

# Daily Market Brief

January 9th 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EUR/USD

The EUR/USD pair trades with a positive bias for the second straight day on Tuesday, albeit lacks follow-through and remains confined in the previous day's broader range. DXY retreats further amid expectations for an imminent shift in the Federal Reserve's (Fed) policy stance. Expectations that the European Central Bank (ECB) will keep interest rates at record highs for some time, bolstered by the expected jump in the Eurozone inflation last month.

### GBP/USD

The GBP/USD pair traded in positive territory for the fifth consecutive day during the early Asian trading hours on Tuesday. The US labor data last week weakened the Federal Reserve's (Fed) case for rate cuts. A former member of the Bank of England's (BoE) monetary policy committee said the central bank will not be in a position to begin cutting interest rates in 2024 especially with escalating tensions in the Middle East that might result in new energy price rise.

### USD/JPY

The USD/JPY begins the week on the back foot with the major sliding 0.33%, weighed by falling US Treasury bond yields and a soft US Dollar (USD). The lack of a catalyst on Monday keeps traders focused on the main event of the week, which is the inflation report in the US.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0951   | 1.0966   | 1.0948   | 0.01    | 0.08     | -0.80 |
| GBP-USD     | 1.2736   | 1.2765   | 1.2735   | -0.09   | 0.94     | 0.04  |
| USD-JPY     | 143.94   | 144.28   | 143.42   | -0.20   | -1.35    | -2.01 |
| USD-CHF     | 0.8483   | 0.8484   | 0.8464   | 0.02    | 0.25     | -0.81 |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 2034.47  | 2035.92  | 2028.05  | 0.32    | -0.45    | -1.38 |
| Silver      | 23.12    | 23.19    | 23.08    | 0.04    | 0.47     | -2.85 |
| Crude Oil   | 70.62    | 71.09    | 70.47    | -0.21   | 0.34     | -1.44 |
| Bitcoin     | 46752.10 | 47178.67 | 46287.01 | -0.77   | 5.09     | 9.98  |
| Etherium    | 2303.41  | 2344.30  | 2291.75  | -1.53   | 1.21     | 0.92  |
| Period      | 1 M      | 3 M      | 12 M     |         |          |       |
| EURIBOR     | 3.88     | 3.94     | 3.58     |         |          |       |
| SOFR        | 5.34     | 5.33     | 4.85     |         |          |       |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US          | 4.38     | 4.02     | 4.18     |         |          |       |
| BTP - BUND  | 0.58     | 1.68     | 2.09     |         |          |       |
| GILTS       | 4.22     | 3.77     | 4.39     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

The major averages rose Monday, boosted by tech shares, as Wall Street tried to recover from a tough week. Investors are buying the dip with the technology sector, which lost 4% last week, as yields fell on Monday. Nvidia rose more than 6%, reaching an all-time high, and Amazon climbed 2.6% to help pull the Nasdaq higher. Boeing fell 8% following the temporary grounding of dozens of Boeing 737 Max 9 aircraft for inspections.

### EUROPE

European markets turned positive Monday, shaking off the negative sentiment seen at the start of trading in 2024. Oil and gas stocks meanwhile dropped 1.55% after Saudi Arabia announced price cuts to customers in Asia, and Shell said its upcoming fourth-quarter results would contain impairment charges of up to \$4.5 billion.

### ASIA

Hong Kong market led losses in Asia-Pacific on Monday, followed by China stocks which dropped after shadow banking conglomerate Zhongzhi Enterprise Group filed for bankruptcy liquidation late Friday. Japan's markets are closed for a public holiday, and will resume trading on Tuesday.

