claims declined, indicating that the pace of layoffs hasn't increased. Investors are hoping for signs of cooling in the labor market, leaving the Federal Reserve comfortable with its decision to halt interest rate hikes.

EUROPE

European markets slipped Thursday, reversing gains seen in the previous trading session. The Stoxx 600 index provisionally closed down 0.3%. Airline group Air France-KLM closed down 3.1%, with JPMorgan analysts cutting the stock to underweight from overweight.

ASIA

Asian shares were mostly higher on Friday ahead of a U.S. government jobs report, after Wall Street rose Thursday to snap its first three-day losing streak since Halloween. Updated data released on Friday showed Japan's economy shrank by 2.9% year-on-year in the July-September quarter, worse than estimated earlier.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	36117.38	0.17	5.88	8.96	36173.00	0.02
S&P	4585.59	0.80	4.63	19.43	4587.25	-0.05
Nasdaq	14339.99	1.37	5.05	37.01	16012.75	-0.17
DJ EuroStoxx50	4473.77	-0.21	7.07	17.93	4489.00	0.25
FTSE 100	7513.72	-0.02	1.51	0.83	7543.50	0.22
CAC 40	7428.52	0.00	5.61	14.75	7435.50	N/A
DAX	16628.99	-0.16	9.19	19.43	16683.00	0.15
IBEX 35	10146.00	-1.09	9.29	23.29	10137.90	N/A
FTSE MIB	30121.77	-0.67	5.94	27.06	30154.00	N/A
Nikkei	32307.86	-1.68	0.44	23.81	33010.00	0.00
Hang Seng	16345.89	-0.04	-7.00	-17.40	16374.00	-0.03
DFM General	3956.26	-0.09	-0.31	18.49	N/A	N/A
MSCI Tadawoul	11225.35	0.46	2.71	7.13	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	68.00	0.72	4.40	14.94
Solidere B	67.85	70.00	66.85	0.22	0.44	12.43

MUST READ

(Source: Bloomberg/Forexlive)

99% of Americans will be financially worse-off than they were pre-pandemic by mid-2024, JPMorgan says

The majority of Americans have burned through their excess savings piled up during the COVID-19 pandemic, and in the coming months, JPMorgan says it is likely that almost everyone will be worse off financially than they were in 2019. In a Thursday note, the bank's top stock strategist Marko Kolanovic said 80% of consumers, a group that accounts for nearly two-thirds of consumption, has already depleted any savings cushion they may have built during lockdowns. "It is likely that only the top 1% of consumers by income will be better off than before the pandemic," Kolanovic wrote, pointing to the growing signs of credit card and auto loan delinquencies, as well as Chapter 11 filings. "Consumers are facing tighter credit conditions and rising rates, wind-down of Covid-era stimulus and relief programs, declining excess savings and liquidity, and multiple years of above average inflation," JPMorgan strategists wrote at the time. JPMorgan notes that, fortunately there is little sign of systemic weakness in housing, though the market remains largely frozen amid high borrowing costs. "There are no significant delinquencies in residential mortgages yet, as consumers locked in low interest rates." "However, existing home sales have dropped near record lows, and ~\$6.5 trillion of commercial real estate debt remains an overhang."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Johnson Outdoor	JOUT US	\$558M	08-Dec-23	Pre-mkt	-0.32	0.95
Hello Group Inc	MOMO US	\$1.24B	08-Dec-23	Pre-mkt	2.50	2.60
Oracle Corp	ORCL US	\$309.19B	11-Dec-23	Aft-mkt	1.33	1.21
Casey's General S	CASY US	\$10.24B	11-Dec-23	Aft-mkt	3.63	3.67
Nordson Corpora	NDSN	\$13.75B	13-Dec-23	Aft-mkt	2.40	2.44

ECONOMIC CALENDAR

(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
(08-12-23) US - University of Michigan Sentiment
(12-12-23) JP - PPI YoY
(12-12-23) UK - Jobless Claims Change

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