| Index          | Close    | % Daily | % M   | YTD   | Futures  | % Change |
|----------------|----------|---------|-------|-------|----------|----------|
| DJIA           | 37683.01 | 0.58    | 3.96  | -0.02 | 37884.00 | -0.13    |
| S&P            | 4763.54  | 1.41    | 3.46  | -0.13 | 4796.50  | -0.10    |
| Nasdaq         | 14843.77 | 2.20    | 3.05  | -1.12 | 16783.75 | -0.12    |
| DJ EuroStoxx50 | 4485.48  | 0.49    | -0.84 | -0.80 | 4522.00  | 0.29     |
| FTSE 100       | 7694.19  | 0.06    | 1.85  | -0.50 | 7720.50  | 0.35     |
| CAC 40         | 7450.24  | 0.40    | -1.01 | -1.23 | 7459.50  | N/A      |
| DAX            | 16716.47 | 0.74    | -0.26 | -0.21 | 16890.00 | 0.27     |
| IBEX 35        | 10209.00 | 0.44    | -0.14 | 1.06  | 10180.50 | N/A      |
| FTSE MIB       | 30569.92 | 0.42    | 0.55  | 0.72  | 30691.00 | N/A      |
| Nikkei         | 33763.18 | 1.16    | 4.50  | 0.89  | 33760.00 | 1.32     |
| Hang Seng      | 16224.45 | 0.25    | -0.43 | -4.59 | 16317.00 | 0.37     |
| DFM General    | 4089.40  | 0.34    | 3.84  | 1.07  | N/A      | N/A      |
| MSCI Tadawoul  | 12252.06 | -0.27   | 9.15  | 2.38  | N/A      | N/A      |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD    |
|------------|------------|-------|-------|---------|----------|--------|
| Solidere A | 81.10      | 81.10 | 81.10 | 0.00    | -8.98    | -8.98  |
| Solidere B | 80.10      | 80.10 | 80.10 | 0.00    | -10.95   | -10.95 |

## MUST READ

(Source: Bloomberg/ Forexlive)

### Investors are rushing to short oil

Energy traders are piling into oil short bets on the price of oil as Saudi Arabia slashes prices on its flagship crude markets expect commodity funds will soon sell billions worth of US oil futures contracts. Short positions in Brent crude and West Texas Intermediate crude rose 61,000 the last week, according to data from the Intercontinental Exchange and the Commodities Futures Trading Commission. That's the largest increase in short positions since March of last year, Bloomberg reported on Monday. The big rise in bets that prices will fall largely stems from Saudi Arabia's price cuts for its flagship crude product – a rare move from the de facto OPEC+ leader, which also cut production aggressively last year in a bid to boost prices. Saudi Aramco, Saudi Arabia's state-run oil giant, cut the February official selling price of its Arab Light Crude on Sunday to its cheapest level in over two years for its Asian customers. Meanwhile, major commodities funds look poised to start selling US crude futures contracts to rebalance as the new year gets underway, which has also sparked a jump in bets that oil prices could fall. Commodities funds that track the Bloomberg Commodity Index and the S&P GSCI could sell around \$2 billion worth of futures contracts this week, according to a Citigroup estimate seen by Bloomberg. Saudi Arabia's recent price cut could be a sign that the kingdom sees lower crude demand, or is potentially trying to counter the West's booming crude production by waging a "market share war," some energy analysts say.

## MAIN WEEKLY EARNINGS

| Company           | Ticker  | Market Cap  | Date      | Time    | Estimate | Year Ago |
|-------------------|---------|-------------|-----------|---------|----------|----------|
| Albertsons Cos In | ACI US  | \$ 13.24 B  | 09-Jan-24 | Pre-mkt | 0.65     | 0.87     |
| Manchester Unite  | MANU US | \$ 3.31 B   | 09-Jan-24 | Pre-mkt | -0.07    | -0.06    |
| Blackrock Inc     | BLK US  | \$ 119.36 B | 12-Jan-24 | Pre-mkt | 8.77     | 8.93     |
| Citigroup Inc     | C US    | \$ 103.37 B | 12-Jan-24 | Pre-mkt | 0.79     | 1.10     |
| JPMorgan Chase i  | JPM US  | \$ 497.31 B | 12-Jan-24 | Pre-mkt | 3.59     | 3.57     |

## ECONOMIC CALENDAR

(09-01-23) JP - Tokyo CPI YoY  
(09-01-23) DE - Industrial Production SA MoM  
(09-01-23) US - Trade Balance  
(10-01-23) FR - Industrial Production MoM  
(10-01-23) US - MBA Mortgage Applications  
(11-01-23) US - Headline & Core CPI MoM  
(11-01-23) US - Initial Jobless Claims

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